

## 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                    | 222                    | 0                | (19)                      | -8%                       | (19)                    | 0        |
| HR                            | 1,342          | 55                 | 1,397                  | 1,360                  | 0                | (37)                      | -3%                       | (37)                    | 0        |
| <b>Total Chief Executives</b> | <b>1,583</b>   | <b>55</b>          | <b>1,638</b>           | <b>1,582</b>           | <b>0</b>         | <b>(56)</b>               | <b>-3%</b>                | <b>(56)</b>             | <b>0</b> |

The Chief Executive's department is reporting a small staffing and supplies and services related underspend of £0.056m

### 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    | 340            | 0                  | 340                    | 288                    | 0                | (52)                      | -15%                      | (27)                    | (25)       |
| Legal Services            | 1,590          | 18                 | 1,608                  | 1,766                  | 0                | 158                       | 10%                       | 112                     | 46         |
| Constitutional Services   | 2,053          | 0                  | 2,053                  | 2,028                  | 0                | (25)                      | -1%                       | (7)                     | (18)       |
| Performance & Information | 191            | 57                 | 248                    | 240                    | 0                | (8)                       | -3%                       | 1                       | (9)        |
| Coroners Service          | 480            | 0                  | 480                    | 636                    | 0                | 156                       | 33%                       | 156                     | 0          |
| <b>Total Governance</b>   | <b>4,654</b>   | <b>75</b>          | <b>4,729</b>           | <b>4,958</b>           | <b>0</b>         | <b>229</b>                | <b>5%</b>                 | <b>235</b>              | <b>(6)</b> |

Currently the Governance department is forecasting £0.229m overspend.

### Coroner Service

There is a forecast pressure of £0.156m 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, budget pressures from additional staff hired, and a number of complex cases. The Council is awaiting further detail from Cambridgeshire County Council on the overspend and will be reported in due course, however this pressure is likely to continue into future years and a bid for investment is expected to be brought forward in Tranche 3 of the process.

### Legal Services

There is a forecast overspend of £0.158m within the legal team largely due to staffing costs as a result of increased workloads relating to Child Protection, General Data Protection Regulation (GDPR), Homelessness and a compensation payment.

**Growth & Regeneration**

|  | Budget<br>2018/19 | Cont. from<br>reserve | Revised<br>Budget<br>2018/19 | Forecast<br>Spend<br>2018/19 | Cont. to<br>reserve | Forecast<br>Variance<br>2018/19 | Forecast<br>Variance<br>2018/19 | Previous<br>Month<br>Variance | Movem<br>ent |
|--|-------------------|-----------------------|------------------------------|------------------------------|---------------------|---------------------------------|---------------------------------|-------------------------------|--------------|
| Budget Group                           | £000              | £000                  | £000                         | £000                         | £000                | £000                            | %                               | £000                          | £000         |
| Development and Construction           | 173               | 0                     | 173                          | 247                          | 0                   | 74                              | 43%                             | 40                            | 34           |
| Director, OP & JV                      | (67)              | 0                     | (67)                         | (47)                         | 0                   | 20                              | -30%                            | 25                            | (5)          |
| Peterborough Highway Services          | 9,147             | 0                     | 9,147                        | 9,086                        | 0                   | (61)                            | -1%                             | 45                            | (106)        |
| Sustainable Growth Strategy            | 1,465             | 194                   | 1,659                        | 1,546                        | 0                   | (113)                           | -7%                             | (90)                          | (23)         |
| Waste, Cleansing and Open Spaces       | 12,266            | 0                     | 12,266                       | 12,402                       | 0                   | 136                             | 1%                              | 159                           | (23)         |
| Westcombe Engineering                  | 91                | 0                     | 91                           | 91                           | 0                   | 0                               | 0%                              | 0                             | 0            |
| Corporate Property                     | 1,227             | 152                   | 1,379                        | 1,688                        | 0                   | 309                             | 22%                             | 436                           | (127)        |
| Resilience & Health & Safety           | 249               | 0                     | 249                          | 209                          | 0                   | (40)                            | -16%                            | (41)                          | 1            |
| City Centre Management                 | 318               | 0                     | 318                          | 515                          | 0                   | 197                             | 62%                             | 231                           | (34)         |
| Marketing & Communications             | 254               | 0                     | 254                          | 348                          | 0                   | 94                              | 37%                             | 95                            | (1)          |
| Parking Services                       | (2,096)           | 0                     | (2,096)                      | (1,553)                      | 0                   | 543                             | -26%                            | 640                           | (97)         |
| Regulatory Services                    | 670               | 20                    | 690                          | 565                          | 0                   | (125)                           | -18%                            | (123)                         | (2)          |
| Service Director Environment & Economy | 153               | 0                     | 153                          | 197                          | 0                   | 44                              | 29%                             | 44                            | 0            |
| <b>Total Growth and Regeneration</b>   | <b>23,850</b>     | <b>366</b>            | <b>24,216</b>                | <b>25,294</b>                | <b>0</b>            | <b>1,078</b>                    | <b>4%</b>                       | <b>1,461</b>                  | <b>(383)</b> |

Currently the Growth and Regeneration department is forecasting £1.078m 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.

Due to a high workload and agency staff covering vacant posts employee costs are forecast to overspend by £0.103m. However additional income of £0.151m has been generated which offsets this pressure.

Various small savings have been identified including Concessionary fares £0.055m and Transport Planning matching Combined Authority funding £0.074m. Offset by Queensgate Bus Station rates £0.011m, staff recharges £0.020m, Network Management utility debtor invoices not paid £0.036m, others £0.006m.

Bus Services - applying BSOG funding to enhance and develop further existing services and reduced Voluntary Partnership Arrangement (Stagecoach) £0.105m

**Sustainable Growth Strategy**

Savings on Employee costs £0.058m, additional income £0.090m, miscellaneous small pressures £0.034m.

### **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 £0.503m. 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 there are costs of £0.060m relating to the existing site contract extension costs.

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 costs to the 1 February is £0.958m, 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 offsetting a proportion of the additional costs.

Further overspends relate to the closure of the WEE facility being delayed £0.020m, an income shortfall for charging for bins in new properties £0.066m, and specialist pavement cleansing in the City Centre £0.032m.

### **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. There has been a saving of £0.128m on Sand Martin House rent as the occupancy date was later than anticipated. Revenue costs associated with the feasibility and abortive works for capital projects amounts to £0.100m. A budget will need to be established for this in future years.

### **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. Other small pressures £0.046m.

### **Parking Services**

At present the forecast income is £0.423m lower than the budget for off street car parking, including staff car parking. This forecast is based on a reduction in current parking volumes and the additional multi-storey car park capacity which is not yet operating commercially. There is also a forecast pressure relating to the costs from National Non-Domestic Rates (Business Rates), security, cleaning, and Ringo (debit/credit card charges), which totals £0.120m.

**Regulatory Services**

Employee cost savings £0.125m.

**People & Communities**

|  | Budget<br>2018/19 | Cont. from<br>reserve | Revised<br>Budget<br>2018/19 | Forecast<br>Spend<br>2018/19 | Cont. to<br>reserve | Forecast<br>Variance<br>2018/19 | Forecast<br>Variance<br>2018/19 | Previous<br>Month<br>Variance | Move<br>ment |
|--|-------------------|-----------------------|------------------------------|------------------------------|---------------------|---------------------------------|---------------------------------|-------------------------------|--------------|
| <b>Budget Group</b>                      | <b>£000</b>       | <b>£000</b>           | <b>£000</b>                  | <b>£000</b>                  | <b>£000</b>         | <b>£000</b>                     | <b>%</b>                        | <b>£000</b>                   | <b>£000</b>  |
| Adults                                   | 44,185            | 0                     | 44,185                       | 43,560                       |                     | (625)                           | -1%                             | (627)                         | 2            |
| Commissioning &<br>Commercial Operations | 14,098            | 250                   | 14,348                       | 18,923                       |                     | 4,575                           | 32%                             | 4,576                         | (1)          |
| Children's &<br>Safeguarding             | 10,898            | 0                     | 10,898                       | 10,897                       |                     | (1)                             | 0%                              | 3                             | (4)          |
| Director                                 | 812               | 0                     | 812                          | 822                          |                     | 10                              | 1%                              | 13                            | (3)          |
| Education                                | 5,494             | 0                     | 5,494                        | 5,526                        |                     | 32                              | 1%                              | 19                            | 13           |
| Communities                              | 8,710             | 78                    | 8,788                        | 8,963                        |                     | 175                             | 2%                              | 342                           | (167)        |
| Dedicated Schools Grant                  | 262               | 0                     | 262                          | 262                          |                     | 0                               | 0%                              | 0                             | 0            |
| <b>Total People and<br/>Communities</b>  | <b>84,459</b>     | <b>328</b>            | <b>84,787</b>                | <b>88,953</b>                | <b>0</b>            | <b>4,166</b>                    | <b>5%</b>                       | <b>4,326</b>                  | <b>(160)</b> |

## Further Breakdown in to the key service areas:

|  | Budget<br>2018/19 | Cont. from<br>reserve | Revised<br>Budget<br>2018/19 | Forecast<br>Spend<br>2018/19 | Cont. to<br>reserve | Forecast<br>Variance<br>2018/19 | Forecast<br>Variance<br>2018/19 | Previous<br>Month<br>Variance | Movemen<br>t |
|--|-------------------|-----------------------|------------------------------|------------------------------|---------------------|---------------------------------|---------------------------------|-------------------------------|--------------|
|  | £000              | £000                  | £000                         | £000                         | £000                | £000                            | %                               | £000                          | £000         |
| <b>Adults:</b>   |                   |                       |                              |                              |                     |                                 |                                 |                               |              |
| Independent Sector Placements                          | 32,067            |                       | 32,067                       | 32,817                       |                     | 750                             | 2%                              | 750                           | 0            |
| Adult Social Care Teams                                | 7,352             |                       | 7,352                        | 7,162                        |                     | (190)                           | -3%                             | (112)                         | (78)         |
| Block Contracts  | 6,352             |                       | 6,352                        | 6,260                        |                     | (92)                            | -1%                             | (92)                          | 0            |
| Financing  | (3,074)           |                       | (3,074)                      | (4,121)                      |                     | (1,047)                         | 34%                             | (1,173)                       | 126          |
| Home Service Delivery Model                            | 1,488             |                       | 1,488                        | 1,442                        |                     | (46)                            | -3%                             | 0                             | (47)         |
| <b>Total Adults</b>                                    | <b>44,185</b>     | <b>0</b>              | <b>44,185</b>                | <b>43,560</b>                | <b>0</b>            | <b>(625)</b>                    | <b>-1%</b>                      | <b>(627)</b>                  | <b>2</b>     |
| <b>Commissioning &amp; Commercial Operations:</b>      |                   |                       |                              |                              |                     |                                 |                                 |                               |              |
| Permanency Service                                     | 12,523            |                       | 12,523                       | 17,060                       |                     | 4,537                           | 36%                             | 4,537                         | 0            |
| Clare Lodge  | (1,171)           | 250                   | (921)                        | (922)                        |                     | (1)                             | 0%                              | (1)                           | 0            |
| Commissioning & Commercial Operations - Other          | 2,746             |                       | 2,746                        | 2,785                        |                     | 39                              | 1%                              | 40                            | (1)          |
| <b>Total Commissioning &amp; Commercial Operations</b> | <b>14,098</b>     | <b>250</b>            | <b>14,348</b>                | <b>18,923</b>                | <b>0</b>            | <b>4,575</b>                    | <b>32%</b>                      | <b>4,576</b>                  | <b>(1)</b>   |
| <b>Children's &amp; Safeguarding:</b>                  |                   |                       |                              |                              |                     |                                 |                                 |                               |              |
| Children's Social Care                                 | 6,821             |                       | 6,821                        | 6,824                        |                     | 3                               | 0%                              | 4                             | (1)          |
| Children's - Other                                     | 4,077             |                       | 4,077                        | 4,073                        |                     | (4)                             | 0%                              | (1)                           | (3)          |
| <b>Total Children's &amp; Safeguarding</b>             | <b>10,898</b>     | <b>0</b>              | <b>10,898</b>                | <b>10,897</b>                | <b>0</b>            | <b>(1)</b>                      | <b>0%</b>                       | <b>3</b>                      | <b>(4)</b>   |
| <b>Director:</b>                                       |                   |                       |                              |                              |                     |                                 |                                 |                               |              |
| Director   | 2,137             |                       | 2,137                        | 2,147                        |                     | 10                              | 0%                              | 13                            | (3)          |
| Department Savings target                              | (1,325)           |                       | (1,325)                      | (1,325)                      |                     | 0                               | 0%                              | 0                             | 0            |
| <b>Total Director</b>                                  | <b>812</b>        | <b>0</b>              | <b>812</b>                   | <b>822</b>                   | <b>0</b>            | <b>10</b>                       | <b>1%</b>                       | <b>13</b>                     | <b>(3)</b>   |
| <b>Education:</b>                                      |                   |                       |                              |                              |                     |                                 |                                 |                               |              |
| Home To School & Childrens Social Care Transport       | 4,001             |                       | 4,001                        | 4,013                        |                     | 12                              | 0%                              | 14                            | (2)          |
| School Improvement Traded Service                      | (937)             |                       | (937)                        | (937)                        |                     | 0                               | 0%                              | 0                             | 0            |
| Education - Other                                      | 2,430             |                       | 2,430                        | 2,450                        |                     | 20                              | 1%                              | 5                             | 15           |
| <b>Total Education</b>                                 | <b>5,494</b>      | <b>0</b>              | <b>5,494</b>                 | <b>5,526</b>                 | <b>0</b>            | <b>32</b>                       | <b>1%</b>                       | <b>19</b>                     | <b>13</b>    |
| <b>Communities:</b>                                    |                   |                       |                              |                              |                     |                                 |                                 |                               |              |
| Housing  | 2,392             |                       | 2,392                        | 2,444                        |                     | 52                              | 2%                              | 212                           | (160)        |
| Cultural Services                                      | 2,371             |                       | 2,371                        | 2,586                        |                     | 215                             | 9%                              | 214                           | 1            |
| Targeted Youth Support Service (TYSS)                  | 1,572             |                       | 1,572                        | 1,474                        |                     | (98)                            | -6%                             | (100)                         | 2            |
| Prevention Enforcement Service (PES)                   | 552               |                       | 552                          | 499                          |                     | (53)                            | -10%                            | (52)                          | (1)          |
| Communities - Other                                    | 1,823             | 78                    | 1,901                        | 1,960                        |                     | 59                              | 3%                              | 68                            | (9)          |
| <b>Total Communities</b>                               | <b>8,710</b>      | <b>78</b>             | <b>8,788</b>                 | <b>8,963</b>                 | <b>0</b>            | <b>175</b>                      | <b>2%</b>                       | <b>342</b>                    | <b>(167)</b> |
| Dedicated Schools Grant                                | 262               |                       | 262                          | 262                          |                     | 0                               | 0%                              | 0                             | 0            |
| <b>Total People and Communities</b>                    | <b>84,459</b>     | <b>328</b>            | <b>84,787</b>                | <b>88,953</b>                | <b>0</b>            | <b>4,166</b>                    | <b>5%</b>                       | <b>4,326</b>                  | <b>(160)</b> |

**Adults- Independent Sector Placements**

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. This pressure is being mitigated with savings in other services within adults, see detail below.

**Adults- Adult Social Care Teams**

Overall there is a £0.190m forecast underspend on all operational teams. Within this there are savings on staffing £0.162m, Occupational Therapy equipment £0.025m, other £0.003m.

**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 Independent Sector Placements with services such as carers sitting services and respite.

**Adults- Financing**

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 £0.034m underspend on vacant posts and £0.010m on commissioned surveyor work, other underspends are £0.002m.

**Commissioning- Permanency Service (TACT)**

The Council is forecasting to overspend by £4.537m within this area. This is the result of 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. This is partially offset by other small underspends are £0.005m.

**Children's Social Care**

Staffing costs are forecast to underspend by £0.007m, Financial Assistance overspend £0.013m, and other underspends £0.003m. A risk exists around Financial Assistance and 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 pipeline savings. There is a pressure of £0.014m due to staff regrading, and other small underspends £0.004m.

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

An adverse variance of £0.012m is reported with regard to Passenger Transport Team staffing budget. The Home to School Transport forecast indicates a small underspend. There are over 190 pending transport applications so a zero variance has been reported.

**Education- Other**

An adverse variance of £0.079m 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. A favourable variance of £0.050m is reported in regard to School Attendance Fines along with other small variances of £0.009m.

**Communities- Housing**

Housing is forecast to overspend by a total of £0.052m. Temporary Accommodation costs are forecast to overspend by £0.187m. The forecast has reduced by £0.144m from the £0.331m overspend reported in August, this is due to a reduction in the number of households requiring temporary accommodation, in comparison to previously forecast. This is offset by a projected underspend on staffing of £0.142m. Other budget headings are forecast to overspend by £0.007m.

**Communities- Cultural Services**

Cultural Services is forecast to overspend by £0.215m. This represents the non-achievement of the £0.250m 2017/18 and 2018/19 MTFS savings, offset by other savings of £0.035m.

**Communities- Targeted Youth Support Service (TYSS)**

The TYSS is forecast to underspend by £0.098m, this relates to holding staff vacancies pending new service implementation. This comprises a forecast underspend of £0.132m on employee costs, offset by other pressures of £0.034m.

**Communities- Prevention Enforcement Service (PES)**

The PES is forecast to underspend by £0.053m. This comprises a £0.134m forecast underspend on staffing and an underspend of £0.112m against non-staffing budgets. There is also an under recovery of £0.193m in relation to income from Penalty Charge Notices, Fixed Penalty Notice & CCTV.

**Communities – Other**

There is a forecast overspend of £0.059m. This comprises a £0.101m adverse variance against non-staffing budgets offset by a £0.042m underspend on staffing.

**Public Health**

| 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 | Previous Month Variance | Movement |
|---|----------------|--------------------|------------------------|------------------------|------------------|---------------------------|---------------------------|-------------------------|----------|
|   | £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        |
| <b>Total Public Health</b>              | <b>(126)</b>   | <b>198</b>         | <b>72</b>              | <b>72</b>              | <b>0</b>         | <b>0</b>                  | <b>0%</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 | Previous Month Variance | Movement       |
|--|----------------|--------------------|------------------------|------------------------|------------------|---------------------------|---------------------------|-------------------------|----------------|
|  | £000           | £000               | £000                   | £000                   | £000             | £000                      | %                         | £000                    | £000           |
| Director's Office                        | 112            | 0                  | 112                    | 200                    |                  | 88                        | 79%                       | 86                      | 2              |
| Financial Services                       | 3,284          | 0                  | 3,284                  | 3,334                  |                  | 50                        | 2%                        | 45                      | 5              |
| Programme Management Office              | 139            | 0                  | 139                    | 124                    |                  | (15)                      | -11%                      | (15)                    | 0              |
| Capital Financing                        | 18,321         | 0                  | 18,321                 | 15,592                 |                  | (2,729)                   | -15%                      | (1,836)                 | (893)          |
| Corporate Items                          | 4,955          | 0                  | 4,955                  | 4,919                  |                  | (36)                      | -1%                       | (36)                    | 0              |
| Peterborough Serco Strategic Partnership | 5,765          | 0                  | 5,765                  | 7,870                  |                  | 2,105                     | 37%                       | 2,105                   | 0              |
| ICT                                      | 5,302          | 0                  | 5,302                  | 5,889                  |                  | 587                       | 11%                       | 538                     | 49             |
| Energy                                   | 780            | 0                  | 780                    | 288                    |                  | (492)                     | -63%                      | (294)                   | (198)          |
| Cemeteries, Cremation & Registrars       | (1,390)        | 0                  | (1,390)                | (1,406)                |                  | (16)                      | 1%                        | (28)                    | 12             |
| <b>Total Resources</b>                   | <b>37,268</b>  | <b>0</b>           | <b>37,268</b>          | <b>36,810</b>          | <b>0</b>         | <b>(458)</b>              | <b>-1%</b>                | <b>565</b>              | <b>(1,023)</b> |

**Capital Financing and Capital Receipts**

The forecast underspend for Capital Financing has increased to £2.729m as a result of the decision to apply additional capital receipts to offset the minimum revenue provision (MRP) in the 2018/19 financial year. In addition, the reprofiling 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 forecast cost of raising new loans has been based on a capital programme of £118m, of which £73m is based on new borrowing as the timing of the Empower loan repayment is still to be determined. This is based on the capital programme as contained in the Tranche Two Cabinet report. It is still expected for this borrowing requirement to reduce in future months due to reprofiling of the capital programme to a more deliverable level of £100m, however exact details are to be confirmed and therefore has not been factored into the forecast outturn.

### **Peterborough Serco Strategic Partnership (PSSP)**

The overspend forecast in this service is from a combination of three key areas. 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. However, overall variable spend with Serco has not yet reduced, due to ongoing programmes of work. Whilst budgets are in place for these works, these are mainly one off, and it has not been possible to make the planned ongoing budget reduction of £1m. The pattern of spend will be kept under constant review and the forecast outturn updated should a reduction in expenditure be experienced in the remaining months which will be used to inform the MTFS setting process.
- The Serco Business support saving of £0.100m.

These pressures are 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 £0.792m pressure.

There is a pressure against the core contract budget in 2018/19 due to one-off costs associated with new change controls being implemented £0.219m. However, a rebate received in year within the core contract budget, following a prior year change control notice reconciliation has offset the above pressures by £0.741m.

### **Energy**

The Council has received additional interest income from extending a loan arrangement with Empower Community Management LLP in respect of solar installations.

## 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<br>£000 | Cont. from reserves<br>£000 | Revised Budget 2018/19<br>£000 | Forecast Spend 2018/19<br>£000 | Cont. to reserves<br>£000 | Forecast Variance 2018/19<br>£000 | Forecast Variance 2018/19<br>% | Previous Month Variance<br>£000 | Movement<br>£000 |
|---|------------------------|-----------------------------|--------------------------------|--------------------------------|---------------------------|-----------------------------------|--------------------------------|---------------------------------|------------------|
| Council Tax                                     | (68,110)               |                             | (68,110)                       | (68,110)                       |                           | 0                                 | 0.00%                          | 0                               | 0                |
| Council Tax - Adult Social Care precept         | (5,328)                |                             | (5,328)                        | (5,328)                        |                           | 0                                 | 0.00%                          | 0                               | 0                |
| NNDR Income                                     | (45,465)               |                             | (45,465)                       | (45,514)                       |                           | (49)                              | 0.11%                          | (49)                            | 0                |
| NNDR Levy                                       | 216                    |                             | 216                            | 216                            |                           | 0                                 | 0.00%                          | 0                               | 0                |
| NNDR S31 grants                                 | (3,128)                |                             | (3,128)                        | (3,128)                        |                           | 0                                 | 0.00%                          | 0                               | 0                |
| NNDR Tarriff                                    | 2,370                  |                             | 2,370                          | 2,370                          |                           | 0                                 | 0.00%                          | 0                               | 0                |
| Revenue Support Grant                           | (15,056)               |                             | (15,056)                       | (15,056)                       |                           | 0                                 | 0.00%                          | 0                               | 0                |
| Parish Precept                                  | (586)                  |                             | (586)                          | (586)                          |                           | 0                                 | 0.00%                          | 0                               | 0                |
| New Homes Bonus                                 | (5,152)                |                             | (5,152)                        | (5,152)                        |                           | 0                                 | 0.00%                          | 0                               | 0                |
| Section 31 Grant                                | (5,742)                |                             | (5,742)                        | (5,742)                        |                           | 0                                 | 0.00%                          | 0                               | 0                |
| Contribution from/to Grant Equalisation Reserve | (4,231)                |                             | (4,231)                        | (4,231)                        |                           | 0                                 | 0.00%                          | 0                               | 0                |
| Contribution from/to Reserves                   | 0                      | (1,023)                     | (1,023)                        | (1,023)                        |                           | 0                                 | 0.00%                          | 0                               | 0                |
| Contribution to Capacity Reserve                | 0                      |                             | 0                              | 0                              |                           | 0                                 | 0.00%                          | 0                               | 0                |
| Collection Fund - Council Tax                   | (1,188)                |                             | (1,188)                        | (1,188)                        |                           | 0                                 | 0.00%                          | 0                               | 0                |
| Collection Fund - NDR                           | (287)                  |                             | (287)                          | (287)                          |                           | 0                                 | 0.00%                          | 0                               | 0                |
| <b>Total Financing</b>                          | <b>(151,687)</b>       | <b>(1,023)</b>              | <b>(152,710)</b>               | <b>(152,759)</b>               | <b>0</b>                  | <b>(49)</b>                       | <b>0.03%</b>                   | <b>(49)</b>                     | <b>0</b>         |

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

