

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	1,345	0	(52)	-4%	(37)	(15)
Total Chief Executives	1,583	55	1,638	1,567	0	(71)	-4%	(56)	(15)

The Chief Executive's department is reporting a small staffing and supplies and services related underspend of £0.071m

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	241	0	(99)	-29%	(52)	(47)
Legal Services	1,590	54	1,644	1,826	0	182	11%	158	24
Constitutional Services	2,053	0	2,053	2,041	0	(12)	-1%	(25)	13
Performance & Information	191	57	248	240	0	(8)	-3%	(8)	0
Coroners Service	480	0	480	636	0	156	33%	156	0
Total Governance	4,654	111	4,765	4,984	0	219	5%	229	(10)

Currently the Governance department is forecasting £0.219m overspend.

Legal Services

There is a forecast overspend of £0.182m 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.

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.

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	173	0	173	237	0	64	37%	74	(10)
Director, OP & JV	(67)	0	(67)	(47)	0	20	-30%	20	0
Peterborough Highway Services	9,147	0	9,147	9,044	0	(103)	-1%	(61)	(42)
Sustainable Growth Strategy	1,465	194	1,659	1,520	0	(139)	-8%	(113)	(26)
Waste, Cleansing and Open Spaces	12,266	0	12,266	12,463	0	197	2%	136	61
Westcombe Engineering	91	0	91	91	0	0	0%	0	0
Corporate Property	1,227	186	1,413	1,721	0	308	22%	309	(1)
Resilience & Health & Safety	249	0	249	208	0	(41)	-16%	(40)	(1)
City Centre Management	318	0	318	531	0	213	67%	197	16
Marketing & Communications	254	0	254	362	0	108	43%	94	14
Parking Services	(2,096)	0	(2,096)	(1,552)	0	544	-26%	543	1
Regulatory Services	670	20	690	564	0	(126)	-18%	(125)	(1)
Service Director Environment & Economy	153	0	153	197	0	44	29%	44	0
Total Growth and Regeneration	23,850	400	24,250	25,339	0	1,089	4%	1,078	11

Currently the Growth and Regeneration department is forecasting £1.089m 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 £0.056m. 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. These are offset by Queensgate Bus Station rates £0.011m, staff recharges £0.021m, Network Management utility debtor invoices not paid £0.034m, others £0.012m.

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 £0.085m, additional income £0.125m, miscellaneous small pressures £0.071m.

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 £0.542m. 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 £0.519m 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 of £0.66m for charging for bins where there are new properties, specialist pavement cleansing in the City Centre £0.032m and redundancy cost to deliver future savings.

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 £0.336m 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 £0.062m.

Marketing & Communications

Underspends on employee costs of £0.076m, £0.030m design and print and £0.002m other minor underspends.

Parking Services

At present the forecast income is £0.355m 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 £0.189m.

Regulatory Services

Employee cost savings £0.126m.

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	44,260	0	44,260	43,889	0	(371)	-1%	(625)	254
Commissioning & Commercial Operations	14,098	250	14,348	18,923	0	4,575	32%	4,575	0
Children's & Safeguarding	10,761	0	10,761	10,763	0	2	0%	(1)	3
Director	859	0	859	868	0	9	1%	10	(1)
Education	5,494	0	5,494	5,456	0	(38)	-1%	32	(70)
Communities	8,725	89	8,814	8,754	0	(60)	-1%	175	(235)
Dedicated Schools Grant	262	0	262	262	0	0	0%	0	0
Total People and Communities	84,459	339	84,798	88,915	0	4,117	5%	4,166	(49)

Further Breakdown in to the key service areas:

	Budget 2018/19	Cont. from reserve	Revised Budget 2018/19	Forecast Spend 2018/19	Cont. to reserv e	Forecast Variance 2018/19	Forecast Variance 2018/19	Previous Month Variance	Movem ent
Adults:	£000	£000	£000	£000	£000	£000	%	£000	£000
Independent Sector Placements	32,067	0	32,067	32,817	0	750	2%	750	0
Adult Social Care Teams	7,426	0	7,426	7,252	0	(174)	-2%	(190)	16
Block Contracts	6,352	0	6,352	6,255	0	(97)	-2%	(92)	(5)
Financing	(3,073)	0	(3,073)	(3,862)	0	(789)	26%	(1,047)	258
Home Service Delivery Model	1,488	0	1,488	1,427	0	(61)	-4%	(46)	(15)
Total Adults	44,260	0	44,260	43,889	0	(371)	-1%	(625)	254
Commissioning & Commercial Operations:									
Permanency Service	12,523	0	12,523	17,060	0	4,537	36%	4,537	0
Clare Lodge	(1,171)	250	(921)	(921)	0	0	0%	(1)	1

Commissioning & Commercial Operations - Other	2,746	0	2,746	2,784	0	38	1%	39	(1)
Total Commissioning & Commercial Operations	14,098	250	14,348	18,923	0	4,575	32%	4,575	0
Children's & Safeguarding:									
Children's Social Care	6,676	0	6,676	6,679	0	3	0%	3	0
Children's - Other	4,085	0	4,085	4,084	0	(1)	0%	(4)	3
Total Children's & Safeguarding	10,761	0	10,761	10,763	0	2	0%	(1)	3
Director:									
Director	2,137	0	2,137	2,146	0	9	0%	10	(1)
Department Savings target	(1,278)	0	(1,278)	(1,278)	0	0	0%	0	0
Total Director	859	0	859	868	0	9	1%	10	(1)
Education:									
Home To School & Childrens Social Care Transport	4,001	0	4,001	4,054	0	53	1%	12	41
School Improvement Traded Service	(937)	0	(937)	(937)	0	0	0%	0	0
Education - Other	2,430	0	2,430	2,339	0	(91)	-4%	20	(111)
Total Education	5,494	0	5,494	5,456	0	(38)	-1%	32	(70)
Communities:									
Housing	2,392	0	2,392	2,434	0	42	2%	52	(10)
Cultural Services	2,371	0	2,371	2,546	0	175	7%	215	(40)
Targeted Youth Support Service (TYSS)	1,622	0	1,622	1,468	0	(154)	-9%	(98)	(56)
Prevention Enforcement Service (PES)	552	11	563	499	0	(64)	-11%	(53)	(11)

Communities - Other	1,788	78	1,866	1,807	0	(59)	-3%	59	(118)
Total Communities	8,725	89	8,814	8,754	0	(60)	-1%	175	(235)
Dedicated Schools Grant	262	0	262	262	0	0	0%	0	0
Total People and Communities	84,459	339	84,798	88,915	0	4,117	5%	4,166	(49)

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 the use of the additional adult social care funding announced by MHCLG.

Adults- Adult Social Care Teams

Overall there is a £0.175m forecast underspend on all operational teams. Within this there are savings on staffing £0.129m, and miscellaneous other £0.056m, with an overspend on Occupational Therapy equipment £0.011m.

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. There is also an underspend of £0.005m relating to Older People meals service.

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 £0.032m underspend on vacant posts and £0.020m on commissioned surveyor work, other underspends are £0.009m.

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 significant risk exists around occupancy which is still based on 14.6 average occupancy. Current occupancy is 12.

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 £0.006m.

Children's Social Care

Staffing costs are forecast to underspend by £0.029m, Financial Assistance overspend £0.021m, and other overspends £0.011m. 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 £0.005m.

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

An adverse variance of £0.017m is reported with regard to Passenger Transport Team staffing. Children Social Care transport is forecast to overspend by £0.036m. Further analysis has been requested to understand what is driving this increase e.g. more children transported, longer average journeys, etc. The commitment position against the Home to School Transport budget indicates a small underspend. There are a significant number of pending transport applications so a zero variance has been reported.

Education- Other

Employee costs are forecast to underspend by £0.028m. An adverse variance of £0.064m 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) is showing a favourable position. A favourable variance of £0.017m is reported with regard to pre-98 pension strain costs. The Education Psychology Service is forecast to over achieve its traded income target by £0.046m. A favourable variance of £0.075m is reported in regard to School Attendance Fines along with other small overspends of £0.011m.

Communities- Housing

Housing is forecast to overspend by a total of £0.042m. Temporary Accommodation costs are forecast to overspend by £0.187m. This is offset by a projected underspend on staffing of £0.111m. Other budget headings are forecast to underspend by £0.034m.

Communities- Cultural Services

A savings target of £0.250m against the contract with Vivacity will not be achieved, although has been offset by other savings of £0.075m.

Communities- Targeted Youth Support Service (TYSS)

The TYSS is forecast to underspend by £0.154m, this relates to holding staff vacancies pending new service implementation. This comprises a forecast underspend of £0.194m on employee costs, offset by other pressures of £0.040m.

Communities- Prevention Enforcement Service (PES)

The PES is forecast to underspend by £0.064m. This comprises a £0.162m forecast underspend on staffing and an underspend of £0.089m against non-staffing budgets. There is also an under recovery of £0.187m 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 £0.028m adverse variance against non-staffing budgets offset by a £0.031m 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	3,912	0	(4)	0%	0	(4)
Children 5-19 Health Programmes	879	0	879	879	0	0	0%	0	0
Sexual Health	1,830	0	1,830	1,883	0	53	3%	0	53
Substance Misuse	2,299	0	2,299	2,299	0	0	0%	0	0
Smoking and Tobacco	317	0	317	306	0	(11)	-3%	0	(11)
Miscellaneous Public Health Services	1,661	0	1,661	1,623	0	(38)	-2%	0	(38)
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	200	0	88	79%	88	0
Financial Services	3,284	0	3,284	3,286	0	2	0%	50	(48)
Programme Management Office	139	0	139	124	0	(15)	-11%	(15)	0
Capital Financing	18,321	0	18,321	15,592	0	(2,729)	-15%	(2,729)	0
Corporate Items	4,954	0	4,954	4,918	0	(36)	-1%	(36)	0
Peterborough Serco Strategic Partnership	5,765	0	5,765	7,870	0	2,105	37%	2,105	0
ICT	5,302	0	5,302	5,807	0	505	10%	587	(82)
Energy	780	0	780	(108)	0	(888)	-114%	(492)	(396)
Cemeteries, Cremation & Registrars	(1,390)	0	(1,390)	(1,412)	0	(22)	2%	(16)	(6)
Total Resources	37,267	0	37,267	36,277	0	(990)	-3%	(458)	(532)

Capital Financing and Capital Receipts

The forecast underspend for Capital Financing is £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 £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)	(45,814)	0	(349)	0.77%	(49)	(300)
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 Tariff	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	(1,103)	(1,103)	(1,103)	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)	(1,103)	(152,790)	(153,139)	0	(349)	0.23%	(49)	(300)

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

