

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

Chief Executives

	Revised Budget 2019/20	Forecast Spend 2019/20	Cont. to reserve	Forecast Variance 2019/20	Forecast Variance 2019/20	Previous Month Variance	Movement
Budget Group	£000	£000	£000	£000	%	£000	£000
Chief Executive	205	202	0	(3)	-2%	(0)	(3)
Human Resources	1,356	1,253	0	(103)	-8%	0	(103)
Total Chief Executives	1,561	1,455	0	(106)	-7%	(0)	(106)

Savings have been achieved through a moratorium-based reduction on supplies & services including training & workforce development, and a recruitment freeze on vacant posts.

Governance

	Revised Budget 2019/20	Forecast Spend 2019/20	Cont. to reserve	Forecast Variance 2019/20	Forecast Variance 2019/20	Previous Month Variance	Movement
Budget Group	£000	£000	£000	£000	%	£000	£000
Director of Governance	105	201	0	96	92%	94	2
Constitutional Services	1,991	2,020	0	29	1%	34	(5)
Legal Services	2,030	1,905	0	(125)	-6%	(72)	(53)
Performance & Information	186	182	0	(4)	-2%	(1)	(3)
Total Governance	4,312	4,308	0	(4)	0%	55	(59)

Additional income £0.080m has been achieved in Legal Services through the negotiation of a new Service Level Agreement with Rutland and Fenland local authorities, along with other minor savings.

Place & Economy

	Revised Budget 2019/20	Forecast Spend 2019/20	Cont. to reserve	Forecast Variance 2019/20	Forecast Variance 2019/20	Previous Month Variance	Movement
Budget Group	£000	£000	£000	£000	%	£000	£000
Director, Opportunity Peterborough & Joint Venture	91	64	0	(27)	-30%	(45)	18
Development and Construction	122	56	0	(66)	-54%	(36)	(30)
Peterborough Highway Services	4,086	3,620	0	(466)	-11%	(185)	(281)
Sustainable Growth Strategy	1,533	1,494	0	(39)	-3%	(39)	0
Waste, Cleansing & Open Spaces	13,051	13,181	0	130	1%	77	53
Westcombe Engineering	179	192	0	13	7%	0	13
Energy	260	0	0	(260)	-100%	(183)	(77)
City Centre Management	281	784	0	503	179%	427	76
Service Director Environment & Economy	(467)	207	0	674	-144%	668	6
Total Place & Economy	19,134	19,598	0	464	2.4%	686	(222)

Peterborough Highways Services

Highways Development forecast understand is a combination of additional Section 278 and Section 38 income from developers, and savings on professional services and contractors £0.484m. There are also savings in Concessionary Fares £0.133m however these are being offset by Employee Costs £0.140m.

Waste, Cleansing and Open Spaces

Waste treatment costs of £0.199m are lower than expected and other minor variances £0.051m, however this is offset by a reduction in wholesale electricity prices at the Energy for Waste Plant. These were based on the higher prices of the previous financial year £0.380m.

Energy

Additional income of £0.254m from the Empower loan due to a further extension, as per [this](#) CMDN published in November.

City Centre Management

The forecast outturn includes a pressure relating to a reduction in the forecast income generated through stall rental at the Market £0.104m and the cancellation of the Perkins Great Eastern Run (PGER) £0.160m which could be mitigated via an insurance claim with the process under way. Other variances relate to Pedestrian Area Income, Information Centre, and Business Improvement District project costs which amount to £0.239m.

Service Director Environment & Economy

This is the balance of savings to be achieved from the target that was set, following the 'Budget Realignment' work undertaken earlier in the year.

People & Communities

	Revised Budget 2019/20	Forecast Spend 2019/20	Cont. to reserve	Forecast Variance 2019/20	Forecast Variance 2019/20	Previous Month Variance	Movement
Budget Group	£000	£000	£000	£000	%	£000	£000
Adults	43,857	43,812	0	(45)	0%	162	(207)
Commissioning and Commercial Operations	18,050	17,803	0	(247)	-1%	(36)	(211)
Children's & Safeguarding	10,564	10,474	0	(90)	-1%	(44)	(46)
Director	(2,698)	881	0	3,579	-133%	3,587	(8)
Education	6,024	6,375	0	351	6%	331	20
Communities	8,085	8,619	0	534	7%	645	(111)
DSG	45	45	0	(0)	0%	0	(0)
Total People & Communities	83,928	88,009	0	4,082	5%	4,645	(563)

Further Breakdown into the key service areas:

	Revised Budget 2019/20	Forecast Spend 2019/20	Cont. to reserves	Variance 2019/20	Variance 2019/20	Previous Month Variance	Movement
	£000	£000	£000	£000	%	£000	£000
Adults:							
ISP	34,024	34,088	0	64	0%	200	(136)
ASC Teams	8,251	8,165	0	(86)	-1%	(20)	(66)
Block Contracts	6,142	6,122	0	(20)	0%	(17)	(3)
Financing	(5,933)	(5,933)	0	0	0%	0	0
Home Service Delivery Model	1,373	1,370	0	(3)	0%	(1)	(2)
Total Adults	43,857	43,812	0	(45)	0%	162	(207)
Commissioning & Commercial Operations:							
Permanency Service	15,537	15,287	0	(250)	-2%	0	(250)
Clare Lodge	(381)	(301)	0	80	-21%	0	80
Commissioning & Commercial Operations - Other	2,894	2,817	0	(77)	-3%	(36)	(41)
Total Commissioning & Commercial Operations	18,050	17,803	0	(247)	-1%	(36)	(211)
Childrens & Safeguarding:							
Children's Social Care	6,872	6,872	0	0	0%	(1)	1
Childrens - Other	3,692	3,602	0	(90)	-2%	(43)	(47)
Total Childrens & Safeguarding	10,564	10,474	0	(90)	-1%	(44)	(46)
Director:							
Director	1,453	1,444	0	(9)	-1%	(1)	(8)
Department Savings target	(563)	(563)	0	0	0%	0	0
P&C Departmental Saving Target	(3,588)	0	0	3,588	-100%	3,588	0
Total Director	(2,698)	881	0	3,579	-133%	3,587	(8)
Education:							
HTS & CSC Transport	4,379	4,649	0	270	6%	171	99
School Improvement Traded Service	(772)	(772)	0	0	0%	0	0
Education - Other	2,417	2,498	0	81	3%	160	(79)
Total Education	6,024	6,375	0	351	6%	331	20

	Revised Budget 2019/209	Forecast Spend 2019/20	Cont. to reserves	Variance 2019/20	Variance 2019/20	Previous Month Variance	Movement
	£000	£000	£000	£000	%	£000	£000
Communities:							
Housing	2,202	2,682	0	480	22%	479	1
Cultural Services	2,678	2,743	0	65	2%	54	11
Targeted Youth Support Service (TYSS)	1,634	1,584	0	(50)	-3%	(20)	(30)
Prevention Enforcement Service (PES)	(1,208)	(1,137)	0	71	-5%	89	(18)
Regulatory Services	687	624	0	(63)	-9%	0	(63)
Communities - Other	2,092	2,123	0	31	1%	43	(12)
Total Communities	8,085	8,619	0	534	7%	645	(111)
DSG	45	45	0	0	0%	0	0
Total People and Communities	83,824	87,906	0	4,082	5%	4,645	(563)

Commissioning and Commercial Operations

The favourable variance in this area has arisen mainly from reduced Childrens Social Care placement spend of £0.250m.

Director

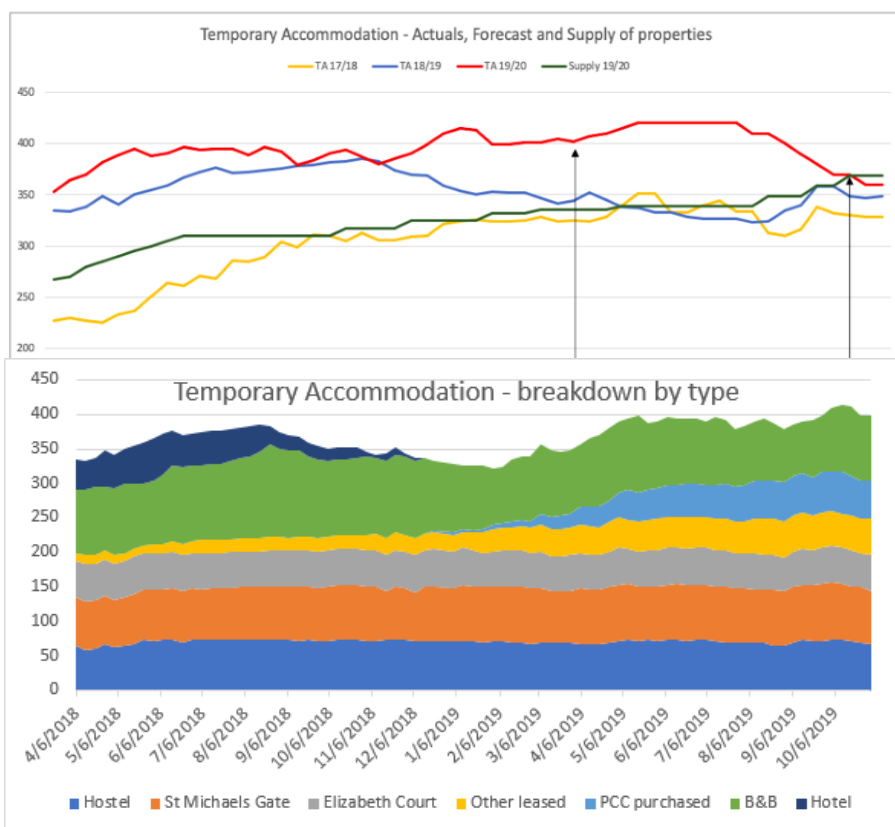
This is the remaining savings balance after transferring the budget from savings achieved to offset the savings target that was set.

Education

There is a forecast pressure of £0.270m on the Special Educational Needs (SEN) Transport. This is the result of new contracts and price increases to current contracts. The cost of providing this provision is also affected by the number of children requiring transport, which has risen and alongside the geography of the locations being incorporated. The revised forecast reflects the requirements for the 2019/20 academic year.

Communities

The Temporary Accommodation budget remains under pressure with the forecast overspend for 2019/20 to be £0.550m. This pressure has arisen largely due to an increase in single persons presenting as homeless. The deviating trend in 2019/20 compared to 2018/19 is shown in the following chart.



This chart outlines the trajectory of temporary accommodation demand in 2017/18 (yellow line), 2018/19 (blue line) and 2019/20 (red line) against the accommodation available with the council directly or with our partners (green line)

This chart outlines the type of temporary accommodation available. This shows the increase in the level of housing the Council is providing as a result of purchasing houses within the City for temporary accommodation use, it also shows the recent increase in demand, which is driving the additional financial pressure identified within this report.

Public Health

	Revised Budget 2019/20	Forecast Spend 2019/20	Cont. to reserve	Forecast Variance 2019/20	Forecast Variance 2019/20	Previous Month Variance	Movement
Budget Group	£000	£000	£000	£000	%	£000	£000
Children 0-5 Health Visitors	4,057	4,057	0	0	0%	0	0
Children 5-19 Health Programmes	983	983	0	(0)	0%	0	(0)
Sexual Health	1,942	1,942	0	(0)	0%	0	(0)
Substance Misuse	2,198	2,204	0	6	0%	0	6
Smoking and Tobacco	281	281	0	0	0%	0	0
Miscellaneous Public Health Services	1,391	1,392	0	1	0%	0	1
Public Health Grant	(10,621)	(10,621)	0	0	0%	0	0
Public Health Dept Savings target	(31)	0	0	31	-100%	31	0
Total Public Health	201	238	0	37	19%	31	6

Minor variances are reported.

Resources

	Revised Budget 2019/20	Forecast Spend 2019/20	Cont. to reserve	Forecast Variance 2019/20	Forecast Variance 2019/20	Previous Month Variance	Movement
Budget Group	£000	£000	£000	£000	%	£000	£000
Director's Office	199	213	0	14	7%	12	2
Financial Services	7,367	6,995	377	5	0%	24	(19)
Capital Financing and Capital Receipts	15,748	13,287	700	(1,761)	-11%	(918)	(843)
Corporate Items	7,668	7,947	0	279	4%	289	(10)
Peterborough Serco Strategic Partnership	7,567	8,391	0	824	11%	824	(0)
Cemeteries, Cremation & Registrars	(1,453)	(1,541)	0	(88)	6%	(45)	(43)
Corporate Property	1,948	2,120	0	172	9%	50	122
Total Resources	39,044	37,412	1,077	(555)	-1%	236	(791)

Capital Financing and Capital Receipts

The forecast outturn is a combination of the following factors:

- Less borrowing was undertaken for the capital programme in 2018/19 than budgeted for in the MTFS resulting in less budget being required to fund existing borrowing;
- forecast interest rates for new borrowing are lower than those forecast at the time the MTFS was set. However, it should be noted that Treasury announced an increase in the interest rate for Public Works Loan Board (PWL) by one percentage point, meaning the typical rate for a loan is now 2.8% instead of 1.8%.
- Further capital programme reviews for 2019/20 have been undertaken to ensure that a realistic profile of scheme delivery is being costed to enable forecast for borrowing and timings to be more realistically estimated. The impact of this review will be reflected in future in the forecast outturns;
- The level of interest receipts forecast to be generated from loans the council has issued has been reduced from those contained in the MTFS as a result of the early repayment of loans from a housing association received at the end of 2018/19 and the delay in the drawdown of the loan granted to the hotel build in Fletton Quays;
- There has been an increase in the use of Capital Receipts to redeem debt .
- The Council has received the annual dividend from ESPO (Eastern Shires Purchasing Organisation), which was declared are received at £0.233m, £0.133m above the budget for this income.

Corporate Items

There is a forecast pressure on the Corporate Items service area due to the capital financing of school related capital expenditure of £0.250m. This forecast reflects the number of schools converting to academy status and away from the Local Authority umbrella.

Peterborough Serco Strategic Partnership (PSSP)

Within the PSSP budget there is a risk that the ADP (Annual Delivery Plan costs) which is currently costing the Council £0.065m per month will create an adverse variance against the budget unless costs are switched off or charged to a budgeted project. Within the forecast variance three months of cost at £0.195m has been assumed, which relates to August – October 2019, this is pending a Notice of Change (NoC) to the contract which will change the allocation of these costs so that they are retrospectively fully allocated to projects being delivered. In addition there are BTSI variable costs that have been charged to the PSSP cost centre on a monthly basis (pending a breakdown from Serco for any potential reallocation to budgeted projects), but at present this is considered unlikely and so included in this variance a forecast of £0.112m has been assumed for costs from April - October 2019.

A further likely reduction in Housing Benefit subsidy of £0.100m, taking the total forecast pressure up to £0.500m. The council had been receiving and budgeting for additional income from recovering housing benefit overpayments. Incidences of overpayment are now reduced, as rent allowance payments and housing subsidy both reduce in line with the roll-out of Universal Credit. This together with the improved collection of arrears means that the additional income is no longer sustainable.

Corporate Property

The main variances in this area are Legal costs £0.075m and the use of temporary staffing £0.063m within purchased and leased properties in relation to reducing Homelessness forecast pressures.

Customer and Digital Services

	Revised Budget 2019/20	Forecast Spend 2019/20	Cont. to reserve	Forecast Variance 2019/20	Forecast Variance 2019/20	Previous Month Variance	Movement
Budget Group	£000	£000	£000	£000	%	£000	£000
Director Customer & Digital Services	0	0	0	0	0%	0	0
ICT	6,736	7,400	0	664	10%	667	(3)
Marketing & Communications	517	451	0	(66)	-13%	(54)	(12)
Resilience and Health & Safety	356	303	0	(53)	-15%	(21)	(32)
Total Customer and Digital Services	7,609	8,154	0	545	7%	592	(47)

ICT

The main factored leading to the forecast overspend is the £0.562m 'Budget Realignment' savings target not yet achieved. There are also £0.118m of capital financing charges relating to ICT work that were not originally budgeted.

Business Improvement

	Revised Budget 2019/20	Forecast Spend 2019/20	Cont. to reserve	Forecast Variance 2019/20	Forecast Variance 2019/20	Previous Month Variance	Movement
Budget Group	£000	£000	£000	£000	%	£000	£000
Director Business Improvement	0	0	0	0	0%	0	0
Programme Management Office	981	932	0	(49)	-5%	(52)	2
Total Business Improvement	981	932	0	(49)	-5%	(52)	2

Savings have been delivered through a recruitment freeze on a vacant post and a saving on agency and interim staffing.

Financing

	Revised Budget 2019/20	Forecast Spend 2019/20	Cont. to reserve	Forecast Variance 2019/20	Forecast Variance 2019/20	Previous Month Variance	Movement
Budget Group	£000	£000	£000	£000	%	£000	£000
Council Tax	(71,925)	(71,925)	0	0	0.00%	0	0
Council Tax - Adult Social Care precept	(5,450)	(5,450)	0	0	0.00%	0	0
NDR Income	(45,727)	(45,727)	0	0	0.00%	0	0
NDR Levy	306	306	0	0	0.00%	0	0
NDR S31 grants	(4,412)	(4,412)	0	0	0.00%	0	0
NDR Tariff	2,424	2,424	0	0	0.00%	0	0
Revenue Support Grant	(10,246)	(10,246)	0	0	0.00%	0	0
Parish Precept	(672)	(672)	0	0	0.00%	0	0
New Homes Bonus	(4,713)	(4,713)	0	0	0.00%	0	0

Section 31 Grant	(8,616)	(8,616)	0	0	0.00%	0	0
Contribution (from) / to Grant Equalisation Reserve	(3,084)	(3,084)	0	0	0.00%	0	0
Contribution from/to Reserves	(4,426)	(4,426)	0	0	0.00%	0	0
Collection Fund - Council Tax	(201)	(201)	0	0	0.00%	0	0
Collection Fund - NDR	(506)	(506)	0	0	0.00%	0	0
Total Financing	(157,248)	(157,248)	0	0	0.00%	0	0

A cash flow risk in respect of Business Rates has been identified, which will mean the 2019/20 income from Section 31 grants will be £1.030m lower than budget. This income will be received in 2020/21 instead, therefore this represents a cash flow timing. It has been agreed that the general fund reserve is used in 2019/20 and fully replenished in 2020/21 to mitigate the impact of this timing change. This is within the financial regulations (the Councils Constitution).

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