

## APPENDIX A – 2019/20 REVENUE OUTTURN REPORT

### Final Departmental position

Budget Group	Budget 2019/20	Cont. from reserves	Revised Budget 2019/2020	Actual Outturn 2019/20	Cont. to reserves	Variance 2019/20	January 20 Variance	Movement
	£000	£000	£000	£000	£000	£000	£000	£000
Chief Executive	205	38	243	223	0	(20)	(3)	(17)
HR	1,321	246	1,567	1,361	0	(206)	(172)	(34)
<b>Total Chief Executives</b>	<b>1,526</b>	<b>284</b>	<b>1,810</b>	<b>1,584</b>	<b>0</b>	<b>(226)</b>	<b>(175)</b>	<b>(51)</b>
Director of Governance	91	33	124	184	0	60	86	(26)
Constitutional Services	1,995	0	1,995	2,057	0	62	35	27
Legal Services	2,036	0	2,036	1,978	0	(58)	(105)	47
Performance & Information	151	38	189	174	0	(15)	(13)	(2)
<b>Total Governance</b>	<b>4,273</b>	<b>71</b>	<b>4,344</b>	<b>4,393</b>	<b>0</b>	<b>49</b>	<b>3</b>	<b>46</b>
Director, OP & JV	482,012	31	514	355	83	(76)	(26)	(50)
Director of Housing	0	67	67	67	0	0	0	0
Development and Construction	121	61	182	228	0	46	32	14
Peterborough Highway Services	3,694	125	3,819	2,576	0	(1,243)	(895)	(348)
Sustainable Growth Strategy	1,533	0	1,533	1,401	0	(132)	(67)	(65)
Waste, Cleansing and Open Spaces	12,160	606	12,766	12,811	0	45	130	(85)
Westcombe Engineering	207	13	220	191	0	(29)	48	(77)
Energy	260	0	260	(145)	0	(405)	(307)	(98)
City Centre Management	287	21	308	854	0	546	538	8
Service Director Environment & Economy	(556)	89	(467)	163	0	630	678	(48)
<b>Total Place &amp; Economy</b>	<b>18,189</b>	<b>1,012</b>	<b>19,201</b>	<b>18,501</b>	<b>83</b>	<b>(618)</b>	<b>133</b>	<b>(750)</b>
Adults	34,671	539	35,210	35,460	0	250	(407)	656
Commissioning & Commercial Operations	17,416	0	17,416	16,925	0	(491)	(199)	(292)
Children's & Safeguarding	10,971	251	11,222	11,070	0	(152)	(25)	(127)
Director	(2,168)	28	(2,140)	1,075	0	3,215	3,570	(355)
Education	3,559	137	3,696	3,475	58	(163)	188	(351)
Communities	7,534	2,262	9,796	9,495	627	326	369	(43)
DSG	(424)	174	(250)	(569)	319	(0)	(0)	(0)
<b>Total People &amp; Communities</b>	<b>71,559</b>	<b>3,391</b>	<b>74,950</b>	<b>76,930</b>	<b>1,004</b>	<b>2,985</b>	<b>3,495</b>	<b>(510)</b>
Children 0-5 Health Visitors	3,702	355	4,057	4,054	0	(3)	0	(3)
Children 5-19 Health Programmes	983	0	983	937	0	(46)	(3)	(43)

Budget Group	Budget 2019/20	Cont. from reserves	Revised Budget 2019/2020	Actual Outturn 2019/20	Cont. to reserves	Variance 2019/20	January 20 Variance	Movement
	£000	£000	£000	£000	£000	£000	£000	£000
Sexual Health	1,942	0	1,942	1,931	0	(11)	(0)	(11)
Substance Misuse	2,198	0	2,198	2,201	0	3	3	0
Smoking and Tobacco	281	0	281	281	0	0	0	(0)
Miscellaneous Public Health Services	1,382	37	1,419	1,457	0	38	30	8
Public Health Grant	(10,621)	0	(10,621)	(10,620)	0	1	1	0
Public Health Department Savings Target	(31)	0	(31)	0	0	31	31	0
<b>Total Public Health</b>	<b>(164)</b>	<b>392</b>	<b>228</b>	<b>241</b>	<b>0</b>	<b>13</b>	<b>61</b>	<b>(48)</b>
Director's Office	199	0	199	209	0	10	13	(3)
Financial Services	6,918	2,994	9,912	6,138	3,678	(96)	(5)	(91)
Capital Financing	21,563	0	21,563	19,437	0	(2,126)	(1,761)	(365)
Corporate Items	7,668	772	8,440	8,742	2	303	288	15
Peterborough Serco Strategic Partnership	7,586	12	7,598	8,788	0	1,190	959	231
Cemeteries, Cremation & Registrars	(1,416)	0	(1,416)	(1,690)	0	(274)	(99)	(175)
Corporate Property	2,161	1,064	3,225	3,325	0	100	260	(160)
<b>Total Resources</b>	<b>44,678</b>	<b>4,843</b>	<b>49,521</b>	<b>44,949</b>	<b>3,680</b>	<b>(893)</b>	<b>(345)</b>	<b>(548)</b>
Director Customer & Digital Services	(486)	0	(486)	(17)	0	469	564	(95)
ICT	6,891	444	7,335	7,004	0	(331)	(31)	(300)
Marketing & Communications	510	51	561	515	0	(46)	(76)	30
Resilience & Health & Safety	341	14	355	281	0	(74)	(70)	(4)
<b>Total Customer &amp; Digital Services</b>	<b>7,256</b>	<b>509</b>	<b>7,765</b>	<b>7,783</b>	<b>0</b>	<b>18</b>	<b>387</b>	<b>(369)</b>
Director of Business Improvement	0	0	0	0	0	0	0	0
Programme Management Office	764	361	1,125	1,071	0	(54)	(55)	1
<b>Total Business Improvement</b>	<b>764</b>	<b>361</b>	<b>1,125</b>	<b>1,071</b>	<b>0</b>	<b>(54)</b>	<b>(55)</b>	<b>1</b>
Asset Sales	(2,821)	0	(2,821)	0		2,821	0	2,821
CCG	0	0	0	1,631		1,631	0	1,631
Capitalisation Direction	0	0	0	(5,564)	0	(5,564)	0	(5,564)
<b>Total Expenditure</b>	<b>145,260</b>	<b>10,863</b>	<b>156,123</b>	<b>151,519</b>	<b>4,767</b>	<b>162</b>	<b>3,503</b>	<b>(3,341)</b>
<b>Financed by:</b>								
Council Tax	(72,127)	0	(72,127)	(72,127)	0	0	0	0
Council Tax - Adult Social Care precept	(5,450)	0	(5,450)	(5,450)	0	0	0	0
NNDR Income	(46,256)	0	(46,256)	(46,233)	0	23	0	23
NNDR Levy	306	0	306	404	0	98	0	98
NNDR S31 Grants	(5,442)	889	(4,553)	(4,770)	0	(217)	0	(217)

	Budget 2019/20	Cont. from reserves	Revised Budget 2019/2020	Actual Outturn 2019/20	Cont. to reserves	Variance 2019/20	January 20 Variance	Movement
<b>Budget Group</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
NNDR Tarriff	2,424	0	2,424	2,424	0	0	0	0
Revenue Support Grant	(10,246)	0	(10,246)	(10,246)	0	0	0	0
Parish Precept	(672)	0	(672)	(672)	0	(0)	0	(0)
New Homes Bonus	(4,713)	0	(4,713)	(4,713)	0	0	0	0
S31 Grants	0	0	0	(5,494)	5,332	(162)	0	(162)
Contribution from/to Grant Equalisation Reserve	(3,084)	0	(3,084)	(3,084)	0	0	0	0
Contribution from/to Reserves	0	(11,752)	(11,752)	(11,752)	0	0	0	0
Collection Fund - Council Tax	0	0	0	0	0	0	0	0
Collection Fund - NDR	0	0	0	0	0	0	0	0
<b>Total Financing</b>	<b>(145,260)</b>	<b>(10,863)</b>	<b>(156,123)</b>	<b>(161,713)</b>	<b>5,332</b>	<b>(258)</b>	<b>0</b>	<b>(258)</b>
<b>Net</b>	<b>0</b>	<b>(0)</b>	<b>(0)</b>	<b>(10,194)</b>	<b>10,099</b>	<b>(96)</b>	<b>3,503</b>	<b>(3,599)</b>

### Explanation of departmental variances in comparison to the January 2020 Position:

Dep	Variance Change	£000
	<b>January 2020 position</b>	<b>3,503</b>
CeX	Further Staffing savings within the Human Resources Department as a result of the early delivery of savings plans.	(32)
GOV	Additional costs due to increased case volumes within the Child Protection Legal Team.	47
P&E	Additional interest income from the extension of the Loan to Empower Loan.	(100)
P&E	Further Pressure in relation to the wholesale electricity prices obtained from the sale of electricity produced at the Energy for Waste(EfW) plant.	164
P&E	Underspend in relation to an insurance rebate received in respect of the EfW plant, following a recent review.	(250)
P&E	Further Network Management income generation within Peterborough Highways Services (PHS)	(225)
P&E	Further savings within the Peterborough Highways Service (PHS) as a result of a reduction in uptake of concessionary fares, income as a result of services provided to other authorities and the identification of costs to be treated as capital expenditure.	(160)
P&E	Further staffing savings within Development and Construction	(89)
P&E	Additional pressure due to a shortfall on planning fee income	103
P&E	Additional Income of has been generated within Sustainable Growth Strategy as a result of services to other local authorities.	(123)
P&C	Adults- Pressure on the Independent Sector Placement Budget due to additional pressures. Underspend on mental health services due to some instances where the social care responsibility was discharged	1,044
P&C	Underspend on Childrens social care placements and the permanency service	(193)
P&C	Recharging costs to the Dedicated Schools Grant (DSG) to better reflect the cost of providing services to DSG related activities.	(347)
P&C	Additional savings across the Childrens as a result of implementing the recruitment and spending controls.	(70)
P&C	Reduction in the Home to School transport pressure.	(105)
P&C	PFI Insurance rebate.	(268)
	Additional savings across the Adult Social Care teams as a result of implementing the recruitment and spending controls	(480)
P&C	Housing Needs improvement due to reduced temporary accommodation requirement	(134)
P&C	Additional income from Parking charges.	(114)
P&C	Regulatory Services- underspend from implementing spending and recruitment controls.	(149)
P&C	Targeted Youth Services- early deliver of savings, via the implementation of a staffing/service restructure.	(140)
P&C	Coroners Service- pressure due to additional demand as a result in a rise of unexplained and sudden deaths and inquests.	98
P&C	Enforcement (including PES, Parking and CCT) - Under recovery of income and achievement of savings.	169
RES	Improvement within the capital financing budget (excluding the reduction in Capital receipts, as a result of asset sales as this has been highlighted as an exceptional item)	(424)
RES	Further pressure on the Housing Benefit subsidy budget	296
RES	Cemeteries, Cremation & Registrars- additional income due to an increase in registration fees and burial income.	(175)
RES	Additional Property income	(199)
CID	Reduced expenditure on the third-party software within the ICT budget.	(300)
	Other minor variances across the Council	(73)
	<b>Outturn position</b>	<b>1,274</b>

Full explanation of the overall variances are highlighted in Sections 1-9.

## Explanation of Key Departmental Outturn Variances:

### 1. **Chief Executives - £0.226m Underspent**

This underspend is mainly attributable to the early delivery of savings within the Human Resources Team. This is the result of removing vacancies, career regrades, maternity leave and an underspend on supplies and services budgets across the directorate.

### 2. **Governance – £0.049m overspent**

The overall position for the directorate includes the remaining balance of £0.113m against a savings target of £0.298m, which was set as part of the budget realignment exercise.

#### **Constitutional Services- £0.062m overspent**

As a result of the General Election in December 2019, there are costs for items such as security, catering and accommodation for officers fulfilling the Deputy Returning Officer (DRO) roles, which the Council are unable to seek reimbursement from the Government for and therefore have caused a £0.052m pressure.

#### **Legal Services- £0.058m Underspent**

Additional income £0.164m has been achieved in Legal Services through the negotiation of a new Service Level Agreement with Rutland and Fenland local authorities. However, this has been offset by pressures in other areas such as £0.081m within the Child Protection Legal Team, due to an increase in the volume of cases.

### 3. **Place and Economy - £0.618m Underspent**

#### **Development and Construction- £0.046m Overspent**

A shortfall in planning fee income of £0.235m was experienced with various other staffing and supplies and services totalling £0.189m offsetting this.

#### **Peterborough Highways Services- £1.243m Underspent**

- The Highways Development has generated additional Section 278 and Section 38 income from developers and delivered savings on professional services and contractors totalling £0.453m;
- Additional permit income £0.454m arising from extra work relating to the City Fibre network;
- Additional income generated from services provided to the Cambridgeshire and Peterborough Combined Authority (CPCA)
- There is a saving of £0.265m on the Concessionary Fares budget due to reduced uptake;
- These savings are offset by an overspend on employee costs totalling £0.157m which relates to the under delivery of shared services savings targets, factored into the MTFS.

#### **Sustainable Growth Strategy - £0.132m Underspent**

Additional income of £0.123m has been generated within this area as a result of several Service Level Agreements to provide services to other local authorities.

### **Waste, Cleansing and Open Spaces- £0.045m Overspent**

- The cost of waste treatment was £0.123m lower than budgeted;
- There has been a reduction in the wholesale electricity prices obtained from the sale of electricity produced at the Energy for Waste plant. These were budgeted based on the higher prices experienced in the previous financial year, this reduction led to a final outturn pressure of £0.544m.
- The Council have received a £0.250m insurance rebate in relation to the Energy for Waste plant. This was following a review of the risks experienced over the last three years.

### **Energy- £0.406m Underspent**

The Council has received additional income of £0.613m from the Empower loan due to a further extensions. However, offsetting this is £0.200m of costs in relation to legal and consultants' fees associated with the refinancing of the scheme.

### **City Centre Management- £0.546m Overspent**

- A pressure relating to a reduction in income generated through stall rental at the Market £0.100m;
- The cancellation of the Perkins Great Eastern Run (PGER) has generated an overspend of £0.160m as ticket sales were refunded and costs incurred;
- Other variances relating to Pedestrian Area Income, the Christmas lights, Information Centre, and Business Improvement District (BID) project costs equated to £0.286m of pressures.

### **Service Director Environment & Economy- £0.630m Overspent**

The position includes a £0.651m balance against a savings target of £1.530m, which was set as part of the budget realignment exercise.

## **4. People and Communities - £2.985m Overspent**

### **Adults- £0.250m Overspent**

- There is a favourable variance of £0.218m on mental health services due to some instances where the social care responsibility was discharged by the CPFT.
- Increased staffing savings of £0.173m within the Therapy, reablement and 0-25 service team, as a result of holding vacancies and following the spend and recruitment controls;
- The Independent Sector Placements (ISP) budget is overspent by £1.117m. This relates to £0.625m of invoices relating to costs incurred in 2018/19 being received and paid for in this financial year, £0.236m of costs associated with reablement, and £0.108m of additional costs associated with Cherry Lodge.
- Additional savings of £0.481m across the Adult Social Care teams as a result of implementing the spending controls was realised. The service has reduced hours and the use of agency, reduced expenditure of supplies and services and held vacancies or delayed recruitment.

### **Commissioning and Commercial Operations- £0.491m Underspent**

There is a £0.443m underspend on Childrens Social Care placements and the permanency service, this is due to the costs coming in less than budgeted for.

### **Childrens & Safeguarding- £0.152m Underspent**

- There is a pressure of £0.098m within the Children's Social Care service, in relation to the transfer back of the Fostering and Adoption teams to the Council from TACT.
- There is £0.250k of favourable variances across this service as a result of reducing the cost of agency, staffing and supplies and services through the recruitment and spend controls.

### **Director- £3.215m Overspent**

- The final position includes a £3.588m balance against a savings target of £5.876m, which was set as part of the budget realignment exercise.
- There is a £0.347m favourable variance following a review of costs, which was completed in year and allocations amended to better reflect the cost of providing services to DSG related activities.

### **Education- £0.163m Underspent**

- There is a pressure of £0.249m on the Home to School and Children's Social Care Transport budget. This is the result of new contracts and price increases to current contracts. The cost of providing this provision is affected by demography of the home and school locations and the number of children requiring transport, which has increased due to the rise in the number of children with an Educational Health Care Plans (EHCP).
- An underspend of £0.268m is reported against the PFI budget, which relates to a PFI insurance rebate covering the period September 2017- August 2019.

### **Communities- £0.326m Overspent**

- The temporary accommodation budget overspent by £0.344m, a £0.134m improvement on the position previously reported in January. This pressure relates to an increase in homeless presentations, peaking earlier in the year when there were 416 households in temporary accommodation, 110 of which were in Bed and Breakfast. The recruitment of a housing specialist, and the continued approach to developing a portfolio of housing supply to meet this demand, the Council has experienced improvements in the numbers of households in temporary accommodation, and have reduced the number of households in Bed and Breakfast to just one as at 31 March 2020. Offsetting this is an underspend on staffing, and supplies and services costs within the housing needs team totalling £0.133m.
- The Parking Services budget was flagged as having significant pressure on its income targets earlier in the year, as a result of a change in usage by motorists and the demolition of the Northminster Car Park. This was incorporated within the budget re-alignment exercise, however by the end of the year income generated a surplus compared to budget of £0.114m.
- A pressure of £0.169m on the enforcement services relates to the under recovery of fine income and a shortfall on the CCTV savings.
- There is an overspend of £0.098m within the Coroners service due to a higher volume of investigations into sudden and unexplained deaths and inquests. This pressure has been increasing over a number of years and under the Coroner and Justice Act 2009 Local Authorities are required to provide the necessary staffing and other resources to enable HMC to fulfil their duties under the Act. The Council has little control over these additional costs. Activity is being monitored however it is anticipated this pressure will continue into next financial year.

- An underspend is reported within the Targeted Youth Services Team of £0.140m, this is due to staffing saving as a result of the early delivery of restructure savings.
- An underspend of £0.149m is reported across the Regulatory Services Teams, this is the result of spending and recruitment control on salary and supplies and services budgets.

#### 5. **Public Health- £0.013m overspent**

Minor variances reported across the directorate.

#### 6. **Resources- £0.893m Underspent**

##### **Capital Financing and Capital Receipts- £2.126m Underspent**

The final outturn for capital financing was impacted in the middle of March as the global COVID-19 crises hit the UK, with the sale of the football club unable to be completed by the end of the financial year. The loss of these sale proceeds has been mitigated in part through:

- Less borrowing undertaken for the capital programme in 2018/19 than budgeted for in the MTFS resulting in less budget being required to fund existing borrowing in 2019/20;
- The council has been able to benefit from interest rates experienced for new borrowing being lower than those forecast at the time the MTFS was set. However, the council amended its borrowing approach during the year by taking shorter period loans for new debt to mitigate the impact of the Treasury announcement that increased the interest rate for Public Works Loan Board (PWL) by one percentage point. This approach led to a more favourable position against the forecast outturn.
- Capital programme reviews, and management action over the timing of project completion, enabled forecast for borrowing and timings to be more realistically estimated and savings derived.
- Following clarification discussions with the Council's external auditors, regarding the timing of the recognition of asset sale income, the sale of assets relating to the stock transfer to Cross Key Homes has been recognised during this financial year.
- The underspend position was offset by the level of interest receipts forecast to be generated from loans the council had 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;

##### **Corporate Items - £0.303m Overspent**

This pressure is mainly the result of a reduction in direct revenue funding (DRF) of £0.250m. This is due to a shortfall in the value of schools funding being transferred from revenue into capital due to the number of schools converting to academy status.

##### **Peterborough Serco Strategic Partnership (PSSP)- £1.190m Overspent**

- Within the BCR reporting throughout the year, the risk that ADP (Annual Delivery Plan) costs which is currently costing the Council £0.065m per month, would create an adverse variance against the budget unless costs were switched off or charged to a budgeted project. Within the outturn variance there are eight months of cost of £0.521m which relates to August 2019 to March 2020 (April 2019 –July 2019 was funded through budget realignment exercise). In addition, there are BTSI variable costs that have been charged to the PSSP cost centre on a monthly basis and are included in this variance of £0.472m for costs from April 2019-

March 2020. Following receipt of a breakdown from Serco there was a re-allocation of costs to project budgets, totalling £0.582m. Therefore, the total ADP/BTSI costs remaining within Resources Directorate is £0.411m.

- There is a pressure of £0.796m in relation to Housing Benefit (HB). The Council had been receiving and budgeting for additional income from recovering HB 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. There is an improvement on the collection of more recent arrears, but there are other arrears which are older and proving challenging to collect, and therefore increasing the level of bad debt provision required, this creates a revenue pressure for the Council. The 2020/21 budget has been amended to reflect the revised level of HB, therefore there should be no further pressure pressures reported.

#### **Cemeteries, Cremation & Registrars- £0.274m Underspent**

This underspend relates to additional income generation as a result of statutory price increases on the sale of certificates from the registration service and additional burial income.

#### **Corporate Property- £0.100m Overspent**

- The main overspend in this area are relates to legal costs of £0.137m and the use of temporary staffing totalling £0.063m. This was in relation to purchased and leased properties as part of the reducing Homelessness project.
- However, offsetting this pressure is additional income of £0.199m across the Councils property portfolio.

### **7. Customer and Digital Services - £0.018m Overspent**

#### **Director Customer & Digital Services - £0.469m Overspent**

- The final position includes a £0.562m savings target which was set as part of the budget realignment exercise.
- The Council received three £0.105m Brexit grants to support the council's preparation and planning for leaving the European Union, across the financial years 2018/19 and 2019/20. These grants have been used to procure specialist expertise and advice; however, Council officers and the Director of Customer and Digital have absorbed a work supporting these preparations within their own roles, therefore £0.095m of the grant has been unused.

#### **ICT- £0.331m Underspent**

- There is a £0.351m favourable outturn on the third-party software budget. This is due to the Council incurring lower than budgeted costs in relation to Microsoft 365, Salesforce licenses and Google licenses as the transfer to Microsoft was finalised quicker than originally expected.
- There is a £0.118m pressure off setting this, which relates to capital financing charges for ICT work, which were not budgeted for.

### **8. Business Improvement – £0.054m Underspent**

The underspend of £0.054m has been delivered via the early delivery of savings plans, through a staff restructure within the Programme Management Office.

**9. Financing- £0.258m Underspent**

An additional income £0.140m from business rates during 2019/20, results from a redistribution of overpaid levies from previous years amounting to £40m at a national level of which £0.140m was received by Peterborough. The redistribution was based on an assessment of need.