

Appendix A- 2020/21 Directorate Revenue Outturn report

People & Communities- £9.4m Overspend

Budget Group	Budget £k	Final Outturn £k	Cont to Reserves £k	Variance £k	Overall Status
Director	1,282	1,631	-	348	Overspend
Education	3,779	3,755	30	6	Overspend
Adults - Commissioning	24,989	29,042	-	4,053	Overspend
Adults - Operations	9,661	9,095	-	(567)	Underspend
Children's - Operations	11,194	11,039	116	(39)	Underspend
Children's Commissioning	16,240	16,750	-	510	Overspend
Commissioning Team and Commercial Operations	487	1,151	-	664	Overspend
Communities - City Centre Management	232	440	-	208	Overspend
Communities - Cohesion and Integration	551	(209)	778	18	Overspend
Communities - Community Safety	(2)	1,413	657	2,072	Overspend
Communities - Think Communities	2,826	4,644	-	1,818	Overspend
Communities-Regulatory Services	1,696	1,803	23	130	Overspend
Children's & Safeguarding (DSG)	5,748	6,424	-	676	Overspend
Commissioning and Commercial Operations (DSG)	-	11	-	11	Overspend
Education (DSG)	(5,745)	(6,377)	86	(546)	Underspend
Total People & Communities	72,940	80,611	1,690	9,361	Overspend

109

Directorate Variance Analysis

Director	<p>£0.447m pressure due to the non-achievement of planned Medium Term Financial Strategy (MTFS) savings, in relation to reduced agency staff expenditure. This saving was allocated across the directorates based on current agency budgets, however due to the directorate's reliance on these budgets to ensure there are adequate levels of social care workers and care staff, these savings will be difficult to extract. This pressure has been incorporated within the Council's budget for 2021/22.</p> <p>£0.099m saving as a result of a reduction in supplies and services and staffing, this includes travel, training and conference expenditure not undertaken due to the pandemic.</p>
Education	<p>£0.179m pressure due to the reduced income generation in respect of attendance fixed penalty notice fines and School Improvement traded services, as a result of C-19. In line with Government advice, no penalty notice and / or prosecution has been initiated for any new offences between March and July 2020. The Council</p>

Directorate Variance Analysis	
	has started to fine parents whose children do not attend school from September, however there is discretion where the reason is C-19 related and Lockdown 3.0 has had a further impact on this target.
	£0.470m pressure relating to Home to School and Children's Social Care transport of which £0.279m is the non-achievement of the home to school transport MTFS saving. A number of savings work streams were initiated in conjunction with Cambridgeshire County Council (CCC) i.e. Route Optimisation, promoting the take up of Personal Transport Budgets, the development of a Dynamic Purchasing System and Independent Travel training, however due to the additional C-19 guidance and restricting factors, these savings have not been realised.
	£0.407m increase in relation to Schools Direct Revenue Financing (DRF). This is due to an increase in the value of schools funding being transferred from revenue into capital. Part of this increase in DRF has arisen as a result of schools purchasing laptops to support children studying at home over the pandemic.
	£0.106m saving due to increased Schools & grant Income which off-sets other Education General Fund expenditure
	£0.037m saving in respect of the pre 1998 pension costs. This point at which Peterborough became a unitary authority and inherited pension costs associated with pensioners (ex-employees) at that point. As the years have progressed a number of these have now passed away, which in-turn has reduced the cost to the council
	£0.093m saving on smaller variances across staffing costs, supplies and services and fees and charges budgets.
Adults - Commissioning	£1.05m pressure relating to a 10% uplift awarded to care providers until the end of June to assist with the additional costs and the impact of C-19. There is also a £0.814m pressure in relation to additional care package expenditure due to C-19.
	£0.458m pressure due to inflationary increases applied to care provider contracts to support the ongoing increased costs being experienced. In previous years, the Council has held off awarding uplifts to provide contracts in order to manage the rising cost of adult social care, however, with the largest increase in the National Living Wage, providers have requesting additional support.
	£0.636m is due to additional residential and nursing beds required, to free up hospital capacity to support with the C-19 case load. This has significantly reduced from the £2.950m adverse variance reported in January, as £1.4m of the previously forecast expenditure is expected to now take place in 2021/22.
	£1.515m pressure from reduced savings delivery due to C-19. Savings plans such as Adults Positive Challenge, Self-Funders, Care Suites and Lifeline have all been affected due to resources focusing on responding to discharges and other pressures arising C-19. As a result of C-19, savings previously declared in relation to Adult Social Care Demography and the National Living Wage can no longer be delivered.
	£0.478m saving - Section 75 Mental Health Agreement - Additional budget was allocated which is not required (£0.221m), this has been corrected within the budget for 2021/22. In year CPFT underspend £0.257m arising mainly from vacancy savings.
	£1.097m favourable variance due to reduced independent audits and peer reviews across adults and children's as part of inspection preparation, reduced number of external investigators for complaints, planned work around transitions and complex needs delayed, children's collaborative work delayed - all due to Covid-19. Funding for ADCS and ADASS professional conferences not spent due to cancellation and regional work development work in LD and ASD postponed.
	£0.579m pressure on care packages due to a rise in demand and costs of new packages as well as the need to credit back some invoices to the Clinical Commissioning Group (CCG) as these were raised in error.
	£0.620m Pressure as result of a settlement agreement with the CCG to resolve historic outstanding balances.
Adults - Operations	£0.107m pressure - MTFS saving no longer achievable due to the delay in the implementation of the Liberty Protection Safeguards (LPS). The scheme was designed to replace Deprivation of Liberty Standards (DoLS) in October 2020 but has been confirmed to be put back to April 2022 due to the pandemic and the need for further consultation before implementation. Conversely due to C-19 Best Interest Assessor and section 12 doctors' fees have underspent by £0.178m due to the pandemic and the lack of court sittings and backlogs now currently.

Directorate Variance Analysis	
	<p>£0.110m pressure due to the loss of income from Care and Repair as a result of C-19. The service receives income from work carried out under the Disabled Facilities Grant (DFG), care and Repair staff have been redeployed to Reablement and other teams to respond to C-19, so are unable to generate the contributions. There has also been a reluctance of those shielding to have workmen in during pandemic.</p> <p>£0.661m favourable on Community, Therapy and Reablement Teams as a result of staff vacancies. This saving is only temporary, a media campaign to recruit Reablement workers has not been successful and agency staff are now being recruited.</p>
Children's - Operations	<p>£0.194m saving - Children's Social Care Quality Assurance vacancy savings (QA Chair and Policy Manager & Conference and Review Chair). These posts are currently being recruited to and therefore are not a permanent saving.</p> <p>£0.110m pressure due to loss of Income at Cherry Lodge from changes in the delivery of Children's packages to work in a C-19 compliant way.</p> <p>Within the Children's Social Care Teams, the Council previously reported additional forecast expenditure of £0.263m in 2020/21. However the anticipated increase in referrals from schools has not yet happened due to the Lockdown 3.0 and associated school closures, this expenditure is now forecast to happen in 2021/22.</p>
Children's Commissioning	<p>£0.949m pressure in respect of additional C-19 spend. This includes:</p> <ul style="list-style-type: none"> * Pressure in respect of Children in Care placements costs. This results from a small increase in young people with very complex needs, requiring specialist placements. * Pressure which covers the cost of providing an uplift to Children's Social Care providers, to cover their additional costs during the lockdown and the recovery phase. * Pressure to cover Home Care support / Short Breaks, Integrated Community Equipment Services to meet additional demand. <p>Of the £1.895m previously reported specific C-19 CSC Placements spend, £1.260m has been re-profiled into financial year 2021/22 due to Lockdown 3.0 School Closures.</p> <p>£0.339m pressure on children placements costs resulting from complexity of need and shortage of appropriate placements.</p> <p>£0.077m pressure - as a result of the delayed re-commissioning of Children's Centres due to the C-19 pandemic.</p> <p>£0.563m saving on Looked after children psychology services, Access to Resources Team, High Level Family Support, School Behaviour Project, Emergency Duty Team and Interpretation expenses. Savings within this area could not be declared until now as the C-19 impact on demand for these services has been difficult to predict.</p> <p>£0.099m saving Child Health, which is broken down in to a £0.081m pressure on additional Children with Disabilities costs, £0.225m saving on CCG contributions and £0.036m pressure on an Early Help post.</p> <p>£0.188m savings Short Breaks Commissioning, on contracts as a result of C-19- £0.100m Action for Children, £0.060m Circles one to one support (2019/20 accrual not required), £0.010m DIAL Information Advice and Guidance. Alternative services being commissioned for 2021/22.</p>
Commissioning Team and Commercial Operations	<p>£1.2m pressure due to reduced income generated from Clare Lodge, as a result of the C-19 pandemic. Children are only being moved and accommodated on emergency basis and new procedures require new admissions to self-isolate for 14 days which is also influencing decision making by placing authorities. The delay to the Capital project to refurbish lounges means that two lounges are currently unavailable for use, these are now expected to be operational imminently. The £1.2m loss of Income has been offset by other savings of £0.365m as a result of reduced occupancy.</p> <p>£0.148m saving Commissioning Team staffing in part due to revised Shared Service recharge from Cambridgeshire County Council.</p>
Communities - City Centre Management	<p>£0.291m pressure as a result of lost Income in respect on-street Traders, the City Market , the Great Eastern Run and City Centre Events. This can be directly linked to the C-19 pandemic.</p>

Directorate Variance Analysis	
Communities - Community Safety	<p>£2.236m pressure due to loss of income across multiple services including:</p> <ul style="list-style-type: none"> * £1.656m from Parking charges. * £0.434m from Parking Enforcement. * £0.145m from Environmental Enforcement. <p>Parking income has been significantly less than budget due to the reduction in footfall within the town centre due to the pandemic. Enforcement staff have been redeployed to support the C-19 Emergency Hub & more recently to Marshalling duties, however enforcement is now operational again but income levels are lower than previous levels due to C-19 impact on staffing productivity, suspension of parking bays, pop up cycle lanes etc.</p>
	<p>£0.469m pressure as a result of impaired MTFS savings in relation to increased parking charges & Parking / Environmental Enforcement. Parking charge increases were intended to be implemented from April 2020 but as parking charges were temporarily suspended for the initial lockdown period. Income has been lower since parking charges have been reinstated. New way of working for Environmental and parking Enforcement Teams was not implemented from the April 2020 and the role of Environmental Enforcement Officers changed in response to C-19.</p>
	<p>£0.108m savings C-19 impact arising from a reduction in parking cash collections, reduced Contractor spend, reduced charges for online permits and an underspend on administration of the blue badge scheme.</p>
	<p>£0.134m favourable re Parking Services mainly reduced contractor costs & Nortminster Business Rates refund of costs.</p>
	<p>£0.149m favourable position in respect of the Targeted Youth Support Service, mainly due to staffing vacancies, but also as a result of reduced contract, travel, premises and programme costs.</p>
Communities - Think Communities	<p>£1.777m pressure due to additional expenditure to support the transition of Vivacity services to Aragon and Peterborough City College. Early on in that C-19 Pandemic Vivacity gave notice on its contracts to the Council due to the financial difficulty placed on the operations as a result of C-19.</p>
	<p>£0.179m pressure in respect of non-delivered MTFS saving in respect of Vivacity services. Given Vivacity's decision to give notice on the Culture and Leisure contract, it is highly unlikely that this saving will be achieved.</p>
	<p>£0.400m pressure due to forecast loss of income on the Premier Fitness profit share scheme (Vivacity) - this is a result of the C-19 pandemic.</p>
	<p>£0.640m saving of which £0.438m is Premises costs including utility costs, £0.130m provision for loss of Income as Vivacity balances not yet transferred, £0.063m saving re Supplies and Services including photocopying and postage.</p>
Communities- Regulatory Services	<p>£0.333m pressure due to additional C-19 spend on the Coroners Service 0.072m to manage the backlog and complexity of cases and for the Councils share of temporary mortuary costs £0.210m. Increased cost of PCC share of Coroners contract £0.051m.</p>
	<p>£0.142m pressure due to reduced Income from Licensing in relation to Food premises, Street Traders & Taxi's as a result of businesses / taxi operators being closed and allowing for permanent closure of businesses.</p>
	<p>£0.099m saving Housing Enforcement of which £0.086m is employee vacancies, posts weren't recruited as a result of C-19.</p>
	<p>£0.248m saving Regulatory Services Underspend on staffing £0.093m Trading Standards £0.092m, Legal Costs £0.014m, Hackney Carriage inspections £0.021m and reduced spend on Licenses £0.028m.</p>
DSG (net position)	<p>£0.131m pressure due to additional forecast spend to ensure the sustainability of Nursery Education providers, as a result of the potential closures which could be caused as a result of C-19.</p>

Public Health- On Budget

Budget Group	Budget £k	Final Outturn £k	Cont to Reserves £k	Variance £k	Overall Status
Children 0-5 Health Visitors	3,907	4,074	-	167	Overspend
Children 5-19 Health Programmes	942	942	-	0	On Budget
Sexual Health	1,999	1,843	-	(156)	Underspend
Substance Misuse	2,218	2,214	-	(4)	Underspend
Smoking and Tobacco	295	233	-	(63)	Underspend
Miscellaneous Public Health Services	1,390	1,324	-	(66)	Underspend
Public Health Grant	(11,124)	(11,124)	122	122	Overspend
Total Public Health	(372)	(494)	122	(0)	Underspend

Directorate Variance Analysis

Children 0-5 Health Visitors	<p>£0.167m pressure due to Agenda for Change cost increases. Contracts include the requirement to uplift contract cost where staff are employed on Agenda for Change Terms and Conditions. For the first two years, Public Health (PH) England provided additional funding to pay for these contract price increases but in year three the PH grant was increased to cover the contract price increases. However the uplift in grant value and its purpose was announced in March after the Council had set its budget, and provisional increase in PH grant had already been factored in to the budget, unaware of the government's commitment for this increase. This has been accounted for in the 2021/22 MTFS.</p>
Sexual Health	<p>£0.200m favourable position on sexual Health Services. This can be broken down into:</p> <ul style="list-style-type: none"> * £0.072m Long Acting Reversible Contraception (LARC) * £0.056m Emergency Hormonal Contraception (EHC) * £0.030m Genitourinary Medicine * The 2019/20 accruals estimates were overstated as key Public Health staff were engaged in providing the C-19 outbreak response. <p>£0.044m pressure due to additional cost of the sexual health contract. This has resulted from a delay in implementing new contract as the service was focussed on providing the response to the pandemic. This was a temporary pressure, no pressure expected on the 2021/22 budget.</p>
Smoking and Tobacco	<p>£0.060m saving on GP and Pharmacy costs due to lower uptake as a result of C-19. It is anticipated that demand will resume.</p>
Miscellaneous Public Health Services	<p>£0.083m Saving on the adult's weight management and obesity, in relation to two contracts. One which changed supplier part way through the year, the other due to reduced costs as a result of C-19.</p> <p>£0.054m saving on prescribed health check services due to low up take of check as a result of C-19 social distancing and lockdowns.</p> <p>£0.044m pressure as a result of a delayed start to new healthy lifestyles contract, The new contract now commenced, however it was delayed due to C-19.</p>

Directorate Variance Analysis	
	£0.015m pressure as a result in a delayed start to the new contract starting in respect of the National Child Measurement Programme. This was delayed as a result of C-19
Substance Misuse	£0.015m pressure - additional expenditure on drug and alcohol services, to ensure that the service could operate safely, within the C-19 restrictions. eg- maintaining social distancing, additional cleaning materials & PPE.

Place & Economy- £1m Overspend

Budget Group	Budget £k	Final Outturn £k	Cont to Reserves £k	Variance £k	Overall Status
Development and Construction	(70)	(34)	-	36	Overspend
Director Place & Economy	100	105	-	5	Overspend
Peterborough Highway Services	4,236	2,869	-	(1,367)	Underspend
Sustainable Growth Strategy	1,652	1,362	39	(251)	Underspend
Waste, Cleansing and Open Spaces	12,750	13,648	-	897	Overspend
Westcombe Engineering	144	316	-	173	Overspend
Director of Housing	2,219	3,858	-	1,638	Overspend
Growth & Regeneration	685	516	70	(100)	Underspend
Total Place & Economy	21,716	22,639	109	1,032	Overspend

Directorate Variance Analysis

Development and Construction	£0.308m Pressure in relation it planning fee income is reduced due to C-19, especially in Quarter 1; applications have picked up but income remains lower than budgeted.
	£0.154m Favourable variance on other development income is currently forecast higher than budget, this includes S106 and Community Infrastructure Levy (CIL) Administration fees in respect of developments at Wittering, Hampton and Thorney.
	£0.118m Favourable variance on other variances including increased Building Control income and reduced staff costs, reduced legal costs as no challenges for Planning, partly offset by shared service and staff recharges
Peterborough Highway Services	£0.290m Favourable variance on concessionary fares as significant reduced usage of concessionary passes
	£0.131m Favourable variance on Bus Service Operators Grant (BSOG) used to fund 60's
	£0.460m Favourable variance on network Management Permitting Income. Higher than anticipated income, with significantly higher income late in the year. Also lower direct costs on permitting.
	£0.067m Favourable variance on staffing costs as a result of vacant posts.
	£0.188m Pressure as a result of extra highways costs associated with C-19 and reduced income in street naming/numbering. The Council has also incurred additional costs as a result of damage to assets caused by Road Traffic Collisions (RTC).
	£0.286m Favourable variance on street lighting costs this is due to a net saving on the energy pricing, corrections to last year and out of contract costs. In addition to operating a dimming regime due to the reduced traffic caused by C-19.
	£0.107m Favourable variance on staff costs due to recharges to capital projects and the Cambridgeshire and Peterborough Combined Authority (CPCA), where staff have been assisting on projects.
£.0157m Favourable variance on Highways Development savings and additional income.	

Directorate Variance Analysis	
	£0.057m Favourable position on other minor variances including savings on drainage flood & risk costs, road safety and Transport Planning, partly offset by Queensgate Bus Station reduced departure fee income due to C-19
Sustainable Growth Strategy	£0.121m Favourable due to additional income generated from recharging planning policy services to other local authorities.
	£0.130m Favourable across various areas including staffing, supplies & services, trees & conservation projects and LDF statutory functions
Waste, Cleansing and Open Spaces	£0.240m Pressure as a result of reduced Brown Bin fee Income, this was due to the Council not charging for the 1st 3 months due to C-19.
	£0.218m Pressure in relation to the Energy from Waste (EFW) Plant. Electricity Income loss due to a fall in wholesale demand leading to drop in export price. The export price has increased in recent months hence why the pressure has reduced.
	£0.123m Pressure due to additional costs at Household Recycling Centre due to C-19, such as signage, cleansing, staffing and Traffic Management costs
	£0.195m Favourable due to a refund of Climate Change Levy liability from HM Revenue & Customs, following detailed discussions on the relevant application of the tax rules which removed the Council's liability.
	£0.233m Pressure on waste treatment costs due to increased residential waste- This is an implication of C-19 as residents have been at home more due to lockdown measures, school closures and working from home guidance.
	£0.425m Pressure as a result of the Impact of C-19 on Aragon Direct Services, causing loss of income and additional costs. These are broken down in to: <ul style="list-style-type: none"> * £206k for the Covid-19 impact on Refuse Collections * £80k for Parks, Trees & Open Spaces * £67K workshop * £38k Property costs * £34k Transport costs. Additional measures provided for include an additional vehicle for increased domestic refuse tonnage; additional cleaning costs, and additional personnel for Covid-19 secure measures, including enabling "bubbles" to be maintained for transport services. This position has improved by £377k compared to the initial forecast from Aragon Direct Service. Aragon is operated by the Council owned company Peterborough Limited, and appropriately funding the impact of these measures has ensured that the company can continue to deliver to its business plan, maintain a positive balance sheet, and commence repayment of the initial set up loan provided by the Council.
	£0.131m Pressure due to additional vehicle hire and staffing costs on waste collection rounds.
	£0.277m Favourable on smaller variances across the service including: <ul style="list-style-type: none"> * £0.075m reduced repairs and maintenance spend across open spaces & play areas * ££0.068m spring clean not undertaken in Q4 * £0.040m no charges for garden waste administration for 2020/21, * £0.046m savings on utilities and business rates, * £0.053m few additional properties and lower adhoc costs- eg a milder winter has meant less reactive work such as fencing and repairs.
Westcombe Engineering	£0.172m Pressure - Reduced income as reduced capacity due to C-19

Directorate Variance Analysis	
Growth & Regeneration	£0.099m Favourable - Savings on employee costs and various Directorate wide savings held here, partly offset by no income generated from Peterborough Destination Centre
Director of Housing	£1.638m net pressure - Mostly as a result of the C-19 pandemic, as the Council has taken steps to ensure that rough sleepers, homeless families and individuals have temporary accommodation, and a safe place to self-isolate. This is net pressure includes:
	* £1.982m Pressure in relation to additional hotel, B&B, employee, security and repair costs.
	* £0.366m net saving on temporary accommodation. This is the result of pressure caused by the decision not to purchase St Michaels Gate, but to extend the lease instead, which is being offset by savings due to a delay in Bushfield Court coming on line and the decision not to approve the Walton Road proposal. The latter two had been budgeted for the full year.
	* £0.153m Pressure - Cost of Interim Director of Housing Needs and Supply
	* £0.564m Favourable- As a result of the two grants £0.028m to fund initial short term costs and £0.426m, to fund ongoing short term costs until March 2021 (part of NSAP bid). Now also Cold Weather Fund and Protect plus additional grant funding
	* £0.104m Pressure - Housing Project Management Costs
	* £0.228m Pressure - Landlord Incentive Payments - significant increased cases
	* £0.139 Pressure - Subsidy & rental incomes, final claim for subsidy less than mid-year estimates
* £0.038m Favourable - Other variances including reduced legal costs, savings on Traveller Site maintenance and other small savings across the Service.	

Customer & Digital Services - £1.1m Underspend

Budget Group	Budget £k	Final Outturn £k	Cont to Reserves £k	Variance £k	Overall Status
ICT	7,071	5,856	-	(1,214)	Underspend
Marketing & Communications	355	422	-	67	Overspend
Resilience & Health & Safety	263	272	-	9	Overspend
Director of Customer & Digital Services	75	79	-	3	Overspend
Total Customer & Digital Services	7,764	6,629	-	(1,135)	Underspend

Directorate Variance Analysis

Marketing & Communications	£0.042m Favourable - Other savings within the service area.
	£0.109m Pressure due to a reduction in sponsorship income and reduced design & print recharge. Some of this pressure has been accounted for within the 2021/22 budget.
Resilience & Health & Safety	£0.021m Favourable variance on Salary costs
	£0.010m Pressure in relation to C-19 related spend on Fletton Site.
	£0.020m Pressure on C-19 related expenditure on body storage and funeral director costs.
ICT	£0.044m Pressure due to additional computer software costs, such as digital signature software, people planner and form software to support agile working and social distancing measures required as a result of C-19.
	£0.068m Favourable due to unbudgeted income in year relating to schools broadband
	£0.454m Favourable on the software budget due to unrequired products, and items costing less than initially expected. Some of this underspend is one off, but some forms part of the early delivery of contract savings, which have been built in to the 2021/22 MTFS.
	£0.224 Favourable due to a rebate received in relation to Customer Relationship Management licensing and support contract. The Council agreed to end use of the system earlier than originally planned, and following a reconciliation of payments already made this rebate was due to the Council.
	£0.512m Favourable as a result of the early delivery of 2021/22 savings, through underspends on contract exit, staffing and supplies and services.

Chief Executives- £0.1m Underspend

Budget Group	Budget £k	Final Outturn £k	Cont to Reserves £k	Variance £k	Overall Status
Chief Executive	157	134	-	(23)	Underspend
HR	1,147	1,086	-	(61)	Underspend
Total Chief Executives	1,303	1,220	-	(83)	Underspend

Directorate Variance Analysis

HR	£0.035m Favourable on salary costs. This is the result of two vacant positions, however to ensure the service had the appropriate level of resources the planned Voluntary Redundancies were delayed, with these now expected to take place in June 2021.
	£0.024m Pressure - As a result of additional training costs and loss of occupational health income due to C-19.
	£0.050m Favourable - Other variances within the service.
Chief Executive	£0.004m Pressure - Additional salary costs following delay of Voluntary Redundancy, due to C-19.
	£0.027m Favourable - Other minor variances in the service.

Business Improvement - £0.1m Overspend

Budget Group	Budget £k	Final Outturn £k	Cont to Reserves £k	Variance £k	Overall Status
Programme Management Office	623	692	-	69	Overspend
Total Business Improvement	623	692	-	69	Overspend

Directorate Variance Analysis

Programme Management Office	£0.72m pressure due to additional staffing and consultancy costs. The additional staffing cost have now been accounted for within the 2021/22 Medium Term Financial Strategy (MTFS)
	£0.003m favourable - other

Governance - £0.4m Underspend

Budget Group	Budget £k	Final Outturn £k	Cont to Reserves £k	Variance £k	Overall Status
Director of Governance	151	121	-	(30)	Underspend
Legal Services	1,928	1,950	-	22	Overspend
Constitutional Services	2,027	1,686	-	(342)	Underspend
Performance & Information	216	169	-	(47)	Underspend
Total Governance	4,322	3,925	-	(397)	Underspend

Directorate Variance Analysis

Legal Services	<p>£0.022m overall pressure, which relates to:</p> <ul style="list-style-type: none"> * £0.082m pressure on Land Charges Income * £0.077m pressure on Children Services Legal Team costs <p>These have been offset by other favourable income in Legal Services and staff costs.</p>
Constitutional Services	<p>£0.169m favourable position on election services broken down in to:</p> <ul style="list-style-type: none"> * £0.146m favourable variance is as a result of the national postponement of the May 2020 Local Elections. * £0.023m saving in respect of costs relating to the Electoral Register. <p>£0.172m Favourable position mainly as a result of saving on the Members Allowances budget. This underspend is the result two vacant posts, due to the death of two of Councillors during 2020 and reduced expenditure relating to surgeries, travel and training, due to the C-19 social distancing restrictions. These savings are only temporary as the May 2021 elections have meant that all 60 councillor seats filled.</p>

Resources- £1.0m Overspend

Budget Group	Budget £k	Final Outturn £k	Cont to Reserves £k	Variance £k	Overall Status
Director's Office	276	272	-	(4)	Underspend
Financial Services	3,496	3,339	386	229	Overspend
Corporate Items	8,020	8,095	7	83	Overspend
Peterborough Serco Strategic Partnership	6,409	7,841	214	1,646	Overspend
Corporate Property	2,028	2,252	-	224	Overspend
Energy	478	(147)	-	(625)	Underspend
Cemeteries, Cremation & Registrars	(1,453)	(2,009)	-	(556)	Underspend
Total Resources	19,254	19,643	607	996	Overspend

Directorate Variance Analysis

Financial Services	£0.041m Favourable variance within Internal Audit due to lower salary costs. This is due to a member of the team being seconded to support the C-19 Co-ordination hub.
	£0.103m Favourable variance on the insurance premium budget and underspend on the Risk Management budget. These underspend is not repeatable as insurance premiums rise in 2021/22.
	£0.081m Favourable position across the whole strategic Finance Service, including car lease saving, miscellaneous income and supplies and services.
	£0.454m pressure in relation to an increase in the amount required in the sundry bad debt provision. This is a result of the economic impacts of C-19, which has meant the level of debt outstanding to the Council is now higher. An increase in the bad debt provision mitigates the risk of the Council being unable to recover this debt in full in the future.
Corporate Items	£0.419m Pressure against available pay award budget. This has resulted due to the following: * £0.477m pressure as pay award was agreed nationally at 0.75% higher than budgeted * £0.058m favourable as a result of Voluntary Redundancies (VR) which were agreed and accounted for in 2019/20, where staff have now been redeployed in to different roles, which has been off set with additional tax and NI cost identified following a review of VR payments
	£0.415m Favourable as a result of the VAT shelter income from Cross Keys Homes (CKH) exceeding the budget. This favourable position has been driven by additional maintenance work CKH has carried out on its properties throughout 2020/21
	£0.098m Pressure due to an increase in external audit fees. As the Council has low financial resilience, and therefore a higher risk, lower materiality levels set by the auditors, which in turn means additional audit testing. The auditors also carried out a thorough Value for Money (VFM) and an assessment of the impact of C-19 (a national requirement). Both of these factors have driven the increase in audit costs. It is anticipated that additional costs will continue in future year, and has been factored in to the 2021/22 MTFS.

Directorate Variance Analysis	
Peterborough Serco Strategic Partnership	£1.149m Pressure due to savings on Business Support not being realised. These savings have been difficult for the Council to deliver at a time when the C-19 pandemic has demanded additional resource and staffing capacity to support with the response.
	£0.209m Pressure on various areas including Annual Delivery Plan/Business Transformation and Strategic Improvement (BTSI) costs, and contractual growth income received but not budgeted in year. This growth income was recently re-profiled and this revised profile has been factored in to the 2021/22 MTFS.
	£0.256m Pressure due to the lack of recovery activity, which has been restricted over the pandemic. This has meant court cost income collected has been reduced. There is no corresponding saving in administration costs.
	£0.072m Pressure on the Housing Benefit Subsidy budget.
Corporate Property	£0.475m Pressure - Additional letting of Sand Martin House, which was incorporated within the 2020/21 Medium Term Financial Strategy (MTFS) has not been possible, due to the impact the pandemic has had on the requirement for office space. There has been a significant shift to home working across the country and it is thought that this saving will be difficult to achieve in the future. For that reason this saving has been removed from the 2021/22 MTFS. However the Council will look at how it can maximise the use of its assets as part of its C-19 recovery plan.
	£0.119m Favourable - Rental income following purchase of new site.
	£0.079m Favourable - Other variances across the service
Energy	£0.054m Favourable - In response to C-19 there has been additional costs such as cleaning, and signage at Sand Martin House, however this has been offset by reduced Utilities and Security costs.
	£0.625m Favourable as a result of additional loan interest income received in respect of the Council's Solar Rooftop asset portfolio through its Strategic Partnership with Empower. The Empower loan was to be transferred onto a long term basis by the end of the year, and as such the money received on account was to be split between interest and loan repayment. As the new loan agreement was not signed by the end of the year the money received on account reflects the short term loan agreement and so interest is charged on the higher basis.
Cemeteries, Cremation & Registrars	£0.159m Pressure resulting from a £0.196m underachievement of Registration Services income which has been partially offset with a reduction in expenditure of £0.037m, this is fully attributable to C-19.
	£0.747m Favourable variance on the Bereavement Services income budget. This is due to the rise in deaths as a result of C-19. Between January and March this increased by £0.193m as a result of the third spike in cases and deaths over Lockdown 3.0.

Capital financing- £4.4m Underspend

Budget Group	Budget £k	Final Outturn £k	Cont to Reserves £k	Variance £k	Status
Capital Financing	29,187	24,789	-	(4,398)	Underspend
Total Capital Financing	29,187	24,789	-	(4,398)	Underspend

Capital Financing and Capital Receipts Overview

The Capital Financing budget has underspend compared to budget by £4.4m and reflects three key aspects which have been noted as influencing factors throughout the year. The previous forecast outturns reflected the risk in achieving asset sales in the current economic climate, which had been offset by the cost of borrowing for new debt being lower and later in the year than anticipated in the MTFs.

Debt position & movements (£m) as at March 2021



Tight management of the Council's cash flow has led to savings being realised by extending the time before borrowing was undertaken, reducing the amounts of borrowing taken, and at the lower, shorter length interest rates. All borrowing undertaken has been used to fund capital expenditure or refinance maturing loans. The Council's cash flow has benefitted from the additional funds provided by government in relation to funding the direct additional C-19 activity and grants provided to businesses to support them through the pandemic. The Council's capital programme has not progressed in the timescales originally planned, and was affected by the downtime for construction resulting from Lockdowns experienced. The benefits realised from these factors led to savings in year of £1.2m. These 2020/21 factors built on the 2019/20 position where less borrowing was undertaken for the capital programme in 2019/20 than budgeted for in the MTFS resulting in less budget being required to fund existing borrowing.

The minimum revenue provision (MRP) calculation had been delayed due to resource constraints in the Corporate Finance Team which resulted in an estimated being used in reporting. The final calculation included in this position has taken into account the lower completion rates of schemes from the 2019/20 capital programme and resulted in a lower provision of £1.3m compared to the MTFS budget.

Interest receipts generated from loans the Council has issued has been lower than the estimate in the MTFS as a result of the delay in the drawdown for the loan granted to the hotel build in Fletton Quays. This has been offset through the reduction in new borrowing required to fund the loan, per previous commentary above, and better performance than expected from the ESPO dividend. Final performance was £0.5m less receipt than originally planned.

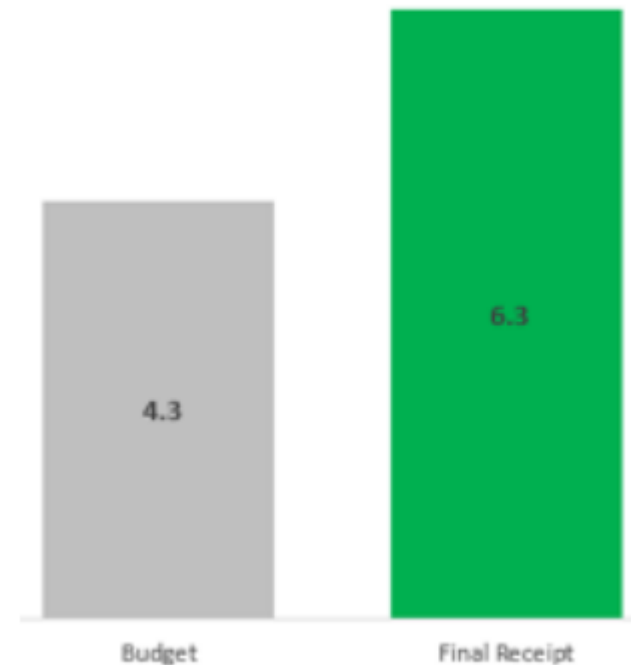
Capital Receipts

Capital Receipts are used as part of a contribution to repay debt. Close monitoring of the Capital Receipts is maintained as any change has a direct impact on the revenue position. Capital Receipts are monitored on a monthly basis and each sale given a status of Red, Amber or Green to identify the likely receipt before March 2021.

As per the MTFS policy Capital Receipts will be used to repay debt and forms part of the calculation of the reducing the overall debt through MRP. If capital receipts are not received, the debt will need to be repaid via revenue resources.

The Council had identified over £8.2m of asset sales in order to achieve the MTFS budget of £4.3m. Although the impact from C-19 pandemic on asset sales is created a challenging environment in which to finalise final exchange and therefore the timing of the final receipt, the Council realised £6.3m of receipts with a further value of £1.2m deferred for cash receipt in future years. This has resulted in additional capital receipt income above that estimated in the MTFS of £2.4m.

2020/21 Asset sale performance against budget (£m)



This page is intentionally left blank