

Appendix A- Budgetary Control Report Dashboard

Period Jul-21

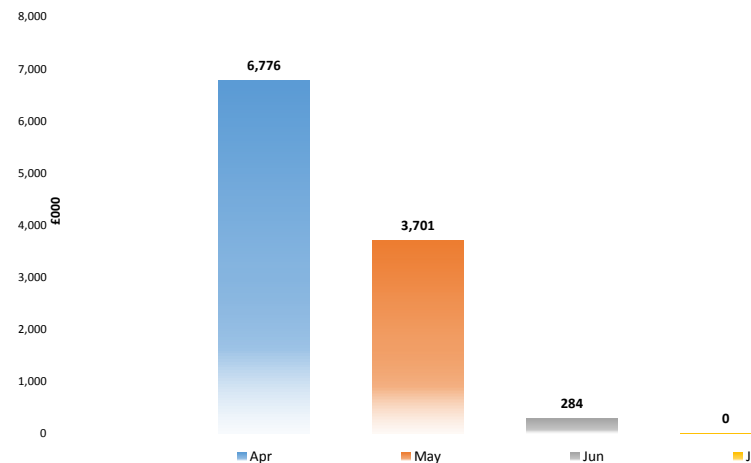


£0.0m Forecast Overspend

0.0% Forecast Overspend as a proportion of Budget

July's forecast position has improved by £0.284m in comparison to June

Directorate	Budget £k	Forecast Spend £k	Previous Month		Movement £k	Overall Status
			Variance £k	Variance £k		
Chief Executives	1,219	1,223	3	4 ▲	(0)	Overspend
Governance	4,169	4,068	(101)	(111) ▼	9	Underspend
Place & Economy	23,912	23,182	(730)	(533) ▲	(197)	Underspend
People & Communities	99,537	105,088	5,552	6,173 ▲	(621)	Overspend
Public Health	(188)	(239)	(51)	(51) ▼	0	Underspend
Resources	22,533	20,849	(1,684)	(1,694) ▼	10	Underspend
Customer & Digital Services	7,356	7,105	(251)	(256) ▼	5	Underspend
Business Improvement	722	701	(21)	(17) ▲	(4)	Underspend
Capital Financing	27,994	25,328	(2,666)	0 ▲	(2,666)	Underspend
Total Expenditure	187,255	187,305	50	3,514	(3,464)	Overspend
Financing	(173,521)	(177,211)	(3,690)	(3,230) ▲	(460)	Underspend
Exceptional Financial Support (Capitalisation Direction)	(13,734)	(10,094)	3,640	0 ▼	3,640	Overspend
Net	(0)	0	0	284	(284)	Overspend



Key Budget Pressures

Financing	3,640	Reduction in the requirement to borrow to fund the net revenue expenditure budget
People & Communities	1,622	Parking: Loss of Income in relation to Parking charges and Parking and Environment Enforcement Services
People & Communities	1,030	Childrens: Additional forecast spend on Children's placements, Children's with disabilities and Short Break Commissioning
People & Communities	858	Childrens: Forecast additional spend as a result of rising demand for Family Safeguarding and Early Help Services
People & Communities	816	Think Communities: Loss of income between April - June 21 in relation to access to Leisure Facilities and Cultural Events
People & Communities	699	Commissioning: Pressure as a result of reduced occupancy at Clare Lodge
Place & Economy	561	Housing: Forecast additional spend as a result of housing rough sleepers into hotels and B&Bs.
People & Communities	368	Communities-Regulatory Services: Pressure within Coroners Services as a result of unusually complicated and high profile cases

Key Favourable Variances

Capital Financing	2,666	Reduced borrowing in 20/21 meaning reduction in interest payments than originally forecasted, aswell as additional savings forecasted on new borrowings.
Financing	2,490	Based on the NNDR1 return submitted in January to Government, the Council is expecting to receive a £2.490m share of the benefit gained via the Cambridgeshire and Peterborough Business Rates Pool for 21/22. This wasnt included within the budget due to timing of the available forecast and the uncertainty surrounding the estimates resulting from the economic impact of C-19.
Resources	1,337	Corporate: The pension actuary completed the cessation assessment for Peterborough Culture and Leisure Trust (Vivacity) which resulted in receiving a single year reduction to their secondary contributions for the year 2021/22
Financing	1,200	The Government Sales Fees and Charges (SFC) compensation scheme was extended to cover April -June. The Council is still experiencing income losses, particularly on parking, Culture and Leisure services, with forecast grant for the SFC scheme expected to be £1.2m.
Place & Economy	1,095	Waste Cleansing and Open Spaces: Significant Increase in wholesale export price of electricity produced by the Energy Recovery Facility due to the market showing significantly faster signs of recovery
Place & Economy	500	Waste Cleansing and Open Spaces: Aragon Direct Services are projecting an improvement in their Financial Position resulting in anticipated costs to the Council now being lower.
Resources	250	PSSP: saving in relation to Business Support contract credits.

£5.6m

Forecast Overspend

 6%

Forecast Overspend as a proportion of Budget

Directorate	Budget Group	Budget £k	Forecast Spend £k	Variance £k	Previous Month Variance £k	Movement £k	Overall Status
People & Communities	Director	1,596	1,585	(11)	(10) ▲	(2)	Underspend
People & Communities	Education	6,641	6,679	38	60 ▲	(22)	Overspend
People & Communities	Adults - Commissioning	46,965	47,017	52	52 ▬	0	Overspend
People & Communities	Adults - Operations	9,888	9,481	(407)	(318) ▲	(88)	Underspend
People & Communities	Children's - Operations	12,015	12,822	807	827 ▲	(19)	Overspend
People & Communities	Children's Commissioning	18,079	19,006	927	1,503 ▲	(577)	Overspend
People & Communities	Commissioning Team and Commercial Operations	479	1,193	713	713 ▬	0	Overspend
People & Communities	Communities - City Centre Management	348	533	184	129 ▼	56	Overspend
People & Communities	Communities - Cohesion and Integration	16	(2)	(19)	(19) ▼	0	Underspend
People & Communities	Communities - Community Safety	(1,343)	132	1,475	1,562 ▲	(87)	Overspend
People & Communities	Communities - Think Communities	3,137	3,955	818	816 ▼	2	Overspend
People & Communities	Communities-Regulatory Services	1,716	2,392	676	620 ▼	56	Overspend
People & Communities	Children's & Safeguarding (DSG)	6,042	6,257	215	182 ▼	33	Overspend
People & Communities	Commissioning and Commercial Operations (DSG)	11	11	0	0 ▬	0	On Budget
People & Communities	Education (DSG)	(6,053)	(5,969)	83	56 ▼	27	Overspend
Total People & Communities		99,537	105,088	5,552	6,173 ▲	(621)	Overspend

Directorate Overview

The People and Communities Directorate is currently forecasting an overspend of £5.52m. The overspend is split between COVID-19 impact overspend of £4.977m and a forecast overspend of £0.575m relating to non-Covid 19 activity .

The COVID-19 Impact is broken down as follows: -

- *£2.218m additional spend in response to Covid-19.
- *£2.494m forecast under achievement of income.
- *£0.453m pressure re Non-achievement of MTFS savings.
- *£0.188m saving in relation to reduced spend.

Directorate Variance Analysis

Education	<p>£0.150m forecast pressure as a result of lost income within the School Improvement service. This includes:</p> <ul style="list-style-type: none"> * £0.050m - School Improvement traded services as Schools are prioritising Covid-19 recovery. * £0.100m - Attendance Fine Fixed Penalty Notices relates to where parents take children out of school during term time for holidays or other unauthorised absence. Due to historic experience of the level of notices being issued a budget was built into the Medium Term Financial Strategy (MTFS). However there is forecast pressure recognised as income is unlikely to return to pre-pandemic levels until restrictions on foreign travel are lifted and penalty notices are issued as a deterrent for parents for taking children out of school.
Adults - Commissioning	<p>£0.058m - NESTA have been commissioned to review the health and social care system around Discharge to Assess (hospital discharges) redesign including elements such as timely discharges from hospital, seven day working reducing delayed discharges and reviewing support to patients through the process</p>









<p>Adults - Operations</p>	<p>£0.129m forecast pressure due to additional spend required as a result of Covid-19, this includes:</p> <ul style="list-style-type: none"> * £0.045m for additional Occupational Therapy capacity to deal with increased demand for services from hospital discharges and disabled facilities grant cases awaiting reviews * £0.065m for extension of temporary resource in Transfer of Care (Hospital Discharge) Team to continue to support the health and social care system in discharging patients in a timely manner. <p>£0.306m forecast favourable on staffing costs, is mainly due to the difficulties in recruiting to vacancies due to availability of appropriately qualified staff, new appointments are at a lower spinal column point or reduced hours in comparison to budget.</p> <p>£0.120m forecast favourable on Mental Capacity Act/Deprivation of Liberty Standards services for Best Interest Assessors and section 12 Doctors. Forecasting includes reduced requests and backlog of Court of Protection cases.</p>
<p>Children's - Operations</p>	<p>£0.858m forecast pressure as a result of additional expenditure required as a result of Covid-19. This includes:</p> <ul style="list-style-type: none"> * £0.578m - Assessment and Family Safeguarding demand, additional recourses will be required due to the already increasing numbers of assessments and referrals. * £0.263m - Additional Early Help costs - additional resources are required to respond to a rise in Children's Social Care referrals which will require Early Intervention services. * £0.017m - Additional Youth Family worker to cover a staff member having to shield
<p>Children's Commissioning</p>	<p>£1.030m forecast pressure as a result or required additional expenditure resulting from Covid-19. This includes:</p> <ul style="list-style-type: none"> * £0.840m - Childrens Social Care (CSC) Placements - due to increased child protection and family support referrals, which will in turn result in a rise in Local Authority Care (LAC) numbers. * £0.170m - Children with Disabilities - Additional Short Breaks and Homecare for periods out of School * £0.015m - Short breaks Commissioning with Circles Network
<p>Commissioning Team and Commercial Operations</p>	<p>£0.699m forecast pressure in relation to Clare Lodge, this is based on average occupancy of 10 young people. The £0.699m forecast overspend represents:</p> <ul style="list-style-type: none"> * A projected shortfall of income of £1.193m based on reduced average occupancy of 10 young people * Off-set by reduced expenditure (including staffing and agency) of £0.494m.
<p>Communities - City Centre Management</p>	<p>£0.184m forecast pressure includes: £0.112m forecast loss of income at the Market due to non-essential traders having not yet reopened stalls following Lockdown 3.0 restrictions, £0.040m as a result of the Government extension to the lower charge rate in relation to outdoor seating and £0.015m as a result of the 2021 Great Eastern Run being cancelled.</p>
<p>Communities - Community Safety</p>	<p>£1.622m forecast pressure due to loss of income across multiple services including £0.939m from Parking charges, £0.278m from Parking Enforcement and £0.406m from Environmental Enforcement. Actual parking income continues to be significantly less than budgeted due to the reduction in footfall within the town centre due to Covid-19. Environmental Enforcement staff are still been redeployed to support the Covid-19 response. Parking Enforcement is fully operational but income will be dependent on footfall in the town centre.</p>
<p>Communities-Regulatory Services</p>	<p>£0.368m forecast pressure within the Coroners service as a result of unusually complicated and high profile cases (£0.161m), Covid-19 (£0.078m) and Business as Usual (£0.132m). This is due to the requirement to adhere to strict Covid-19 guideline regarding PPE and a backlog of cases, therefore there is a need to appoint additional area Coroners and Assistant Coroners. There is also a need for additional ICT, due to a shortage of Covid-19 secure premises for remote inquests.</p> <p>£0.346m forecast pressure within the Housing Enforcement team of which £0.378m relates to Selective Licensing as a result of the delay in obtaining agreement for the new scheme which is offset by a forecast underspend in Housing Enforcement.</p>
<p>Communities - Think Communities</p>	<p>£0.816m pressure resulting from lost income within the Recreation and Culture services, covering the period April to June 21. This is due to Covid-19 restrictions in relation to access to Leisure Facilities such as swimming and gyms and also Cultural events such as the Key Theatre, Flag Fen and Exhibitions. Recovery plans are in place for Recreation and Culture but will not mitigate losses already incurred.</p>

£-0.1m Forecast Underspend



0%

Forecast as a proportion of the Expenditure Budget (exc the Public Health Grant)

Directorate	Budget Group	Budget £k	Forecast Spend £k	Variance £k	Previous Month Variance £k	Movement £k	Overall Status
Public Health	Children 0-5 Health Visitors	3,974	3,975	1	1 	0	Overspend
Public Health	Children 5-19 Health Programmes	942	889	(53)	(53) 	0	Underspend
Public Health	Sexual Health	1,999	1,999	0	0 	0	On Budget
Public Health	Substance Misuse	2,308	2,308	0	0 	0	On Budget
Public Health	Smoking and Tobacco	286	286	0	0 	0	On Budget
Public Health	Miscellaneous Public Health Services	1,428	1,429	1	0 	0	Overspend
Public Health	Public Health Grant	(11,124)	(11,124)	0	0 	0	On Budget
	Total Public Health	(188)	(239)	(51)	(51) 	0	Underspend

Directorate Overview

The Public Health Directorate is forecast to underspend by £0.052m. A review of Public Health budgets will be undertaken with the recently appointed Director of Public Health.

Directorate Variance Analysis

Children 5-19 Health

Programmes £0.070m saving - Contribution to Family Safeguarding not required until financial year 2022/23

Children 5-19 Health

Programmes £0.017m pressure - A one year only contribution is required to the cost of the Mental Health and Emotional Wellbeing Service (CHUMS) contract which offers support to young people with mental health difficulties.

£-0.1m

Forecast Underspend



-2% Forecast Underspend as a proportion of Budget

Directorate	Budget Group	Budget £k	Forecast Spend £k	Variance £k	Previous Month Variance £k	Movement £k	Overall Status
Governance	Director of Governance	140	117	(22)	(22) ▲	(0)	Underspend
Governance	Legal Services	1,807	1,820	13	12 ▼	1	Overspend
Governance	Constitutional Services	2,041	1,923	(118)	(103) ▲	(15)	Underspend
Governance	Performance & Information	181	207	26	2 ▼	24	Overspend
Total Governance		4,169	4,068	(101)	(111) ▼	9	Underspend

Directorate Overview

The Governance Directorate is currently reporting a favourable variance within the service of £0.111m

Directorate Variance Analysis

Constitutional Services	£0.118m Favourable - £0.072m saving in members services of which £0.050m is a saving in members allowances due to some members carrying out more than one role and only able to claim one Special Responsibility Allowance. Remaining savings due to no travelling and less supplies and services like postage, printing and photocopying. £0.046m in salaries due to two vacancies.
-------------------------	---

£-1.7m Forecast Underspend



-7% Forecast Underspend as a proportion of Budget

Directorate	Budget Group	Budget £k	Forecast Spend £k	Variance £k	Previous Month Variance £k	Movement £k	Overall Status
Resources	Director's Office	269	278	9	9	0	Overspend
Resources	Financial Services	3,952	3,816	(135)	(133)	(3)	Underspend
Resources	Corporate Items	9,437	8,030	(1,407)	(1,402)	(5)	Underspend
Resources	Peterborough Serco Strategic Partnership	8,089	7,760	(329)	(330)	0	Underspend
Resources	Corporate Property	1,832	1,833	0	0	0	Overspend
Resources	Energy	478	639	161	161	0	Overspend
Resources	Cemeteries, Cremation & Registrars	(1,525)	(1,507)	18	1	17	Overspend
Total Resources		22,533	20,849	(1,684)	(1,694)	10	Underspend

Directorate Overview

Resources Directorate is currently reporting a favourable variance against budget of £1.684m. The main variances at this stage are pension cost savings following the Vivacity cessation assessment and savings within the Peterborough Serco Strategic Partnership Business Support contract due to the freezing of core vacancies until transformation work takes place.

Directorate Variance Analysis

Financial Services	£0.085m Favourable - Savings are expected within Financial Services salary budgets.. £0.052m of this underspend is related to a secondment of an Internal Audit member of staff to the Community Hub for the remainder of the financial year. The salary costs will be Covid-19 grant funded. The remaining underspend of £0.033m is within Financial Services and relates to additional savings achieved above the savings target included in the Medium Term Financial Strategy (MTFS).
	£0.050m Favourable - Other savings identified across the service area, including £0.020m expected saving in salary related costs generated from the operation of the corporate car lease salary sacrifice scheme.
Corporate Items	£1.337m Favourable - The pension actuary completed the cessation assessment for Peterborough Culture and Leisure Trust (Vivacity) following their admission ceasing on 30/09/2020. This has resulted in the Council receiving a single year reduction to their secondary contributions for the year 2021/22 to the value of 50% of the Vivacity surplus detailed in the assessment report. This variance is the result of the Funding and Management Agreement with Vivacity and the risk agreement for pension contributions.
	£0.050m Favourable - Following a review of the Compensatory Added Years and Unfunded Pension contributions, there is an expected saving against the corporate premature retirement budget. This saving is potentially repeatable in future years dependant on the Council's in-year pension strain funding requirements, and will be reviewed as part of the 22/23 budget setting process.
Peterborough Serco Strategic Partnership	£0.100m Favourable - Final year of growth income received as part of the Peterborough Serco Strategic Partnership contract which has not been budgeted. Not repeatable in future years.
	£0.250m Favourable - Business Support contract credits (freezing core vacancies where possible until transformation work takes place), offset by centralised project costs unable to be recharged directly to projects.
	£0.100m Favourable - The Housing Benefit Subsidy budget is forecasting a £0.100m favourable position against budget at this initial stage, mainly due to overpayments income forecast to be higher than budget. This is an early forecast is likely to change as time progresses.
	£0.100m Pressure - Court cost income collected is expected to be lower than budgeted. Due to lack of recovery activity which was restricted over the pandemic, the income was adversely affected in 2020/21. A £0.100m pressure is forecast in this year, and although this has improved on last financial year, it is in line with outturn in 2019/20 suggesting an ongoing pressure. There is no corresponding saving in administration costs.
Energy	£0.161m pressure - The Council is currently reporting an overall pressure within the Energy budget group, mainly due to potential pressures on income and savings targets. In addition, there are portfolio valuation and legal cost pressures which are unfunded. On 21/06/2021 Cabinet approved the recommendation to transfer the assets to the control of the Council. Teneo Restructuring Ltd have been jointly appointed by the Council and ECSP1 to facilitate this process. The Council is in the process of procuring an Interim Asset Manager to manage the asset portfolio for a period of 12 months until a full procurement exercise can be carried out for longer term contract.

Chief Executives Jul-21



£0.0m

**Forecast
Overspend**



0% Forecast Overspend as a proportion of Budget

Directorate	Budget Group	Budget £k	Forecast Spend £k	Variance £k	Previous Month Variance £k	Movement £k	Overall Status
Chief Executives	Chief Executive	162	162	(0)	0 ▲	(0)	Underspend
Chief Executives	HR	1,057	1,061	4	4 ▬	0	Overspend
	Total Chief Executives	1,219	1,223	3	4	(0)	Overspend

Directorate Overview

The Chief Executive Directorate is currently reporting a small adverse variance against budget of £0.003m.

£-0.7m Forecast Underspend

 **-3%**
Forecast Underspend as a proportion of Budget

Directorate	Budget Group	Budget £k	Forecast Spend £k	Variance £k	Previous Month Variance £k	Movement £k	Overall Status
Place & Economy	Development and Construction	(68)	(68)	0	0 ▲	(0)	On Budget
Place & Economy	Director Place & Economy	158	158	0	0 ▼	0	On Budget
Place & Economy	Peterborough Highway Services	4,304	4,108	(197)	(86) ▲	(111)	Underspend
Place & Economy	Sustainable Growth Strategy	1,519	1,492	(27)	0 ▲	(27)	Underspend
Place & Economy	Waste, Cleansing and Open Spaces	15,800	14,469	(1,331)	(1,272) ▲	(59)	Underspend
Place & Economy	Westcombe Engineering	26	138	112	112 ▲	(0)	Overspend
Place & Economy	Director of Housing	1,674	2,385	712	712 ▼	0	Overspend
Place & Economy	Growth & Regeneration	499	500	1	1 ▼	0	Overspend
	Total Place & Economy	23,912	23,182	(730)	(533) ▲	(197)	Underspend

Directorate Overview

The Place & Economy Directorate is currently forecasting an underspend of £0.730m. The main variances at this stage are Covid-19 related Housing Services pressures of £0.711m, offset by significant savings in Waste, Cleansing & Open Spaces.

Directorate Variance Analysis

Peterborough Highway Services	<p>£0.106m Favourable - Employee cost savings through Highway Services</p> <p>£0.090m Favourable - Other misc savings and additional income</p>
Waste, Cleansing and Open Spaces	<p>£1.095m Favourable - Energy Recovery Facility (ERF) Electricity Income - Significant Increase in wholesale export price of electricity produced by the ERF (the Council's Energy from Waste Plant operated by Viridor). A pressure of £0.5m was reflected in the Council's budget for 21/22 due to reduction in energy prices; however the energy market overall is showing faster signs of recovery than anticipated and the Council is able to achieve an improvement in the sale price. The position will be kept under review to inform the budget setting for 2022/23</p> <p>£0.057m Pressure - Additional cost at Household Recycling Centre due to Covid-19, such as staffing, traffic management, cleansing and signage.</p> <p>£0.067m Pressure - Vehicle hire and additional starting costs on waste collection rounds due to Covid-19</p> <p>£0.500m Favourable - Aragon Direct Services. As the financial pressures from Covid-19 start to reduce, and the replacement vehicle programme gets underway, Aragon Direct Services are projecting an improvement in their financial position for 2021/22, and the increase in costs to the Council that were set out in the budget are now forecast to be lower than anticipated.</p> <p>£0.120m Pressure - Waste treatment/recycling project - Project to improve recycling performance with the aim of delivering longer term savings on the waste treatment budget. The proposal is to significantly increase the Project Team (from Sep-21) working on education and raising awareness regarding recycling for residents in Peterborough, with a coordinated communications campaign as well as the employment of recycling advisors through Aragon. This does not return a saving in 2021/22 due to the need to employ additional recycling education officers however is likely to become cost neutral/return a saving in 2022/23 when the increases in recycling and food waste collection reduce the amount of these waste streams that are sent to the Viridor Energy Recovery facility. This investment is affordable due to the additional Energy Recovery Facility income currently being achieved.</p> <p>£0.140m Favourable - Materials Recycling Facility - Significant increase in Cardboard and Paper recycling prices, forecast to be reviewed as currently only predicting short term increase</p> <p>£0.160m Pressure - Other misc pressures, including Bulky Waste service, brown bin income, additional city centre cleansing and flytipping clearance costs</p>
Westcombe Engineering	<p>£0.112m Pressure - Miscellaneous pressures including significant arrears in raw casting supplies leading to reduced sales in areas where profit margins are significantly higher (£0.092m) and cost of backfilling a post seconded to the Covid Hub (£0.020m)</p>
Director of Housing	<p>£0.561m Pressure - Housing Services - additional costs arising from housing rough sleepers in hotels and B&B's. The pressure is made up of £0.761m expenditure, which is being partially offset by £0.200m of Rough Sleeper initiative grant income. The forecast pressure has reduced as the numbers accommodated in hotels and B&B's have reduced from the April peak of 124, to 71 at the end of June, and are projected to reach nil by mid-end August, as clients are placed in more cost effective accommodation. The caseload modelling takes into account projected changes in demand following the end of restrictions on evictions and the impact of the end of the furlough scheme on homelessness driven by unemployment.</p> <p>MHCLG (The Ministry of Housing, Communities and Local Government) are rolling out another funding programme to which the Council has submitted a bid. Although this is capital funding this will directly reduce the Council's expenditure on hotel and B&B accommodation as more places will become available to house rough sleepers. The forecast will be further refined as longer term modelling of the supply of Temporary Accommodation and the associated costs is matched to the forecast demand; for example the current projection is based on Bushfield Court becoming available for Temporary Accommodation during August, and there are some risks of additional costs associated with bringing this accommodation into use.</p> <p>£0.150m Pressure - Unachievable savings plan relating to income associated with Temporary Accommodation. The baseline budget requirement is being re-assessed in light of the modelling referred to above, and whilst this has not yet been finalised, it is judged that this element of saving is unlikely to be realised.</p>

£0.0m Forecast Underspend



-3% Forecast Underspend as a proportion of Budget

Directorate	Budget Group	Budget £k	Forecast Spend £k	Variance £k	Previous Month Variance £k	Movement £k	Overall Status
Business Improvement	Programme Management Office	722	701	(21)	(17) ▲	(4)	Underspend
	Total Business Improvement	722	701	(21)	(17) ▲	(4)	Underspend

Directorate Overview

The Business Improvement Directorate is currently reporting a small favourable variance within the service of £0.021m

£-0.3m Forecast Underspend



-3% % Forecast Underspend as a proportion of Budget

Directorate	Budget Group	Budget £k	Forecast Spend £k	Variance £k	Previous Month Variance £k	Movement £k	Overall Status
Customer & Digital Services	IT & Digital Services	6,602	6,321	(281)	(286) ▼	5	Underspend
Customer & Digital Services	Marketing & Communications	409	439	30	30 ▬	0	Overspend
Customer & Digital Services	Resilience & Health & Safety	266	266	0	0 ▬	0	On Budget
Customer & Digital Services	Director of Customer & Digital Services	79	79	0	0 ▬	0	On Budget
Total Customer & Digital Services		7,356	7,105	(251)	(256) ▼	5	Underspend

Directorate Overview

The Customer & Digital Directorate is currently reporting an overall favourable variance of £0.251m against budget. The main variances are within IT & Digital service area, primarily through identification of additional external income above budget.

Directorate Variance Analysis

IT & Digital Services

- £0.197m Favourable - Additional income expected to be generated through external sources including Service Level Agreements with partner organisations and East of England Broadband Network (E2BN). This is likely to be an ongoing income stream and will be reviewed as part of the 2022/23 budget setting process.
- £0.051m Favourable - In-year, non-repeatable savings within Software and Hardware, Telephony and Microsoft contracts.
- £0.033m Favourable - Other minor variances within the service area.

Capital Financing Jul-21

£-2.7m

Forecast Revenue Underspend



-10%

Forecast Underspend as a proportion of Budget

Directorate	Budget Group	Budget £k	Forecast Spend £k	Variance £k	Previous Month	Movement £k	Status
					Variance £k		
Resources	Capital Financing	27,994	25,328	(2,666)	0 ▲	(2,666)	Underspend
	Total Capital Financing	27,994	25,328	(2,666)	0 ▲	(2,666)	Underspend

Capital Financing and Capital Receipts Overview

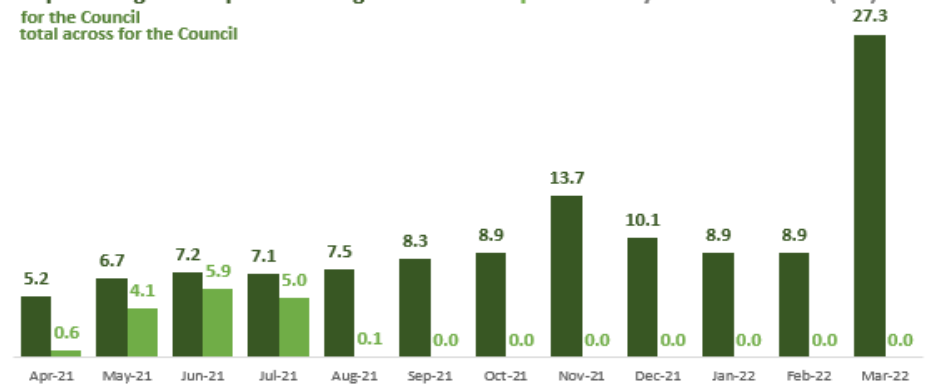
Less borrowing of £24.3m was undertaken for the capital programme in 2020/21 compared to that estimated to be required in the Medium Term Financial Strategy (MTFS) at £50.5m. This result, along with a reduction in the overall borrowed amount means that payments of interest are forecast to be less than the budget by £1.98m.

As part of the drive to find additional savings for the current and future year, the capital programme is being reviewed by Directors for 2021/22 and future years to ensure that a realistic profile of scheme delivery is being costed to enable forecast for borrowing and timings to be more realistically estimated and mitigate some of the budget pressures resulting from the interest rate rise. Following the initial review of the capital programme savings are now forecast against the new borrowing budget of £0.4m.

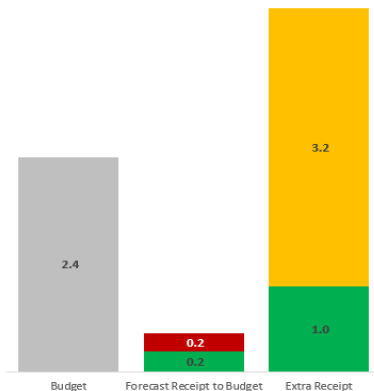
The minimum revenue provision detailed calculation is anticipated to be completed over the autumn months and given that the performance of the capital programme was £55m for 2020/21 compared to the budget of £83m a forecast underspend is estimated to be £0.7m.

These forecast underspends are offset by a shortfall in interest receipts which reflects the late treatment of the Empower loan which was due to transition into a long term financing facility at the end of 2020/21. Aragon Direct Services, the Council's Teckal company, were also able to repay an element of their loan earlier than expected due to a better operating position at the end of 2020/21. The forecast reduction in interest receipts is £0.5m.

Capital Programme profiled budget v's Actual Expenditure by calendar month (£m) for the Council total across for the Council



Capital Receipts forecast receipt based on RAG assessment of achievement by 31 March 2022



These forecast underspends are offset by a shortfall in interest receipts which reflects the late treatment of the Empower loan which was due to transition into a long term financing facility at the end of 2020/21. Aragon Direct Services, the Council's Teckal company, were also able to repay an element of their loan earlier than expected due to a better operating position at the end of 2020/21. The forecast reduction in interest receipts is £0.5m.

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 likelihood of receipt before March 2022. As per the MTFS policy Capital Receipts will be used to repay debt and forms part of the calculation of reducing the overall debt through MRP. If capital receipts are not received, the debt will need to be repaid via revenue resources.

The Council has identified over £4.5m of asset sales in order to achieve the MTFS budget of £2.4m. However, the impact from C-19 pandemic of asset sales continues to present a challenging environment in which to finalise the final exchange of assets and therefore the timing of the final receipt.

Appendix B- Reserves Jul-21

Overview

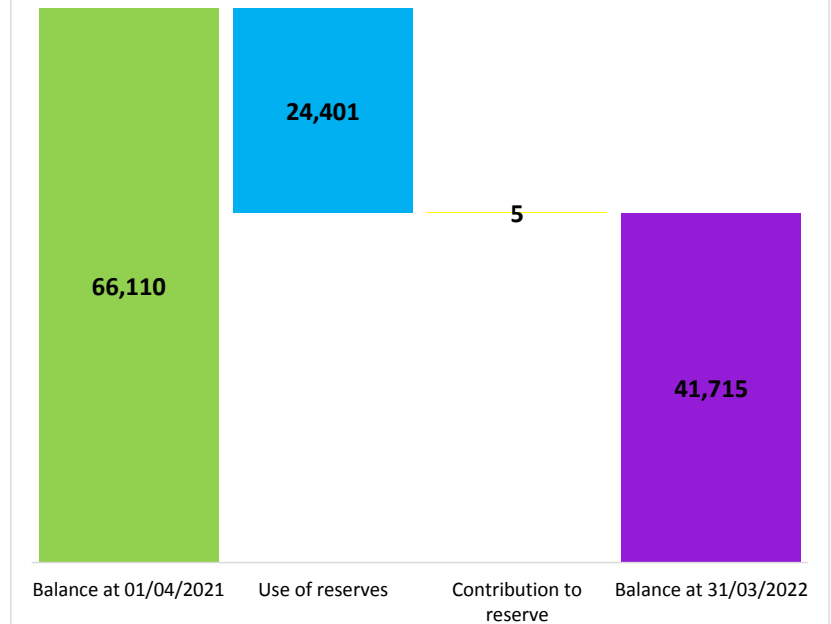
* The Council's reserves balances at 31 March 2021 were £66.1m, of which £6m is the Council's general fund, £4.3m ringfenced and £55.7m is available for use on transformation or in the event of a major incident.

* Included in the £55.7m £20.2m related to NNDR Section 31 grants, which is being used within the budget to mitigate the financial implications from the Business rates Collection Fund loss, and £2.3m which has been committed to mitigate the impact of potential future Business rates and Council Tax deficits following the pressures from C-19.

* The Council also set aside £12.8m at the end on 2021/22, in a specific C-19 Funding reserve to mitigate future service demand and cost pressures arising as a result of C-19. At present there are no arising pressures being committed against this reserve. The 2022/23 budget is under full review, the use of this reserve will be considered as part of that process.

	2021/22	2021/22	2021/22	2021/22	2022/23	2023/24
	Balance C/Fwd	Forecast Cont	Forecast Cont to	Balance at	Balance at	Balance at
	£000	from Reserve	Reserve	31.03.22	31.03.23	31.03.24
Summary of Reserves	£000	£000	£000	£000	£000	£000
General Fund Balance	6,000		-	6,000	6,000	6,000
				-		
Usable Reserves				-		
Capacity Building Reserve	15,035	(1,409)	(0)	13,626	14,081	14,081
Grant Equalisation Reserve	-	-	-	-	-	-
Departmental Reserve	5,380	(2,787)	-	2,593	1,805	1,805
Covid-19 NNDR Section 31 Grant	22,521	(20,205)	-	2,316	-	-
Covid-19 Funding Reserve	12,841		-	12,841	-	-
	55,778	(24,401)	(0)	31,377	15,886	15,886
Ring-Fenced Reserves						
Insurance Reserve	3,315	-	-	3,315	3,315	3,315
Schools Capital Expenditure Reserve	658	-	-	658	658	658
Parish Council Burial Ground Reserve	57	-	5	62	62	62
Hackney Carriage Reserve	173	-	-	173	173	173
Public Health Reserve	131	-	-	131	131	131
	4,333	-	5	4,338	4,338	4,338
Total Usable and Ring-Fenced Reserves and General Fund Balance	66,110	(24,401)	5	41,715	26,224	26,224

2021/22 Use of Reserves Summary (£000)



Overview

The revised Capital Programme budget as at July 2021 is £119.8m, which includes £10.8m for Invest to Save (I2S) Schemes.

The agreed investment as per the Medium Term Financial Plan (MTFS) was £146.8m. The movement between the MTFS position and the £164.9m as at April 2021 was a result of slippages mainly due to delays completing projects from 2020/21.

The actual investment expenditure as at July 2021 is £15.7m. The latest forecast provided by project managers predicts an overall spend of £119.8m, therefore the Council is expecting to spend a further £104.0m before March 2022.

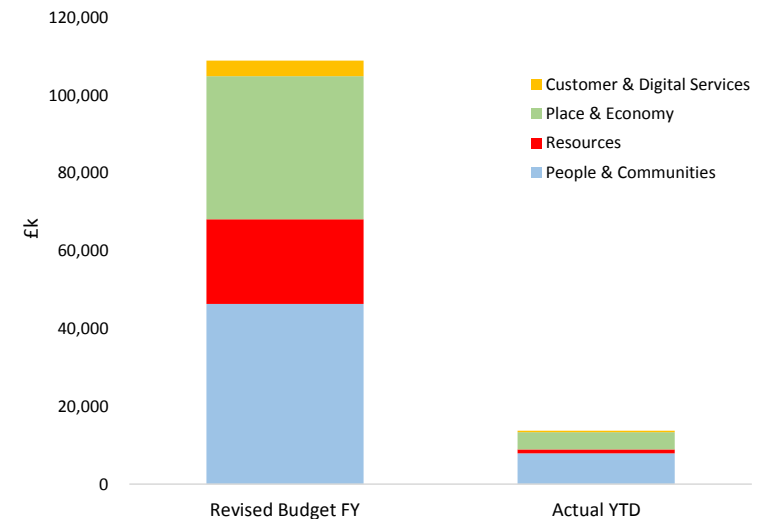
The I2S budget is for schemes that must cover the cost of borrowing and minimum revenue provision (MRP) from either income generation or from generated savings.

The Asset Investment Plan can be funded via three core elements, external third party income (including grants), capital receipts generated from the sale of Council assets, and borrowing from the external market. For the 2016/17 MTFS onwards the approved strategy is to use Capital Receipts as part of a contribution to the Minimum Revenue Provision (MRP) therefore they are no longer used primarily for the funding of the Asset Investment.

The following table shows the breakdown of the Council's Asset Investment over the directorates and how this investment is to be financed:

Directorate	MTFS Budget £000	1st April Budget £000	Revised Budget FY £000	Actual YTD £000	Total Spent Against Budget %
People & Communities	46,129	50,981	46,311	7,905	17%
Resources	38,152	37,346	21,817	1,016	5%
Place & Economy	46,604	59,049	36,787	4,423	12%
Customer & Digital Services	2,500	4,028	4,012	381	9%
TOTAL	133,384	151,403	108,927	13,726	12.6%
Grants & Third Party Contributions	67,763	71,669	54,658	9,933	18%
Borrowing	65,621	79,734	54,269	3,793	7%
TOTAL	133,384	151,403	108,927	13,726	12.6%
Invest to Save	13,500	13,540	10,835	2,009	1.8%

Revised Budget Compared to Actual Expenditure to Date



New Capital Budget Proposals/Virements for Approval

Item
£0.034m- Westcombe Engineering Machinery Investment (Funded by Invest to Save)
£1.577m- Clare Lodge Refurbishment and Safety works (Funded by grant)