

Appendix A – BCR Variance Analysis

People & Communities- £0.9m Forecast Underspend

Directorate	Budget Group	Budget £k	Forecast Spend £k	Variance £k	Previous Month Variance £k	Movement £k	Overall Status
People & Communities	Director	1,602	1,514	(88)	(62)	(26)	Underspend
People & Communities	Education	6,646	6,246	(399)	(261)	(138)	Underspend
People & Communities	Adults - Commissioning	46,962	45,207	(1,755)	(1,484)	(271)	Underspend
People & Communities	Adults - Operations	9,803	8,822	(981)	(892)	(89)	Underspend
People & Communities	Children's - Operations	12,449	12,262	(186)	(67)	(120)	Underspend
People & Communities	Children's Commissioning	18,079	17,205	(874)	(779)	(96)	Underspend
People & Communities	Commissioning Team and Commercial Operations	451	758	307	458	(151)	Overspend
People & Communities	Communities - City Centre Management	347	813	465	324	141	Overspend
People & Communities	Communities - Cohesion and Integration	1,106	1,050	(56)	(50)	(6)	Underspend
People & Communities	Communities - Community Safety	(1,357)	(71)	1,286	1,232	54	Overspend
People & Communities	Communities - Think Communities	3,131	4,441	1,310	1,341	(30)	Overspend
People & Communities	Communities-Regulatory Services	1,723	1,787	64	159	(95)	Overspend
People & Communities	Children's & Safeguarding (DSG)	6,042	6,536	495	495	0	Overspend
People & Communities	Commissioning and Commercial Operations (DSG)	11	10	(1)	(1)	0	Underspend
People & Communities	Education (DSG)	(6,053)	(6,528)	(475)	118	(593)	Underspend
	Total People & Communities	100,941	100,052	(889)	529	(1,418)	Underspend

Directorate Variance Analysis	
Education	<p>£0.138m 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. * £0.088m - 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 a 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.
	£0.237m forecast saving re Schools Direct Revenue Financing (DRF) based on estimated value of Schools funding being transferred into Capital.
	£0.044m forecast saving - using Special Education Needs Disabilities Grant funding to off-set existing costs
	£0.099m forecast saving - Agreed new structure for Schools and Settings Finance Team
	£0.206m forecast saving re PFI Insurance rebate. This represents the minimum rebate due. The final rebate will be agreed by end of January 2022..
	£0.384m forecast pressure Home to School Transport. This pressure represents growth, additional contract costs arising from the re-tendering of contracts, the pressure of Primary School directed places and reduced parental contributions following the introduction of Public Services Vehicle Accessibility Regulations which means the Authority cannot charge for post 16 transport on non-compliant vehicles.
	0.0104m forecast saving - School Improvement and Monitoring grant being used to offset existing costs.
	0.078m forecast saving School Improvement including Governor Services projected trading surplus, employee savings, Attendance Service traded income.
	£0.108m saving - Shared Assistant Director School Improvement post not recruited to in current financial year, release of Service Director Project funding following spend moratorium.
Adults - Commissioning	<p>£0.420m favourable - the annual uplift from the Better Care Fund has been released to support pressures in Adult Social Care from demographic and market conditions</p> <p>£0.494m favourable - release of the following on a one year basis. Early Help and Transitions investment due to delay in restructuring teams, Childrens Centres maintenance costs now not required, inspections fund as a result of covid some inspections have not taken place this financial year.</p> <p>£0.264m favourable further release of budgets around inspections & investments not required in current financial year including Autism Strategy, pressures within 0-25 Service, recruitment investment in Transition Commissioning & Clare Lodge future options costs.</p>
	£0.045m - part year savings on the closure of interim beds and estimated costs relating to 2020/21 not required
	£0.251m saving - the extension of the Discharge to Assess (hospital discharges) from September 2021 to March 2022 has released the first four weeks of care package spend which is paid for by reclaiming through the CCG.
	£0.058m pressure - 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
	£0.171m saving re Mental Health Section 75 agreement based on Cambridgeshire and Peterborough Foundation Trust (CPFT) forecast underspend predominantly due to staffing vacancies and difficulty in recruitment for social workers and Approved Mental Health Practitioners (AMHPs)
Adults - Operations	<p>£0.101m forecast pressure due to additional spend required as a result of Covid-19, this includes:</p> <ul style="list-style-type: none"> * £0.027m for additional Occupational Therapy capacity to deal with increased demand for services from hospital discharges and disabled facilities grant cases awaiting reviews

Directorate Variance Analysis	
	<p>* £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>
	<p>£0.853m forecast favourable on staffing costs, is mainly due to the difficulties in recruiting to vacancies due to availability of appropriately qualified staff, new appointments being at a lower spinal column point or reduced hours in comparison to budget.</p>
	<p>£0.173m 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 still impacting.</p>
Children's - Operations	<p>£0.110m forecast pressure as a result of additional expenditure required as a result of Covid-19. This includes:</p> <ul style="list-style-type: none"> * £0.065m - Assessment and Family Safeguarding demand, additional resources will be required due to the already increasing numbers of assessments and referrals. * £0.028m - 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>£0.105m saving released under Targeted Youth Services - £0.032m vacancy savings as posts not being recruited to until April 2022, £0.024m carry forward for Prince Trust released, £0.040m for relief budget travel, other vacancy slippage and financial assistance offered up as part of spending moratorium</p>
Children's Commissioning	<p>£0.874m forecast favourable including:</p> <ul style="list-style-type: none"> * £0.918 Children's Social Care Placements – increased numbers of Looked after Children following covid lockdown have not materialised to the level expected although this has been offset by increased complexity of need and market demands. * £0.050m saving Children's Centres contribution from Tackling Troubled Families Grant * £0.070m Savings on New Ark Contract and High Level Family Support * £0.036m Short Breaks Commissioning with Circles Network * £0.203m pressure relating to Children with Disabilities - Additional Short Breaks and Homecare for periods out of schools
Commissioning Team and Commercial Operations	<p>£0.460m forecast pressure in relation to Clare Lodge, this is based on average occupancy of between 7 and 8 young people until March 22. The £0.491m forecast overspend represents:</p> <ul style="list-style-type: none"> * A projected shortfall of income of £0.644m based on reduced average occupancy until March 22. * A projected overspend on employee expenditure of £0.163m. Vacancy savings of £0.587m is offset by a pressure of £0.750m Agency staffing. * A projected underspend of £0.347m on non-staffing expenditure budgets
Communities - City Centre Management	<p>£0.465m forecast pressure includes: £0.112m forecast loss of income at the Market due to non-essential traders having not yet reopened stalls following the Lockdown 3.0 restrictions, £0.256m pressure re costs of Market Relocation, £0.080m pressure loss of Street Trader income and 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>

Directorate Variance Analysis	
Communities - Community Safety	£1.519m forecast pressure due to loss of income across multiple services including £0.658m from Parking charges, £0.424m from Parking Enforcement and £0.437m from Environmental Enforcement. Actual parking income continues to be significantly less than budget 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.
Communities- Regulatory Services	£0.231m forecast pressure within the Coroners service as a result of unusually complicated and high profile cases (£0.039m), Covid-19 (£0.078m) and Business as Usual (£0.114m). 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.
Communities - Think Communities	£1.541m forecast pressure within the Recreation and Culture services. This includes: <ul style="list-style-type: none"> * £0.816m pressure resulting from lost income covering the period April to June 2021. 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. * £0.300m - Further loss of Leisure income. * £0.400m - Additional running costs of City Culture.
	£0.247m saving as Think Communities MTFS investment for 2021/22 is not required this financial year as all costs can be charged to the Integrated Area Programme grant

Public Health- £0.0m Forecast

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	987	889	(98)	(98)	0	Underspend
Public Health	Sexual Health	2,052	1,993	(59)	10	(69)	Underspend
Public Health	Substance Misuse	2,308	2,308	0	0	0	On Budget
Public Health	Smoking and Tobacco	286	217	(69)	0	(69)	Underspend
Public Health	Miscellaneous Public Health Services	1,458	1,242	(216)	14	(230)	Underspend
Public Health	Public Health Grant	(11,252)	(10,811)	441	0	441	Overspend
	Total Public Health	(188)	(188)	0	(73)	73	On Budget

Directorate Variance Analysis	
Children 5-19 Health Programmes	£0.115m saving - Contribution to Family Safeguarding not required until financial year 2022/23 as being covered by reserve funds for family safeguarding.
Children 5-19 Health Programmes	£0.017m pressure - A one year only contribution is required to the cost of the CHUMS (Mental Health and Emotional Wellbeing Service) contract which offers support to young people with mental health difficulties, as the contract was re-procured and lead commissioners changed from PCC to CCG from July 2020.
Miscellaneous Public Health Services	£0.016m one off increase in Everyone Health contract £0.088m saving Adults Weight Management & Obesity budget £0.087m staff saving. Reduced cross charge from CCC and charging Public Health staffing costs to other grants. £0.050m saving GP Health checks based on Q1 to Q3 activity
Sexual Health	£0.010m pressure - additional cash contract cost £0.030m saving out of area genitourinary medicine (GUM) based on Q1 to Q3 activity £0.019m saving Emergency Contraception (EHC) based on Q1 to Q3 activity £0.020m saving Long Acting Reversible Contraception (LARC) based on Q1 to Q3 activity
Smoking and Tobacco	£0.054m saving payments to GP's / Pharmacies for Smoking cessation due to reduced activity
Public Health Grant	£0.441m forecast contribution to Public Health Reserve

Governance- £0.1m Forecast Underspend

Directorate	Budget Group	Budget £k	Forecast Spend £k	Variance £k	Previous Month Variance £k	Movement £k	Overall Status
Governance	Director of Governance	129	108	(21)	(15)	(6)	Underspend
Governance	Legal Services	1,811	1,790	(21)	(73)	53	Underspend
Governance	Constitutional Services	2,025	1,899	(127)	(136)	9	Underspend
Governance	Performance & Information	179	198	19	23	(4)	Overspend
	Total Governance	4,144	3,994	(149)	(201)	52	Underspend

Directorate Variance Analysis	
Constitutional Services	£0.127m Favourable - £0.084m saving in Members Services of which £0.054m 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 reduced travel costs, reduced supplies and services including postage, printing, photocopying and IT costs. £0.086m saving in salaries due to two vacancies. £0.043m other misc pressures

Resources- £3.0m Forecast Underspend

Directorate	Budget Group	Budget £k	Forecast Spend £k	Variance £k	Previous Month Variance £k	Movement £k	Overall Status
Resources	Director's Office	268	327	59	46	13	Overspend
Resources	Financial Services	3,953	3,628	(325)	(276)	(49)	Underspend
Resources	Corporate Items	9,441	7,610	(1,830)	(1,820)	(10)	Underspend
Resources	Peterborough Serco Strategic Partnership	8,060	7,129	(932)	(729)	(202)	Underspend
Resources	Corporate Property	2,062	2,079	17	(37)	54	Overspend
Resources	Energy	478	609	130	130	0	Overspend
Resources	Cemeteries, Cremation & Registrars	(1,530)	(1,680)	(149)	(116)	(33)	Underspend
	Total Resources	22,732	19,702	(3,030)	(2,802)	(229)	Underspend

Directorate Variance Analysis	
Financial Services	£0.194m Favourable - Savings are expected within the salary budgets within Financial Services. £0.051m 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. £132k savings are within Finance following a review of the interim management arrangements for the remainder of the financial year.
	£0.131m Favourable - Other savings identified across the service area, including £0.025m expected saving in salary related costs generated from the operation of the corporate car lease salary sacrifice scheme, £0.025m from the Risk Management budget underspend and £0.068m of savings within the Insurance Premium budget.
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.
	£0.191m 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 partially repeatable in future years dependant on the Council's in-year pension strain funding requirements, and will be reviewed as part of the 2022/23 budget setting process. In addition, in-year costs are forecast to be lower than budgeted.
	£0.305m Favourable - This variance is a result of the Value Added Tax (VAT) shelter income received from Cross Keys Homes (CKH). This favourable position has been driven by maintenance work CKH has carried out on its properties to end of December 2021, and the expenditure profile has varied from original budgeted.
	£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.

Directorate Variance Analysis	
Peterborough Serco Strategic Partnership	£0.263m 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.
	£0.319m Favourable - Following a review of the PSSP contract budget including inflationary elements (£231k) along with grant funding identified (£88k), a total underspend in the current year of £319k has been identified. This will be partly ongoing and a saving has been factored into the proposed 2022/23 Medium Term Financial Strategy (MTFS).
	£0.300m Favourable - The Housing Benefit Subsidy budget is forecasting a £0.200m favourable position against budget. Due to a one off piece of work with historic Housing Benefit payments, the Council has identified a higher level of overpayments than previously forecast which have already been recovered and as a result has received a net £210k overpayment income above budget for this financial year.
	£0.50m 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 £0.90m 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	<p>£0.130m Pressure - On 12 November 2021 administrators were appointed to ECSP1 and on the same day the Council purchased the assets of ECSP1 from the administrators.</p> <p>The income receivable and interest payable on the Empower loan has resulted in a favourable position. The legal costs for insolvency advice plus the expected MRP charge have offset the favourable variance. The adverse movement, from the reported variance last month, is due to a change in the MRP calculation for the 2021/22 financial year. The Council agreed with the auditors EY that a full charge for the assets will be made in this financial year, and as such is higher than forecast last month. In addition, legal costs are higher than anticipated as Pinsent Mason, on behalf of the Council, have negotiated the sub-contracts essential for the safe and efficient operation of the Solar Assets.</p>
Corporate Property	£0.083m Favourable - NPS Peterborough Ltd is a 50/50 joint venture company owned by the Council and the Norse Group (a wholly owned subsidiary of Norfolk County Council). This favourable variance is a result of the profit share being higher than budgeted. This variance is unlikely to continue as savings have been built into the MTFS for the NPS contract.
	£0.073m Pressure - A debtor invoice write off exercise has meant £0.073m has been recoded to Corporate Property from the Bad Debt Provision, creating a pressure against the budget in this financial year.
	£0.027m Pressure - Other overall pressure within the service due to Business rates budgets including credits for prior year charges offset with costs for Interim Management.
Cemeteries, Cremation & Registrars	£0.103k Favourable - Additional income above budget from cremations, internment fees and rights of burial charges, offset by reduction in Registration income (Covid-19 related).
	£0.047k Favourable - Other savings across the service including salaries and other supplies and services.

Chief Executives- £0.01m Forecast Underspend

Directorate	Budget Group	Budget £k	Forecast Spend £k	Variance £k	Previous Month Variance £k	Movement £k	Overall Status
Chief Executives	Chief Executive	200	200	0	29	(29)	Underspend
Chief Executives	HR	1,006	906	(100)	(65)	(35)	Underspend
	Total	1,206	1,106	(100)	(36)	(64)	Underspend

Directorate Analysis	
HR	£0.032m Favourable - Savings within salary budgets are expected due to vacancies being held, maternity savings and grant funding.
	£0.040m Favourable - An underspend has been identified through reduced expenditure within Workforce Development and Corporate training budgets during the year.
	£0.028m Favourable - Additional income has been secured through Practice Learning and additional savings within supplies and services following the spending moratorium implementation.

Place & Economy- £2.0m Forecast Underspend

Directorate	Budget Group	Budget £k	Forecast Spend £k	Variance £k	Previous Month Variance £k	Movement £k	Overall Status
Place & Economy	Development and Construction	(80)	(239)	(160)	(153)	(7)	Underspend
Place & Economy	Director Place & Economy	149	140	(9)	(9)	(0)	Underspend
Place & Economy	Peterborough Highway Services	4,264	3,465	(799)	(718)	(82)	Underspend
Place & Economy	Sustainable Growth Strategy	1,553	1,349	(204)	(199)	(5)	Underspend
Place & Economy	Waste, Cleansing and Open Spaces	15,802	13,683	(2,118)	(1,532)	(586)	Underspend
Place & Economy	Westcombe Engineering	22	478	455	261	195	Overspend
Place & Economy	Director of Housing	1,688	2,546	858	696	162	Overspend
Place & Economy	Growth & Regeneration	491	496	5	(10)	15	Overspend
	Total Place & Economy	23,890	21,918	(1,971)	(1,663)	(308)	Underspend

Directorate Variance Analysis	
Development and Construction	£0.160m Favourable - Various favourable including additional income (Planning fees, Planning Performance Agreement income, S106 Admin fees) and savings on supplies & services. Partly offset by additional consultant fees and reduction in recharges to shared services
Peterborough Highway Services	£0.267m Favourable - Employee cost savings through Highway Services. Further savings due to a delay in recruitment following a restructure.
	£0.253m Favourable - Various cost savings and additional income Network Management (Traffic signal maintenance, bridge maintenance, New Roads Streets Work Act, etc)
	£0.119m Pressure - Highways Schemes - Cost of additional vehicles August 21 to Jan 22 due to Covid-19. Also reduced Street Naming income and reduced Road Map savings
	£0.131m Favourable - Additional Highway Development Sec38 Income and supplies & services savings
	£0.267m Favourable - Savings and additional income including savings on street lighting and highway contractor inflation budgets, and additional fees from other Local authorities for PCC project work
Sustainable Growth Strategy	£0.204m Favourable - Various savings across the service including employee and consultancy costs and supplies & services. Also additional income from commuted sums, S106 income and contributions from Cambs County Council towards plan works
Waste, Cleansing and Open Spaces	£1.631m Favourable - Energy Recovery Facility (ERF) Electricity Income - Continued 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 2021/22 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. This has been factored into the budget proposals for 2022/23

Directorate Variance Analysis	
	£0.035m Pressure - Additional cost at Household Recycling Centre due to Covid-19, such as staffing, traffic management, cleansing and signage.
	£0.063m Pressure - Vehicle hire and additional staffing costs on waste collection rounds due to Covid-19
	£0.695m 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.
	£0.230m Favourable - Materials Recycling Facility - Significant increase in Cardboard and Paper recycling prices, forecast under constant review and prices continue to remain high
	£0.329m Pressure - Brown Bin Service - Due to national driver shortages the annual garden waste bin collection service which commenced in August 2021 has been Suspended. Customers to the service will receive a refund from the council, for the 11 months of service which has not been provided. The new annual service is currently forecast to resume from April 2022. This means a loss of income of £741k in the current financial year, but there is a saving of £412k due to the non-delivery of the service.
Westcombe Engineering	£0.323m Pressure - Loss of income - Significant arrears in raw casting supply due to Covid and Brexit. This lack of castings is not allowing Westcombe Engineering to satisfy Caterpillar schedules and is therefore affecting the ability to maximise income generation through global sales into Caterpillar and Caterpillar Aftermarket, where profit margins are significantly higher. Caterpillar have now made significant capital spend on new tooling to enable dual sourcing and eventually switching to a new supplier. Also raw material prices continue to rise.
	£0.132m Pressure - £0.038m cost of backfilling a post seconded to the Covid Hub, £0.040m cost of machine repairs, and £0.054m warranty claim
Director of Housing	£0.675m Pressure - Housing Services - additional costs arising from housing rough sleepers in hotels and B&B's. The pressure is made up of £0.875m expenditure, which is being partially offset by £0.200m of Rough Sleeper initiative grant income and £0.065m Rapid Rehousing Programme Reserve. The council's R.S.A.P (Rough Sleeper Accommodation Programme) bid has been approved by DLUHC (The Department for Levelling Up, Housing and Communities, formerly MHCLG). 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.
	£0.111m Pressure - Unachievable savings plan relating to income associated with Temporary Accommodation. The baseline budget requirement has been re-assessed and this element of saving has not been realised.
	£0.171m Favourable - Net savings on temporary accommodation schemes - Bushfield Court will not now be leased for temporary accommodation, and a scheme at Walton Road has been delayed until 2022/23. The rent PCC would have paid for these properties is higher than the rental income that would be received, so these changes result in a saving. This saving has been offset by additional rent costs at Redpoll Place, additional costs from Cross Keys Homes relating to Hostel under occupation charges from 2020/21 and costs of surveying properties at Wittering to consider whether they were suitable for temporary accommodation.
	£0.136m Favourable - relating to employee costs for Housing Needs, however vacancy savings are offset by temporary staff costs
	£0.057m Pressure - Increased repair and maintenance costs of Norwood and Oxney Traveller sites
	£0.039m Pressure - Other misc pressures, mostly landlord incentive payments
	Please note that the Housing Enforcement function, which includes Selective Licensing, recently moved from the People & Communities Directorate to the Place & Economy Directorate and is therefore now reporting on the Place & Economy Budgetary Control reports.
	£0.045m Favourable - Employee costs Housing Enforcement Team

Directorate Variance Analysis	
	£0.053m Favourable - Housing Enforcement License income and supplies & services savings
	£0.141m Favourable - Employee costs Selective Licensing Team. 2 full time vacant posts and another saving due to a full time team member being seconded to another area for most of 21/22.
	£0.502m Pressure - Selective Licensing Scheme Income. The Selective Licensing Scheme ended October 2021 and there has been a delay in setting up the new scheme. A proposed replacement scheme will very soon be out for consultation. It will then be reviewed by central Govt and requires their approval, and it is unclear how long this process will take. An estimate has been made regarding how this will impact future years budgets

Business Improvement- £0.0m Forecast Underspend

Directorate	Budget Group	Budget £k	Forecast Spend £k	Variance £k	Previous Month Variance £k	Movement £k	Overall Status
Business Improvement	Programme Management Office	719	690	(29)	(36)	6	Underspend
	Total Business Improvement	719	690	(29)	(36)	6	Underspend
Directorate Overview							
The BID Directorate is currently reporting a small favourable variance within the service of £0.036m							

Customer & Digital Services- £0.7m Forecast Underspend

Directorate	Budget Group	Budget £k	Forecast Spend £k	Variance £k	Previous Month Variance £k	Movement £k	Overall Status
Customer & Digital Services	IT & Digital Services	7,012	6,254	(758)	(655)	(103)	Underspend
Customer & Digital Services	Marketing & Communications	448	485	37	43	(6)	Overspend
Customer & Digital Services	Resilience & Health & Safety	263	266	3	(0)	3	Overspend
Customer & Digital Services	Director of Customer & Digital Services	85	85	0	0	0	On Budget
	Total Customer & Digital Services	7,809	7,090	(718)	(611)	(107)	Underspend

Directorate Overview

The Customer & Digital Directorate is currently reporting an overall favourable variance of £0.611m 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 has been included in the 2022/23 MTFS budget process.
	£0.217m Favourable - Staffing budgets are predicting an underspend due to additional salary capitalisation, vacant posts in year and grant funding being identified. The restructure of the service is in progress but now not expected to be completed in this financial year.
	£0.101m Favourable - continued rationalisation of the IT revenue budget has meant that the remaining contingency held following the exit from the Serco contract, is not currently expected to be required in this financial year. It has been reviewed as part of the 22/23 budget proposals.
	£0.149m Favourable - In-year savings within Software and Hardware, Telephony and Microsoft contracts. Part of the saving relates to repeatable savings which have been built into the 22/23 MTFS.
	£0.040m Favourable - Other minor variances within the service area.

Capital Financing- £2.7m forecast Underspend

Directorate	Budget Group	Budget £k	Forecast Spend £k	Variance £k	Previous Month Variance £k	Movement £k	Status
Resources	Capital Financing	27,994	25,307	(2,687)	(2,687)	0	Underspend
	Total Capital Financing	27,994	25,307	(2,687)	(2,687)	0	Underspend

Variance Analysis

Less borrowing of £24.3m was undertaken for the capital programme in 2020/21 compared to that estimated to be required in the 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 £0.5m.

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, and latest forecast from ESPO with regards to a dividend receipt would help offset this shortfall.

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 and is undergoing further examination for potential additional asset sales following the results of the both DLUHC reviews which recommend that asset sales are used to stabilise the Council's financial position.

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