

<b>CABINET</b>	<b>AGENDA ITEM No. 10</b>
<b>18 SEPTEMBER 2023</b>	<b>PUBLIC REPORT</b>

Report of:	Executive Director of Corporate Services and S151 Officer	
Cabinet Member(s) responsible:	Cllr Andy Coles, Cabinet Member for Legal, Finance and Corporate Governance	
Contact Officer(s):	Cecilie Booth, Executive Director of Corporate Services and S151 Officer Emma Riding, Service Director- Financial Management & Deputy s151 Officer	Tel. 01733 452520

**BUDGET CONTROL REPORT JUNE 2023 - QUARTER 1**

<b>RECOMMENDATIONS</b>	
<b>FROM:</b> Executive Director of Corporate Services and S151 Officer	<b>Deadline date:</b> N/A
<p>It is recommended that the Cabinet notes:</p> <ol style="list-style-type: none"> <li>1. The budgetary control position for 2023/24 on 30 June 2023 is a forecast overspend of £5.1m position.</li> <li>2. The key variance analysis and explanations are contained in section 4.2 and Appendix A to the report.</li> <li>3. The Council's performance with respect to Business Rates (NDR) and Council Tax Collection, as outlined within Appendix B to the report.</li> </ol>	

**1. ORIGIN OF REPORT**

1.1 This report is submitted to Cabinet to provide an update on the Councils forecast Outturn Position for 2023/24, following review and consideration from the Corporate Leadership Team.

**2. PURPOSE AND REASON FOR REPORT**

2.1 The purpose of this report is to provide Cabinet with an overview of the Councils forecast outturn for 2023/24, as at 30 June 2023.

2.2 This report is for Cabinet to consider under its Terms of Reference No. 3.2.12, *'To be responsible for the Council's overall budget and determine action required to ensure that the overall budget remains within the total cash limit'*.

**3. TIMESCALES**

Is this a Major Policy Item/Statutory Plan?	<b>NO</b>	If yes, date for Cabinet meeting	<b>N/A</b>
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## 4. BACKGROUND AND KEY ISSUES

### 4.1 Revenue Summary

At the end of quarter 1, the forecast outturn position for 2023/24 is showing a projected overspend of £5.1m. A key driver for this pressure is the rise in the number and complexity of placements within Childrens services, with one single case forecasting to cost the Council more than £3.5m, this financial year.

The Council has identified a number of budgetary risks (covered in section 4.4), which have not yet been reported within the financial position. These will be monitored these closely as part of the monthly Budget reporting process. Officers have developed detailed plans to mitigate these and are actively delivering these. The risks identified are similar to those being highlighted by other Local Authorities and includes the cost of meeting the rising demand for services such as housing, children's and adults social care, legislative changes, challenges with delivering elements of the savings programme and inflation.

Inflation remains high at 6.8% and continues to put pressure on the cost of delivering services. The Council is continuing to closely manage expenditure within the budget, and in the instance of an immediate pressure look at mitigating through the use of our inflation reserve while plans for the longer-term are developed.

Over the last 18 months the Council has made huge improvements to its financial position . Delivering on savings and transformation plans and maintaining a tight grip on expenditure has enabled the reserves balances to be replenished, building back some financial resilience. The Council is focussed on continuing to deliver on this and will be strengthening controls and putting new measures in place to reduce the £5.1m overspend as far as possible. This includes:

- Holding ongoing discussions with multiple government departments and partners about the high complexity of some of the cases coming through children's social care and the financial impact of these.
- Tightening recruitment controls to permanent and agency appointments
- Reviewing the current use of agency
- Capital Programme- delaying or pausing schemes where they rely on Council funding.
- Ensuring we maximise all grant and funding opportunities, including the use of tools such as grant finder.
- Review all current reserves commitments.
- Clear staff communication about the financial position, to all staff and specifically to budget managers regarding reducing non-essential spend.
- Maximising investment income via Treasury management- new trading portals and training in place.
- Mid-year implementation of Sales Fees and Charges increases (also on this Cabinet agenda)
- Procurement activity to review where there are any exemptions to the PO process and review the use of Government Purchase Cards, otherwise known as P-Cards.

The following table below sets out the Council's Forecasted Position by expenditure type:

**Table 1: 2023/24 Forecast Position- Subjective Analysis Excluding DSG**

	Budget £000	Actual £000	Forecast £000	Projected Variance £000
Employees	74,233	15,368	72,828	(1,405)
Premises	16,880	2,973	16,170	(710)
Transport	7,052	1,269	7,255	203
Supplies and Services	110,892	20,810	111,738	846
Third Party Payments	55,385	8,917	55,690	305

Transfer Payments	68,602	17,787	72,926	4,324
Income	(161,457)	(52,810)	(159,932)	1,525
Financing Capital Expenditure	34,578	4,023	34,578	0
<b>Total Expenditure</b>	<b>206,165</b>	<b>18,339</b>	<b>211,252</b>	<b>5,087</b>
Funding	(206,165)	(15,671)	(206,165)	0
<b>Net Expenditure</b>	<b>(0)</b>	<b>2,668</b>	<b>5,087</b>	<b>5,087</b>

- **Employee:** This includes agency and salary costs and is currently underspending by £1.4m due to a number of restructures and vacancies across the organisation
- **Transfer Payments:** mainly relates to the pressure reported for Children's Social Care Placements. The main cause of this pressure is the high-cost placement which is forecast to cost £3.5m.
- **Income:** This variance is mainly caused by Children's and Young People due to a reduction in School contribution to fund Academy PFI Schools forecast as utility costs and Clare Lodge income due to lower occupancy per Ofsted, which is being offset by reducing expenditure within the unit.

## 4.2 DIRECTORATE SUMMARY

The following table summarises the forecast outturn position by directorate:

**Table 2: 2023/24 Forecast Position- Directorate Analysis**

Directorate	Budget £000	Actual £000	Forecast £000	Projected Variance £000	Overall Status
Place & Economy	22,457	2,417	22,720	264	Overspend
Children and Young People	48,497	(14,732)	53,632	5,135	Overspend
Adult Social Care	64,599	12,705	64,121	(478)	Underspend
Public Health	(304)	(3,579)	(304)	0	On Budget
Corporate Services	37,349	4,286	37,516	167	Overspend
Capital Financing	33,566	(1,183)	33,566	0	On Budget
<b>Total Expenditure</b>	<b>206,165</b>	<b>(85)</b>	<b>211,252</b>	<b>5,087</b>	<b>Overspend</b>
Funding	(206,165)	(15,671)	(206,165)	0	On Budget
<b>Net Expenditure</b>	<b>(0)</b>	<b>(15,756)</b>	<b>5,087</b>	<b>5,087</b>	<b>Overspend</b>

The following section summarises the key variances (see Appendix A for a further breakdown):

### Adult Social Care **Favourable:**

- The favourable position in this area is largely attributable to staffing costs in the Adults and safeguarding area due difficulties in recruiting to posts and the shared service arrangements due to end.

### Children and Young People **Pressures:**

- **Children's Commissioning £4.4m** due to Children's Social Care Placements. The main cause of this pressure is a high-cost placement which is forecast to cost £3.5m.
- **Schools Direct Revenue Financing £0.3m.** due to a change in approach, to reduce borrowing costs, in line with the Capital Strategy. This will be considered as part of the 2024/25 budget planning process.
- **Transport £0.1m** due to increase in the number of Looked after Children placed out of the City.
- **Children's Operations £0.4m** due to the need for additional Social Care agency staff and additional staffing costs resulting from the decoupling of shared Children's Social Care Services with Cambridgeshire County Council.

### Corporate Services **Pressures:**

- **Legal Services £0.2m** pressure mainly due to an increase in external legal fees.

### Place & Economy **Pressures:**

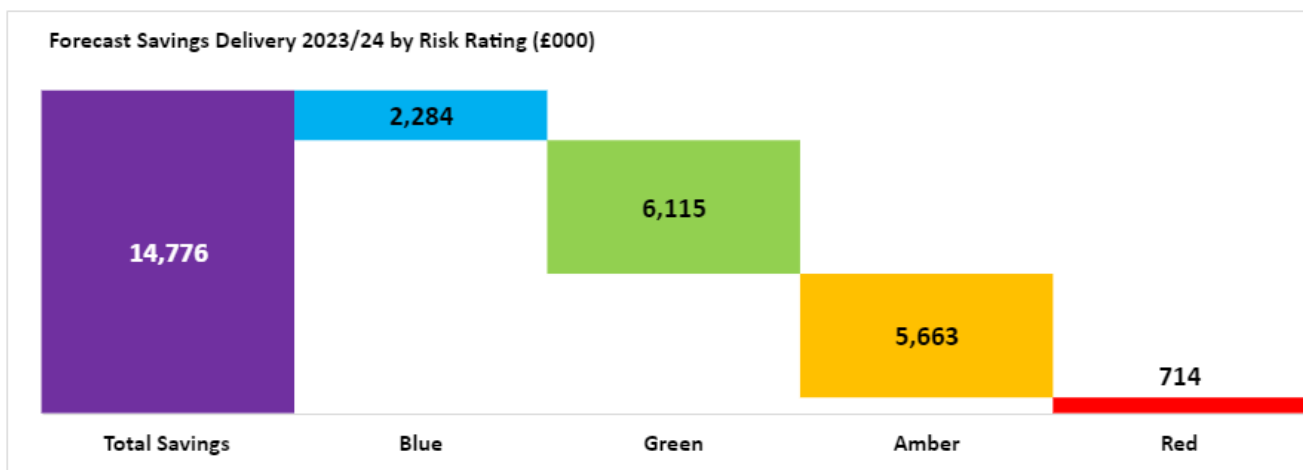
- **Safer Communities £0.2m** several small pressures across the service but mostly due to reduced income in on-street parking fees and pedestrian area trading due to a government enforced flat rate.

## 4.3 SAVINGS PROGRAMME

The savings programme is being monitored by the Capital and Invest to Save Board to review, challenge and provide support to each directorate to ensure the Council's £14.8m savings plan is being delivered.

The following chart summarises the current RAG status of the 2023/24 Savings Plans, outlining:

- 57% are categorised as blue (realised) and green (low risk to achievability in year)
- 38% as amber (moderate risk to achievability in year)
- 5% as red (high risk to achievability in year)



At the end of quarter 1 the Council remains confident it can deliver the full programme by the end of the year and will use the RAG rating to identify where additional oversight and support needs to be focussed. The board is looking at options for mitigation and will keep monitoring this to ensure the savings are delivered in full. Below is a list of the 4 reported red items:

- **Adult Skills & City College Peterborough (£0.3m)** - a project group has been set up to take this item forward.
- **Peterborough Ltd Transformation & Company Restructure (£0.3m)** - Full review of the company practice and structure to be undertaken working closely with the management team at Peterborough Ltd.
- **Waste Improve Recycling Rates (£0.2m) red and (£0.2m) amber** - Recruitment process commenced, and interviews scheduled. However, we will be unable to fill all the posts due to lack of applicants. Further recruitment will therefore be progressed.
- **Energy, Environment, Climate Change- Energy measures- Local Energy Advice Partnership - Solar Together (£0.02m)** - Under review as the local authority we were due to partner with has withdrawn from the project.

#### 4.4 KEY RISKS

The following table outlines the Council's current known budgetary risks at the end of June. These have not been fully incorporated within the forecast outturn position as the anticipated pressure has not yet materialised. The strategic direction and approach to mitigating these risks are considered and implemented.

It should be noted that since the reporting date significant progress has been by officers to reduce these risks, and this will be reflected in future BCR reports. These improvements include:

- **Housing:** the risk is now estimated to be c£1m, as a number of workstreams are being progressed and starting to take effect.
- **Clare Lodge:** all placing local authorities have accepted in writing the new fees and a revised placement forecast suggest this will now break even by the end of the financial year. This has now been categorised as an amber risk.
- **Adult Social Care Safeguarding:** due to the improvement in reablement recruitment, this has now been categorised as an amber risk.

**Table 3: Budgetary Risks at 30 June 2023**

Key Risk	Value	Risk Description	Mitigating Action
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Environmental Enforcement income	£0.4m	Underachievement of income on Fixed Penalty Notice income within Environmental Enforcement. At present it is not reported as a projected overspend as there is a focus on reducing this or identifying alternatives to mitigate the financial impact.	The overall income pressure is £0.4m, staffing costs have been reduced and posts will be removed permanently reducing spend in this area, and bringing the pressure down to £0.2m. Work to mitigate the pressure will take place across the Safer Communities budget area.
Coroners Service- rise in demand/cost of service.	£0.2m	Increase in the cost of the Coroners Service provided by Cambridgeshire County Council (CCC). This Increase is predominantly due to third party contract costs for services required. Exceptional cases also add to this pressure.	Opportunities to reduce cost escalation are being implemented where possible including: <ul style="list-style-type: none"> <li>• de-risking contracts during contract re-tendering exercises by reducing scope for providers to increase costs during the contract.</li> <li>• Scrutiny of all invoices from contractors is ensuring payment of approved spend in line with contract terms only.</li> <li>• Performance management is ensuring reduced expenditure on non-core coroner spend, by maximising capacity inhouse.</li> <li>• Forward planning is ensuring that large inquests can take place in council facilities thereby avoiding external venue hire.</li> <li>• Discussion with Senior Coroner taking place to challenge whether there is a need for the level of expert witnesses requested, to explore potential for reduced expenditure.</li> </ul>
Culture & Leisure Services	£1.2m	There is a risk that service reorganisation will not sufficiently reduce costs to offset expenditure pressures and meet the saving target.  The Regional Pool recently had a survey, which identified an isolated area of asbestos. There will be additional costs associated with remedial works taking place in September and loss of income as a result of closure.	Proposals are being progressed with Peterborough Ltd to achieve savings by providing services through a subsidiary in line with the cabinet decision of 23 March. Alongside these further options were approved by CLT in July 2023 to achieve a balanced in year position. Within the proposals, a pressure of £0.6m is identified for 2024/25 in Heritage services – proposals to mitigate this are underway as part of the budget planning process.
Housing	£2 - £3m	Risk of pressure on temporary housing accommodation budget.	Extensive work is underway to accurately forecast demand and demonstrate the impact of mitigations and interventions on that demand; these include private sector leasing, acquiring additional properties, much earlier preventative activity, and seeking to bring more empty homes into use.
Energy Income	£2m	Following a period of sustained high tariff rates for Electricity Income from the Energy Recovery Facility (ERF) prices have dropped with a potential pressure against the targeted budget. However, there is still significant uncertainty in the market over energy prices for the remainder of the year, and particularly going into the next winter period.	The position will be closely monitored, and consideration will be given to smoothing the budgetary impact of this by using the reserve that was set aside during the period of high wholesale energy price.
Energy Generator Levy	£2.6m	The Council generates Electricity from its ERF. New legislation for an Electricity Generator Levy although passed, is still	The Council has sought updated legal advice from external experts, and we are awaiting their report.

		<p>unclear and could result in a Levy charge from January 2023.</p> <p>The Council would fall under the threshold of liability; however, if it is deemed that the contractor, Viridor, are the generator, a liability could arise which would impact the Councils financial position. An estimated value of this liability for 2023/24 is £1m. Also, potential liability of £1.6m for period Jan-Mar-23.</p>	The Council has raised these concerns in respect of the legislation, but until legal opinion over the application of the legislation is received, the financial impact remains unclear.
Children's Social Care staffing investment	£1.5m	Additional Children's Social Care staffing within the Integrated Front Door and Child Sexual Exploitation including the Multi-Agency Safeguarding Hub.	Ongoing resource requirements under review by Officers and the CLT alongside the decoupling work.
Children's Social Care High-Cost Placements & Short Breaks for Children with disabilities.	unknown	<p>The current level of high-cost complex placements within this area means that the Council is carrying a significant pressure. As noted above, placement searches are ongoing to identify more suitable placements for these young people.</p> <p>There are more Children presenting for Short Breaks or support from the Children with disabilities team with multiple and complex needs.</p>	<p>Realisation of Fostering Transformation.</p> <p>Commissioners are working with providers regarding group provision and to encourage more providers into the Market.</p>
Clare Lodge	£2.5m	Clare Lodge was subject to an Ofsted review at the end of September 2022, which resulted in lower occupancy levels. Going into 2023/24 the financial challenge remains, with the unit struggling to break even.	<p>A dynamic pricing model approach has been agreed which will flex the rate based on occupancy and staffing structure- to ensure the costs of the service are fully recovered.</p> <p>This model is being implemented in addition to a change in payment terms. This should mitigate this risk in full and ensure that the council does not subsidise placements from other local authorities as it would be unlawful to do so.</p>
DSG- Schools High Needs Block & School admissions	£1.3m (Covered by CF DSG in current year)	<p>Joint funded placements arising from increase in EHCP's, complexity of need &amp; Commissioned Alternative Provision for Medical Needs and Inclusion.</p> <p>Revised pupil admissions Sept 23, additional classes to be opened sooner than planned at newly opened St John Henry Newman School.</p> <p>.</p>	<p>A review will be undertaken of the DSG High Needs Block to identify mitigations to the pressure identified. The service will also review the DfE Safety Valve and Delivering Best Value programmes to see what can be applied to Peterborough. There is an expansion of places in special schools coming on stream to ease capacity</p> <p>These pressures are not expected in future years and will be covered by the DSG carry forward this year.</p>
Adults - Commissioning	TBC	Some care providers are requesting contract uplifts higher than budgeted for. The commissioning and Contract teams will evaluate each request but risk of needing to go above budget levels could exceed allocations	Reviewing and challenging each request to understand the inflationary requirement of providers.
Adults Social Care- rising Demand	TBC	Increasing demand on care placements from all sources. Carrying pressure from 2022/2023 into 2023/2024	Adult Social Care teams continue to stringently apply eligibility and utilise early intervention, prevention and low-cost options wherever possible.

Adults and Safeguarding	TBC	Recruitment issues in key teams such as Social Work, Reablement and Occupational Therapists will have detrimental impact on residents' lives and could increase costs of care provision.	Reablement have recruited to a bespoke recruitment role focussed on recruiting reablement support workers and Occupational Therapists. Agency continues to be used for short term grant funded posts.
Serco	£1.6m	Savings targets established within the 2022/23 budget were achieved on a one-off basis last year are now carried forward into 2023/24 with the addition of new and increased targets.	The Council is in discussion with Serco around the future delivery model for these services.
Inflation	£7.3m	Current inflationary rates have remained high, with the latest ONS forecast rates of 6.8% (CPI). This is impacting on the cost of living and will be additional costs to the Council for providing services. The Council is experiencing pressures on the following budgets: Adult Social Care- linked to the work around market sustainability. <ul style="list-style-type: none"> <li>Electricity and Gas (inc Street Lighting)</li> <li>Home to School Transport</li> <li>Pay award (latest employer offer for 2023/24 represents a £0.9m potential budget pressure)</li> </ul>	The Council is monitoring the economic position and where possible putting mitigations in place to reduce the risk exposure to these external factors. In addition to the Inflation reserve which is in place to mitigate any immediate inflationary pressures.
Savings Plan Delivery	£0.7m-£5.7m	The Council set a budget for 2023/24, which included a £14.8m transformation and savings programme. There is currently £0.7m of the plan Identified as High (red) risk and £5.7m as moderate (amber) risk.  Within the £5.7m amber, is a £2m vacancy factor target. Current reporting is indicating that this saving could be difficult to achieve due to the level of agency being used to fulfil required roles and a higher than normal volume of staff movement due restructures ongoing across the organisation in addition to decoupling	Officers and members are committed to the delivery of the savings. Where there are delays in delivery against the plans mitigating savings are being put in place. This is being monitored in a monthly Capital and Savings board attended by the Executive Leadership Team.  To review the approach to delivering the vacancy factor including completing monthly virements to allocate actual staffing underspends against the target.

#### 4.5 RESERVES

The following section and table summarise the current forecast reserves position:

- General fund stands at £5.3m, at present £5.1m is being used to support the current overspend, with £0.4m being moved to this reserve in line with the Council reserves from the Tax income Reserve.
- The Innovation Fund is used to fund the cost of the transformation and the improvement plan.
- Departmental & Grant Related- These are usually grant funds which have been received in advance for specific projects covering multiple years. This includes balances for schemes such as the Ukrainian refugee scheme £0.8m, integrated communities £0.4m and Dedicated Schools Grant (DSG) £4.5m
- Ring-Fenced Reserves are held for a specific purpose. These include Insurance, Schools Capital Expenditure, Parish Council Burial Ground, Hackney Carriage and Public Health reserves.
- Inflation Reserve was established to provide the Council with a safety blanket to mitigate the financial impact of any immediate inflation related financial pressures



- Tax Income Reserve is being used to mitigate the pressure from the Business Rates Forecast, currently £0.7m shortfall.

**Table 4: Reserves Position**

	Bal as at 31/03/23	Cont from Reserve	Cont to Reserve	Transfer between Reserve	Est balance at 31/03/24	Est balance at 31/03/25	Est balance at 31/03/26
	£000	£000	£000		£000	£000	£000
General Fund	9,942	(5,087)	-	400	5,255	5,665	6,055
Usable Reserves (Innovation Fund and Departmental and Grant Reserves)	34,084	(16,819)	3,765	-	21,030	20,402	20,012
Inflation Risk Reserves	11,532	(7,301)	-	-	4,231	4,231	4,231
Tax Income Risk Reserve	9,555	(676)	-	(400)	8,479	7,258	6,013
Ring-Fenced Reserves	4,883	(526)	474	-	4,831	4,595	4,595
<b>Total Earmarked and General Fund Balance</b>	<b>69,996</b>	<b>(30,408)</b>	<b>4,239</b>	<b>-</b>	<b>43,876</b>	<b>42,191</b>	<b>40,956</b>

**Inflation Reserve** - The inflation Reserve was created to mitigate the financial risk resulting from rising rates of inflation. During 2022/23, £3.4m of this was utilised to fund the in-year inflationary pressure from higher-than-expected pay awards and rising energy costs. The Council operates an Energy Recovery Facility (ERF) which generates income from selling the electricity it generates. As a result of the current energy market, £9.9m of income, in excess of the budget, has also been transferred to the inflation reserve. We know that the energy market is volatile, so the additional income from ERF will be used as a smoothing mechanism to mitigate any future fluctuations, in addition to mitigating inflationary pressures. This means the Council had £11.5m at the end of 2022/23.

Some inflationary risks have been identified for the current year this includes energy costs, pay award and some key contracts such as those that provide social care. To be prudent we have assumed £7.3m (as outlined in table 4) of the inflation reserve may be required to mitigate the financial impact of this year, but this will be monitoring this closely and all options are being reviewed as part of the budget and MTFS process.

**Innovation Fund** - This reserve is held to fund one-off type expenditure, such as service transformation, which will improve the longer-term financial position of the Council as contained in the MTFS.

The commitments during 2023/24 cover a range of activity including transformation, phasing the separation of Social Care from their shared services arrangements between Peterborough City Council and Cambridgeshire County Council, the implementation of a refreshed Culture and Leisure service and the start of the local plan development. As outlined within the budget report £5.6m has been committed to fund transformational/invest to save capital projects, where it is expected efficiencies or savings will be generated as a result.

**Public Health (within the ringfenced balances)** - at the start of 2023/24 this reserve totals £1.7m after a £0.7m contribution at the end of 2022/23 which was possible due to underspends generated by the use of other grants throughout the year. Work is ongoing to determine areas of one-off opportunities for expenditure against this reserve, that have a high impact on health outcomes of residents and meet grant criteria.

## 4.6 CAPITAL PROGRAMME

### Overview

Peterborough City Council spends 15% of its revenue budget on capital financing. This puts the Council in the top quartile of Councils for capital financing costs. Given the increase in interest rates and the pressures on the revenue budget it is therefore important that new capital borrowing is kept to a minimum.

The Council's capital strategy is to reduce borrowing and maximise third party grants for capital spend. Borrowing should only be approved where it is a statutory requirement or an invest to save.

The following table outlines the current Capital Programme, with the following sections providing an overview of the scheme performance.

**Table 5: Capital Programme Actual Performance**

	£m
Capital Programme agreed at Council on 22 Feb 2023	82.5
Slippage brought forward from 2022/23	14.1
Sand Martin House Acquisition*	50.4
<b>Total Capital Programme</b>	<b>147.0</b>

\*as per [report](#) approved at Council on 22 May 2023.

### Overview of the Key Schemes

#### Place & Economy

The Growth & Regeneration capital programme budget includes £14m in 2023/24 for the University and £4.3m for the Station Quarter projects, supported by Levelling Up Funding (LUF); and £9.8m for the Towns Fund projects for which grant has been secured. These projects remain on track for delivery within the timeframe for overall completion - there will be some re-profiling of funds to later years for Station Quarter and Towns Fund, to reflect the spend plans developed through the detailed business cases.

The Housing and Homelessness programmes include external funding for two rounds of the "Local Authority Housing Fund" schemes and "Single Homelessness Accommodation Programme" scheme. Delivery is planned to be completed by March 2024 for these schemes, with the first house purchases completing in August 2023.

Peterborough Highway Services projects include major works to Nene Parkway (near Serpentine Green), and various access points around the Eastern industrial area (Oxney Road, Eye Road). These works are funded through grant from CPCA, and are progressing well, alongside the DfT funded Local Transport Plan of Integrated Transport Improvements; Highway Improvements; Pothole Prevention; Street Lighting & Bridge works which are all on track for completion by March. Some grant funding for Active Travel will be re-programmed to 2024/25 due to an extension of the scheme.

#### People Services

The People's capital programme is estimated to be £21m over the next three financial years, including the building of a new primary school in the Great Haddon area and for the extension of an existing primary school. These projects are in the early stages of feasibility, there may be some re-profiling of this spend into next financial year depending on the progress of the feasibility stage.

The three year programme also includes a £8.8m SEND project financed by the High Needs Capital Allocation this includes the conversion of the former St Georges Hydro Pool into teaching space for children at Heltwate school and will be used the following 2 years will be used to provide additional SEND pupil places.

There is £2.7m for Disabled Facilities Grant (DFG) projects, all fully grant funded and expected to be spent during 2023/24. There is also a £1.1m scheme for the adaptations to a house purchased for Vulnerable people and for the purchase of another property, which will take place towards the end of the financial year

### Corporate Services

The ICT Capital programme of work for 2023/24 includes the following key projects, along with the current status:

- Improvements for Finance, HR & Payroll, and Procurement systems. This programme started in July 2023.
- Core Education system procurement has been delayed as a retender exercise had to be undertaken. Submissions are due end of September 2023.
- A review of the customer journey in a number of departments is being undertaken to ensure that the most efficient touch points for customers.
- The Mosaic system (Adult Social Care) is being migrated to Cloud which improves the resilience of the system for service users.
- Secure Web Gateway is being implemented which ensures greater cyber security for the organisation, especially when working out of the office.

As aforementioned the Council also acquired Sand Martin House in May, which it previously leased from Legal and General. Although this purchase has increased the Capital programme by £50.4m, the business case outlined a significant financial benefit over the remaining 20 year lease.

**Table 6: Forecast Capital Programme**

Schemes	Budget	Forecast	Projected Variance
<b>Corporate Services</b>			
Crematoria/Cemeteries Development	552,648	552,648	-
Hilton Hotel Loan	120,404	-	-120,404
ICT Projects	4,227,333	2,723,000	-1,504,333
Installing Solar Photovoltaic Capability on Council Buildings	219,668	219,668	-
Leisure Trust - Property	437,753	437,753	-
North Westgate Development	8,719	8,719	-
Property Acquisitions (including Sand Martin House)	50,395,930	50,595,930	200,000
Strategic Property Portfolio Asset Management Plan	2,493,234	2,493,234	-
<b>People Services</b>			
Aids And Adaptations	825,000	825,000	-
Capital Maintenance On Schools	2,227,404	2,227,404	-
Disables Facilities Grant	2,669,546	2,669,546	-
Eye Green Traffic Mitigation Scheme	400,000	-	-400,000
Heltwate School	2,344,289	1,464,289	-880,000
Housing for Vulnerable People	1,054,890	-	-1,054,890
Mobiles Purchase/Lease	450,000	450,000	-
New School Places	1,140,363	540,363	-600,000
Other Schools	601,961	-	-601,961
Manor Drive Schools	270,463	-	-270,463
PFI Condition Works	344,000	344,000	-
Repair Assistance	270,000	270,000	-
Transformation	40,901	40,901	-
<b>Place &amp; Economy</b>			

A1260 Nene Parkway Improvements	11,114,774	11,114,774	-
A16 Norwood Dualling	1,228,712	1,228,712	-
A47/A15 Lincoln Road Junction 18 Improvements	2,127	2,321	194
Allotments & Neighbourhood Parks	31,483	31,483	-
Aragon Fleet Replacement Programme	3,632,401	3,632,401	-
CCTV	100,558	100,558	-
City Centre Counter Terrorism Improvement Works	240,000	240,000	-
Communities - Other Infrastructure	441,000	441,000	-
Eastern Industries Access	7,084,919	7,084,919	-
Emergency Active Travel (Grant)	944,975	375,000	-569,975
Extreme Weather Network Improvements	1,000,000	1,000,000	-
Green Wheel Improvements	754,321	754,321	-
Highways and Transport minor schemes	50,586	50,586	-
Housing	9,537,500	7,287,500	-2,250,000
Leisure Equipment	400,000	-	-400,000
Local Authority Treescape Fund - Forestry Commission	176,000	114,956	-61,045
LTP - Bridges & Structures Improvements	894,713	894,713	-
LTP - Highway Improvements	1,234,000	1,234,000	-
LTP - Integrated Transport Improvements	1,298,194	1,298,194	-
LTP - Pothole Prevention Improvements	1,921,000	1,921,000	-
LTP - Street Lighting Improvements	500,000	500,000	-
LUF - Station Quarter	4,300,000	4,300,000	-
LUF - University	12,790,848	12,790,848	-
Peterborough University Access	1,283,533	1,283,533	-
Parking	973,397	1,154,397	181,000
Peterborough Builds Back Better/Cafe Culture project	45,474	45,474	-
Play Area Improvement Programme	310,036	310,036	-
Regeneration Masterplan	550,000	550,000	-
Renewable Energy Projects (PIRI)	714,230	714,230	-
Safety Fencing Network	750,000	750,000	-
Structural Bridge Works	783,458	783,458	-
The Boardwalks Local Nature Reserve Enhancements	120,000	120,000	-
Towns Fund	9,819,960	5,617,018	-4,202,942
Towns Fund - Accelerated Fund	308,828	308,828	-
Traffic Signals - Lincoln Road/Taverners Road junction (J19J) Improvement Scheme	344,754	344,754	-
Waste Management Strategy	78,375	78,375	-
Westcombe Engineering	139,250	139,250	-
<b>Total</b>	<b>146,993,913</b>	<b>134,459,094</b>	<b>-12,534,819</b>

### Looking forward

The Council is still improving processes around monitoring and reporting Capital performance. So far budget managers have all received training and have signed a budget manager accountability letter, which sets out their role and expectations.

At the start of the year budget holders profiled their predicted spend for 2023/24 into quarters, expenditure to the 30 June suggests programmes are running at only c40% against the first quarter budget profile, the same as in 2022/23. However, at this stage the forecast indicates lower levels of slippage (c10%) by the end of the financial year. Work is continuing with budget managers to challenge the current year performance and

develop the future years Capital Programme, with a key focus on reducing Capital expenditure and therefore any associated borrowing.

## **5. CORPORATE PRIORITIES**

5.1 Monitoring the Councils in year forecast outturn is a key part of the Council's performance and improvement framework and aims to demonstrate how the Council manages its finances and expenditure throughout the year. This therefore supports all the council's priorities, but it is strongly geared towards enabling the Council to deliver on the following priority:

**Supported by a Sustainable Future City Council - adjust how we work, serve and enable, informed by strong data and insight capability and led by a culture of strong leadership.**

## **6. CONSULTATION**

6.1 Not Applicable - Performance report, item for information

## **7. ANTICIPATED OUTCOMES OR IMPACT**

7.1 For Cabinet to review and note the Councils current year forecast Outturn Position for 2023/24.

## **8. REASON FOR THE RECOMMENDATION**

8.1 To ensure members of the Cabinet are abreast of the Councils current year forecast Outturn Position for 2023/24.

## **9. ALTERNATIVE OPTIONS CONSIDERED**

9.1 Not Applicable - Performance report, item for information.

## **10. IMPLICATIONS**

### **Financial Implications**

10.1 Not Applicable - Performance report, item for information.

### **Legal Implications**

10.2 There are no legal implications in respect of what is proposed in the report which is a performance report.

### **Equalities Implications**

10.3 Not Applicable - Performance report, item for information

## **11. BACKGROUND DOCUMENTS**

## **12. APPENDICES**

- 12.1
- Appendix A – Departmental Variances
  - Appendix B – Council Tax and Business Rates Performance

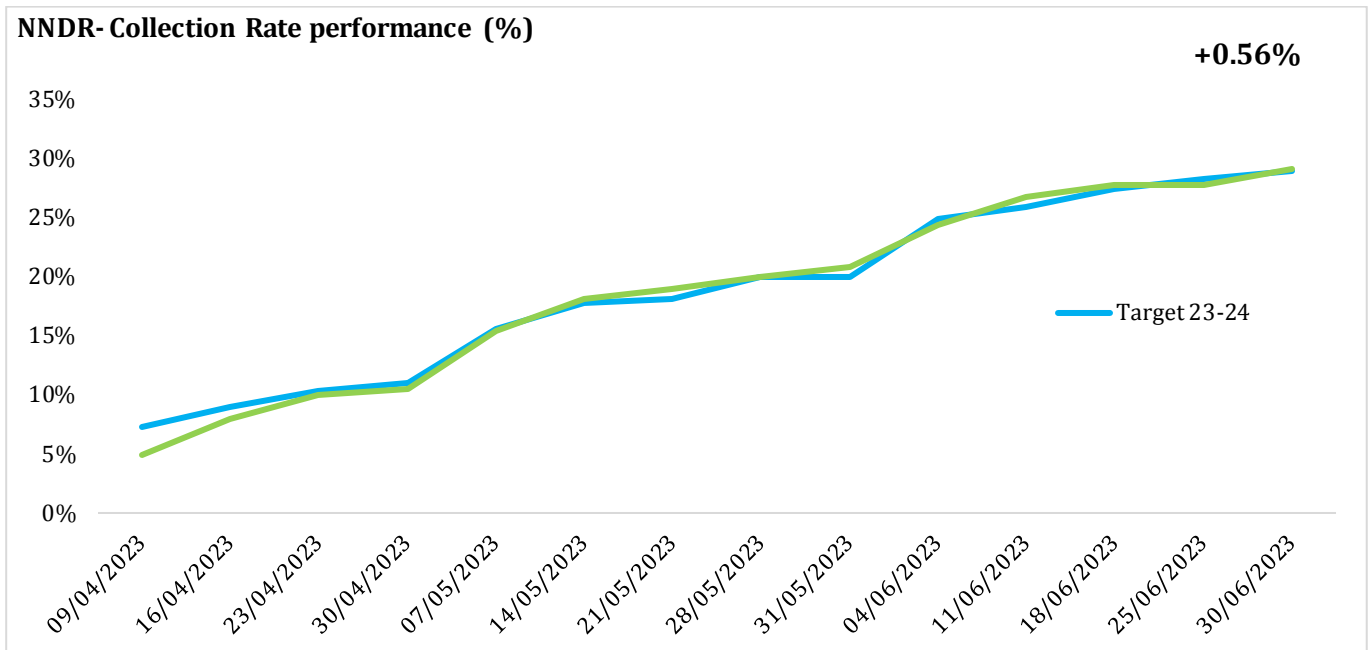
## Appendix A – Departmental Variances

Budget Group	Budget £000	Actual £000	Forecast £000	Projected Variance £000	Overall Status
Director Place & Economy	335	74	335	-	On Budget
Infrastructure & Environment - Highways & Transport	4,727	(212)	4,727	-	On Budget
Growth & Regeneration - Planning & Building Control	2,048	(137)	2,048	(0)	Underspend
Infrastructure & Environment - Environment & Climate Change	7,516	3,002	7,520	4	Overspend
Infrastructure & Environment - Westcombe Engineering	36	143	121	85	Overspend
Housing & Communities - Domestic Abuse Partnership	112	(984)	112	0	Overspend
Growth & Regeneration - Growth & Economic Development	175	218	175	-	On Budget
Housing & Communities - Stronger Communities	6,470	1,276	6,514	44	Overspend
Housing & Communities - Safer Communities	(1,160)	(764)	(968)	193	Overspend
Infrastructure & Environment - Regulatory Services	2,059	(221)	1,997	(62)	Underspend
Housing & Communities - Emergency Planning	138	24	138	-	On Budget
<b>Total Place &amp; Economy</b>	<b>22,457</b>	<b>2,417</b>	<b>22,720</b>	<b>264</b>	<b>Overspend</b>
Adults - Commissioning	53,778	11,484	53,769	(9)	Underspend
Adults and Safeguarding	9,324	1,504	8,980	(345)	Underspend
Executive Director Adult Social Care	1,133	(306)	1,015	(117)	Underspend
Performance & Strategic Development	159	24	155	(4)	Underspend
Principal Social Worker	206	-	202	(4)	Underspend
<b>Total Adult Social Care</b>	<b>64,599</b>	<b>12,705</b>	<b>64,121</b>	<b>(478)</b>	<b>Underspend</b>
Executive Director of Children's Services	873	(175)	882	8	Overspend
Education	9,007	455	9,472	465	Overspend
Children's - Operations	14,551	(1,359)	14,937	385	Overspend
Children's Commissioning	21,793	4,189	26,299	4,507	Overspend
Commercial Operations	2,273	582	2,043	(231)	Underspend
<b>Total Childrens and Young People</b>	<b>48,497</b>	<b>3,692</b>	<b>53,632</b>	<b>5,135</b>	<b>Overspend</b>
Children 0-5 Health Visitors	3,748	463	3,748	0	Overspend
Children 5-19 Health Programmes	1,001	194	1,001	-	On Budget
Sexual Health	2,096	65	2,088	(8)	Underspend
Substance Misuse	2,407	(686)	2,407	-	On Budget
Smoking and Tobacco	268	(10)	267	(0)	Underspend
Contain Outbreak Management Fund	(0)	(1,285)	-	0	Overspend
DPH Office & Intelligence Team and Projects	1,083	395	1,080	(3)	Underspend
Health Check Services	155	(8)	155	-	On Budget
Healthy Lifestyles & Publicity	278	138	277	(1)	Underspend
Public Mental Health	10	-	10	-	On Budget
Weight Management and Obesity	296	140	293	(3)	Underspend
Public Health Grant	(11,645)	(2,986)	(11,630)	16	Cont to Ringfenced Reserve
<b>Total Public Health</b>	<b>(304)</b>	<b>(3,579)</b>	<b>(304)</b>	<b>(0)</b>	<b>On Budget</b>
Director of Corporate Services	307	76	305	(2)	Underspend
HR & Workforce Development	1,566	381	1,566	0	Overspend
Financial Services	2,238	696	2,235	(3)	Underspend
Corporate Items	13,641	(3,099)	13,641	-	On Budget
Peterborough Serco Strategic Partnership	6,135	1,573	6,197	63	Overspend
Digital, Data & Technology Services	7,122	2,976	7,176	54	Overspend

Budget Group	Budget £000	Actual £000	Forecast £000	Projected Variance £000	Overall Status
Cemeteries, Cremation & Registrars	(1,689)	(575)	(1,691)	(2)	Underspend
Corporate Property	888	(257)	888	(0)	Underspend
Marketing & Communications	538	141	538	0	Overspend
Health & Safety	197	25	197	-	On Budget
Internal Audit and Insurance	1,718	641	1,700	(18)	Underspend
Chief Executive	325	111	327	2	Overspend
Director of Legal & Governance	229	52	207	(22)	Underspend
Legal Services	1,858	656	2,010	152	Overspend
Information Governance	199	62	187	(12)	Underspend
Constitutional Services	2,081	829	2,035	(46)	Underspend
<b>Total Corporate Services</b>	<b>37,349</b>	<b>4,286</b>	<b>37,516</b>	<b>167</b>	<b>Overspend</b>
Capital Financing	33,566	(1,183)	33,566	-	On Budget
<b>Total Capital Financing</b>	<b>33,566</b>	<b>(1,183)</b>	<b>33,566</b>	<b>-</b>	<b>On Budget</b>
<b>Total Expenditure</b>	<b>206,165</b>	<b>18,339</b>	<b>211,252</b>	<b>5,087</b>	<b>Overspend</b>
Funding	(206,165)	(15,671)	(206,165)	-	On Budget
<b>Net</b>	<b>(0)</b>	<b>2,668</b>	<b>5,087</b>	<b>5,087</b>	<b>Overspend</b>

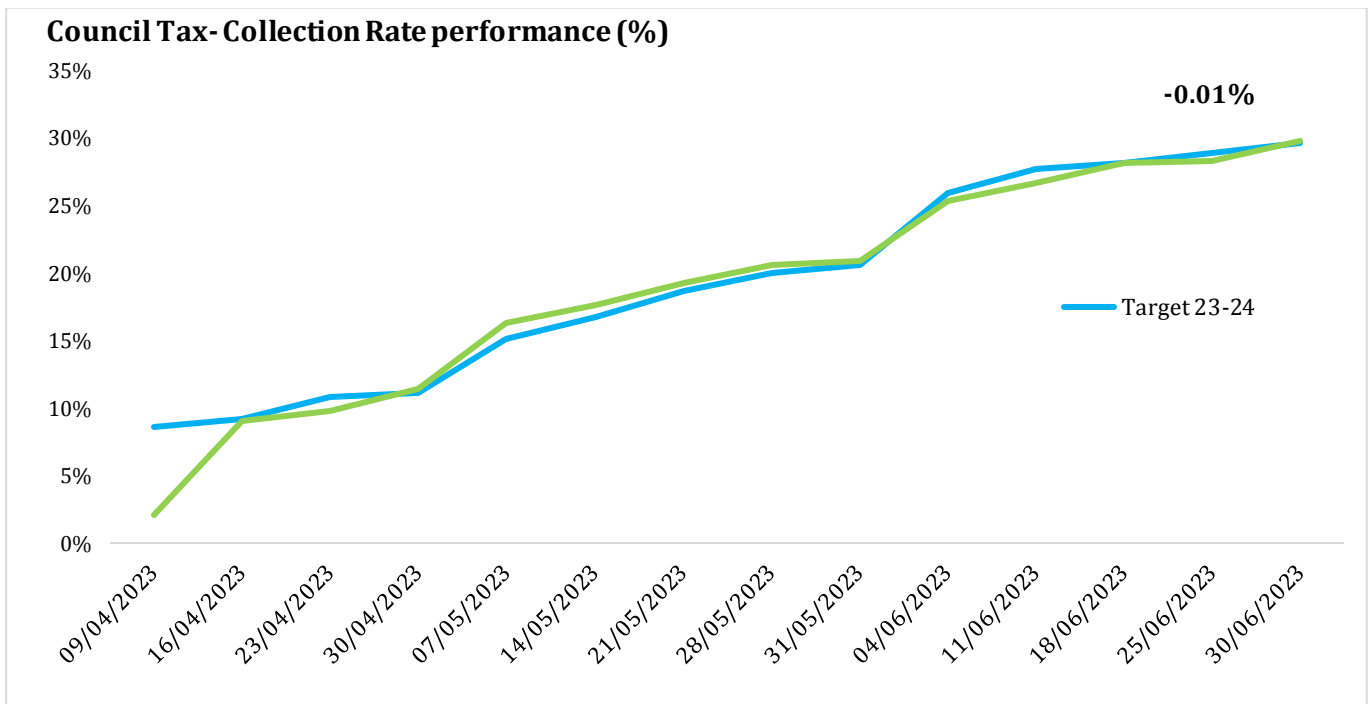
**Business Rates**

The Council’s collection rate for Business Rates income is 0.56% ahead of target for 2023/24



**Council Tax**

Collection rate for Council Tax income collection is 0.1% behind target. This performance will remain under dose observation throughout 2023/24 especially in light of the current economic climate.







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