



Dear Councillor

CABINET - THURSDAY, 17TH SEPTEMBER 2020

I am now able to enclose for consideration at the above meeting the following reports that were unavailable when the agenda was printed.

**Agenda Item
No.**

5. FINANCIAL PERFORMANCE REPORT 2020/21, QUARTER 1 (Pages 197 - 232)

To receive a report from the Chief Financial Officer on the Financial Performance Report 2020/21, Quarter 1.

Executive Councillor: J Gray.

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Public
Key Decision – No

HUNTINGDONSHIRE DISTRICT COUNCIL

Title/Subject Matter: Financial Performance Report 2020/21, Quarter 1

Meeting/Date: Cabinet – 17th September 2020

Executive Portfolio: Executive Councillor for Strategic Resources,
 Councillor Jonathan Gray

Report by: Chief Finance Officer, Claire Edwards

Ward affected: All

Executive Summary:

The Covid-19 pandemic has had a considerable impact on the Council. The Government's lockdown, announced on 20th March 2020, has meant that many of the businesses in Huntingdonshire have been forced to close – significantly impacting on the local economy, which in turn impacts on the Council's commercial income. Furthermore, the Council has had to put considerable resources into ensuring that rough sleepers are safe during this period and that the most vulnerable in our community are cared for. This comes with additional cost pressures.

Financial Impact

These additional costs have had a significant impact on the financial outturn for 2020/21 as the lockdown as continued into the first quarter of this financial year, with the economy and businesses just starting to re-open. However, the true scale of its impact on the Council's finances in 2020/21 will not be truly known until March 2021. The Council is showing substantial losses across many of its largest streams of commercial income. These include rental income, Leisure income, parking, commercial waste, licensing fees and planning fees. As with any recession, investment income is anticipated to reduce which will create further pressures on the Council's finances.

On the expenditure front some of the key areas of additional pressure will include accommodation and support for rough sleepers, additional costs in supporting our most vulnerable with food parcels and assistance in accessing medical provisions – some of whom may not have required our support previously.

It is difficult to quantify the impact of Covid-19 at this stage with any certainty, but the financial pressure on the Council will be substantial – even after the Government's emergency Covid-19 funding for local authorities is taken into account. Due to the Council's reliance on commercial income and fees and charges and consequently its exposure to the economic cycle, the Council has

sought in recent years to build up the general fund balance to ensure the Council is financially resilient in a recession. The Council is therefore able to draw upon its general fund reserve balances in 2020/21 to balance its budget.

Moving forward, the Council will reset its Medium-Term Financial Plan (MTFP) in recognition of the impact of the pandemic and the Council's strategic objectives. The Covid-19 crisis has meant that the Council has had to review what its most critical services areas and which are required to still be operational even during a global pandemic. The changing environment and "new normal" in which we are likely to find ourselves will require the Council to review the services it provides, its delivery models and the outcomes that are of the highest priority. This will also require the Council to review the structural position of its budget and how that needs to change going forward.

Recommendation

It is recommended that:

- The Cabinet is invited to consider and comment on the financial performance at the end of June, as detailed in Appendices 1, and the register of reviews of Commercial Investment Strategy propositions at Appendix 2.

1. PURPOSE OF THE REPORT

- 1.1 To present details of the Council's projected financial performance for 20/21.
- Revenue outturn estimated overspend of £2.996m.
 - Capital outturn estimated underspend of £11.757m

The impact of the Covid 19 pandemic, as far as possible, has been reflected within the Council's financial position.

2. BACKGROUND

- 2.1 The budget and MTFs for 2020/21 approved in February 2020, assumed a net expenditure budget of £17.688m, together with an increase in Council Tax of 2.6%. At the time of setting this budget it was not foreseen that a global pandemic was imminent, causing unprecedented actions to be taken within the UK and the rest of the world, in trying to restrict the spread of this pandemic.

Impact assessments were initially undertaken to estimate the impact on the council's budget and due to government support via emergency funding and the anticipated income compensation scheme, together with the ability to support the anticipated deficit with reserves, a revised budget for 20/21 has not been produced. However, this is constantly under review and any significant changes will be reported to cabinet.

The MTFs is currently under review for 21/22 onwards within the current budget setting cycle.

- 2.2 The detailed analysis of the Q1 outturn as at 30th June is attached at **Appendix 1**.

3. FINANCIAL PERFORMANCE

3.1 Financial Performance Headlines

The forecast outturn position for the current financial year and the impact of variations will be incorporated within the MTFs.

Revenue The approved Budget is £17.688m with the forecast outturn being £20.684m which is an overspend of £2.996m. The main reasons are shown on the next page.

MTFS The MTFs was updated as part of the 2020/21 Budget setting process and will again be updated as part of the 2021/22 Budget setting process which is now under way. The revision of the MTFs will include 2019/20 outturn variations and others occurring or foreseen in 2020/21 that have an impact on future years.

Capital The approved Budget is £16.611m plus the re-phasing of £4.052m giving a revised total Capital Programme of £20.663m. The net forecast outturn is £7.2m giving an underspend of £11.757m.

3.2 Summary Revenue Forecast Variances by Service

The table below shows the total variances for each Service and the main reasons where variances are greater than £50,000.

	Budget £000	Forecast outturn £000	Forecast (underspend) / overspend £000	Main reasons for variance
AD Resources	5,901	5,213	-688	Emergency funding of £1,848k off set by reduced commercial rental income £851k
AD Transformation	401	332	-69	
Chief Operating Officer	4,359	4,312	-47	
Corporate Leadership	669	783	114	Additional staffing costs in response to the impact of Covid-19 on the district
Head of ICT	2,139	2,139	0	
Head of Leisure & Health	-215	2,427	2,641	Loss of income across all One Leisure Facilities
Head of Operations	3,345	4,570	1,225	Loss of car park income of £1,190k
Housing Manager	177	133	-44	
Planning Policy Manager	842	727	-116	Salary savings
Programme Delivery Manager	70	48	-22	
Total	17,688	20,684	2,994	

Further analysis of the revenue variance and service commentary are in **Appendix 1**. This provides the variances by service and where the variances are greater than +/- £10,000 comments have been provided by the budget managers/Head of Services. Where there are adverse variances the

budget managers have provided details of the actions they are undertaking and where possible indicated if this will have an ongoing impact on the MTFS.

3.3 Capital Programme

The approved gross capital programme for 2020/21 is £16.11m plus the re-phasing of the £2.1m giving a revised total Capital Programme for 2020/21 of £20,663m.

The forecast net expenditure outturn is £7.212m, an underspend of £11.757m.

The table below shows the total variances for each Service and the main reasons where variances are greater than £50,000.

	Budget £000	Forecast outturn £000	Forecast (underspend) / overspend £000	Main reasons for variance
AD Resources	12,377	2,061	-10,316	Delay's in projects in relation to Bridge Place Car Park; Oak Tree Remedial work Projects impacted by Covid 19 are Alms Close and Huntingdon Redevelopment which is being rephased within the current budget cycle for 21/22
AD Transformation	207	94	-113	Impacted by resources being redeployed elsewhere within the business to support the response to Covid 19
Chief Operating Officer	1,333	946	-387	Reduction in disabled adaptations
Head of ICT	62	62	0	
Head of Leisure & Health	854	854	0	
Head of Operations	3,531	2,995	-536	Impacted by resources being redeployed elsewhere within the business to support the response to Covid 19
Housing Manager	206	0	-206	Impacted by resources being redeployed elsewhere within the business to support the

				response to Covid 19
Planning Policy Manager	400	200	-200	Additional budget from 19/20 now not needed
Total	18,970	7,212	-11,758	

3.4 Finance Dashboard

The Outturn for Q1 also looks at the collection rates for Council Tax and NDR, together with the working ages caseload for Council Tax Support Scheme. The details are shown in Appendix 1.

In summary, Council Tax collection rates are holding in line with 19/20 rates, however NDR is showing a decline compared to 19/20. This is mainly due to the impact of Covid 19 pandemic and the lock down of the economy, together with Government initiatives to support the hospitality sector with additional reliefs of £20.8m compared to 19/20. The Council will be compensated for these reliefs via the normal grant income received via the business rates retention scheme.

Council Tax Support Scheme has seen a significant increase in caseload within the working age group of 9% compared to 19/20.

4. UPDATE ON THE COMMERCIAL INVESTMENT STRATEGY

4.1 The Commercial Investment Strategy (CIS) was approved by Cabinet in September 2015 and the CIS Business Plan in December 2015. The implementation of the CIS is seen as a key means by which the Council can generate income to assist it in meeting the forecast gap in the revenue budget, by 2023/24 it will have in part contributed in reducing this to £1.2m.

4.2 At the end of Quarter 1, the financial projections for the CIS are:

CIS Investments	Budget (£'000)	Outturn (£'000)	Variance (£'000)
Cash Investments			
CCLA Property Fund	(162)	(160)	2
Total Cash Investments	(162)	(160)	2
Property Rental Income	(5,880)	(4,660)	1,220
MRP	879	697	(182)
Net Direct Property Income	(5,001)	(3,963)	1038
Management Charge	144	144	0
Total Property Investments	(4,857)	(3,819)	1038

TOTAL	(5,019)	(3,979)	1040
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4.3 Investments

Between April and the end of June 2020, 13 properties have been investigated as potential CIS investment opportunities. Due to Covid 19 the investment market virtually closed for business with large numbers of investment agents furloughed. As lockdown eased some investments have started to emerge during June but volumes are significantly lower than normal. There have been no opportunities within District. The Government continued consultation on use of PWLB funds for investing for yield and the indications emerging are that this source of funding will be switched off for commercial property investment and may extend to prevent any PWLB borrowing if Local Authorities undertake any borrowing elsewhere for property investment. A summary of opportunities is included in **Appendix 2**.

Returns from the CCLA property fund have decreased in 2020/21. Other investment vehicles such as bank deposits and money market funds interest rates have also decreased significantly since the Covid-19 pandemic.

To date the majority of the Council's investments have been funded from earmarked reserves or cash balances. Recent acquisition such as Fareham, Rowley Centre and Tri-Link have required loans from PWLB to fund their purchases; part of the purchase price and acquisition costs were met from earmarked reserves.

5 COMMENTS OF OVERVIEW & SCRUTINY

5.1 The comments of the relevant Overview and Scrutiny Panel will be included in this section prior to its consideration by the Cabinet.

6. RECOMMENDATIONS

6.1 The Cabinet are invited to consider and comment on financial performance at the end of June, as detailed in section 3 and in **Appendix 1**, and the register of reviews of Commercial Investment Strategy propositions at **Appendix 2**.


7. LIST OF APPENDICES INCLUDED

Appendix 1 – Financial Performance Monitoring Q1

Appendix 2 – Register of reviews of CIS investment propositions, Q1

CONTACT OFFICER

Claire Edwards, Chief Finance Officer

 01480 388822

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Financial Performance Monitoring Suite June 2020 – Quarter 1

Executive summary

This report sets out the financial forecast for June, for revenue and capital. The headlines are:

Revenue - the forecast outturn is an estimated overspend of £2.996m when compared to the approved budget. The significant overspend is due to the Covid 19 pandemic and the effect of the national lock down affecting income streams within our Leisure and Car Parking Facilities. This includes initial emergency Covid 19 funding from central government of £1.848m and £0.288m of reduce costs from furloughing staff from the Leisure Facilities.

Capital Programme – the forecast outturn is an estimated net underspend of £11.757m.

Service Grouping Summary

This list only includes service groups with a variance exceeding +/- £10,000

Service Commentary

The following table provides the variances by service and where variances are greater than +/- £10,000 comments have been provided by the budget managers/Head of Service. Where there are adverse variances the budget managers have provided details of the actions they are undertaking to address the overspend.

Head of Service	Actuals to June 2020 £'000s	Budget £'000s	Forecast £'000s	Variance £'000s	Var %	Forecast Spend £'000s	Forecast Income £'000s	Performance indicator to budget
AD Corporate Resources	-2,669	5,901	5,213	-688	-11.65%	12,725	-7,512	●
AD Transformation	99	401	332	-69	-17.20%	339	-7	●
Chief Operating Officer	-1,151	4,359	4,312	-47	-1.10%	68,327	-64,015	●
Corporate Leadership	218	669	783	114	17.00%	783	0	●
Head of ICT	3,830	2,139	2,139	0	0.00%	7,662	-5,523	●
Head of Leisure & Health	803	-215	2,427	2,641	-1228.50%	4,787	-2,360	●
Head of Operations	1,223	3,345	4,570	1,225	36.60%	8,603	-4,033	●
Housing Manager	39	177	133	-44	-24.70%	133	0	●
Planning Policy Manager	105	842	727	-116	-13.70%	1,245	-518	●
Programme Delivery Manager	1	70	48	-22	-31.30%	48	0	●
Total	2,498	17,688	20,684	2,996	16.90%	104,652	-83,968	●

Service Grouping Summary

This list only includes service groups with a variance exceeding +/- £10,000

Head of Service	Service Grouping	Actuals to June 2020	Budget	Forecast	Variance	Var %	Commentary on Result	Action Required	MTFS Impact
AD Corporate Resources	Head of Resources	(2,471,527)	106,242	(1,566,594)	(1,672,836)	(1574.6%)	Within this are the Covid 19 additional costs (£176k) and emergency funding (£1,848k)		
AD Corporate Resources	Corporate Finance	425,666	5,135,547	5,118,040	(17,507)	(0.3%)	Various benefit from fixed terms loans not impacted by the reduction in interest rates		
AD Corporate Resources	Finance	248,029	794,948	754,034	(40,914)	(5.1%)	Contribution to reserves no longer required		
AD Corporate Resources	Risk Management	125,399	652,742	704,968	52,226	8.02%	Salary savings due to vacant post (£13k) and increase in Insurance Premiums £66k	Increase in premiums is due to historic claims history – motor claim and slips & trips (public liability).	Potential ongoing increase in premiums. Insurance contract is due to be tendered for 21/22 for a further 5 years, with a view to reduce premiums, but due to historic claims history this may not be possible.
AD Corporate Resources	Environmental & Energy Mgt	52,349	218,640	243,657	25,017	11.4%	Loss of income due to roles being made redundant from restructure Budget not transferred yet to cover energy & sustainability role		
AD Corporate Resources	Facilities Management	176,017	867,276	928,251	60,975	7.0%	£10k Loss of rent/income due to COVID-19 lockdown	Review budget to make savings elsewhere in the budget to compensate.	£1.5k to be removed from St Ives Bus Station income (Whippet no longer renting office), the rest should return post COVID-19

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Head of Service	Service Grouping	Actuals to June 2020	Budget	Forecast	Variance	Var %	Commentary on Result	Action Required	MTFS Impact
							£9.5k Cost of CCO's	Review budget to make savings elsewhere in the budget to compensate.	Cost reduced to £4.5k or 0k if DWP use their own contractor to provide CCO services
							£28k Roof repairs to St Ives Bus Station	Works agreed by Cllr Jonathan Gray to go ahead, agreed overspend due to H&S compliance	One off repair not further funding required
							£13k Increased/additional staff costs, as a result of restructure	Transfer funds from restructure budget to cover costs	Adjustment of salary budgets after restructure will result in additional figures being covered
AD Corporate Resources	Democratic & Elections	225,472	831,404	872,693	41,289	5.0%	Income - Electoral registration grant from Cabinet Office £7.8k less this year. Land Charges has suffered a reduced number of searches as a result of CV-19 and no changes have been made to fees and charges that would normally be expected 1 April to also take account of increased fees from CCC.	Fees and charges review of land charges. Assistance required from Finance,	

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Head of Service	Service Grouping	Actuals to June 2020	Budget	Forecast	Variance	Var %	Commentary on Result	Action Required	MTFS Impact
							<p>Employee - Electoral registration canvasser staff fees expected to be less this year due to canvass reform and less door knocking required. Vacant post held in land Charges since 1 July to be held vacant pending service demands.</p> <p>Expenditure - Committee Management printing and postage removed by Transformation but no action taken. Overspend offset by District election budget. Electoral registration overspend offset by District elections budget. Land Charges overspend to be picked up as part of the fees and charges review that is overdue. Members Allowances increase to be offset by District elections budget.</p>		
AD Corporate Resources	Human Resources	90,467	588,867	623,564	34,697	5.9%	Employee costs will be overspent full year, due to having 2 team members (28% of the team) on Maternity leave this financial year - both with	Analysis of previous years recruitment spend, is at around £73,000 on agency recruitment and further £25,000 on advertising. An experienced	

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Head of Service	Service Grouping	Actuals to June 2020	Budget	Forecast	Variance	Var %	Commentary on Result	Action Required	MTFS Impact
							<p>salary/maternity costs as well as the salary costs of backfilling both posts. I have backfilled one post at a lower grade and at 1 days less hours. But have agreement to backfill the other post at a more senior level. This investment enables a shift in recruitment service from purely transactional to advisory. The plan is to offset this expense with saving across organisation on agency recruitment.</p> <p>Supplies and Services is forecast to overspend by £15k on subscriptions. this is the 12 month cost of Linked In Recruiter License, to be purchased, which will enable direct sourcing approach. Again the value for money proposal is to offset this expense with savings across the whole organisation on agency recruitment. Which will leave the HR budget overspent.</p>	recruiter will support the business with recruitment campaign strategies and with direct sourcing /talent pooling, achieving over time a reduction in this level of spend.	
AD Corporate	Procurement	0	62,132	46,746	(15,386)	(24.8%)	Salary saving due to		

Service Grouping Summary

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Head of Service	Service Grouping	Actuals to June 2020	Budget	Forecast	Variance	Var %	Commentary on Result	Action Required	MTFS Impact
Resources							vacant post – now being recruited.		
AD Corporate Resources	Commercial Estates	(1,538,018)	(3,586,787)	(2,735,866)	850,921	(23.7%)	<p>Employees (variance £30k) – Forecast increase due to ongoing interim resource used. Anticipate management charge would cover this.</p> <p>Income and fees: (variance £1.244m) – Budgets for income from existing property were overstretched - the budget added £500k income from proposed purchase of St Benedicts Court and additional income (c £400k+) from further CIS acquisitions of a similar amount, which we are only now seeing a will to progress subject to funding. Some cost centre budgets do not reflect the limited nature of the properties within them to generate further income. This combined with an increase in vacant units and forecast impact of non-payment of rent during Covid 19 hits the current forecast.</p>	<p>Employees Action: looking to permanently recruit into roles, which will reduce/remove the agency fee element</p> <p>Income & fees Action: Heavily marketing vacant units and have 7 under offer. Looking for further opportunities to secure one off income (release of covenants etc) but this is opportunity led</p> <p>Buildings Action: Marketing vacant units, fees largely unavoidable but seeking to get tenants into occupation sooner to reduce rates liability. Supplies and services Action: Nets off most of additional income budgeted for St Benedicts Court</p>	Income budgets in cost centres need to be reviewed in light of some unrealistic figures and likelihood of some medium to long term drop in rental values due to Covid 19

Service Grouping Summary

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Head of Service	Service Grouping	Actuals to June 2020	Budget	Forecast	Variance	Var %	Commentary on Result	Action Required	MTFS Impact
							Buildings: (£12.7k variance) – Higher business rates due to void units and more letting fees. Supplies and services: (£439.2k variance) – consultancy fees budgeted for purchase of St Benedict's Court unlikely to be spent, MRP reduced due to not having new acquisition of CIS property		
Chief Operating Officer	Building Control	2	152,540	137,288	(15,252)	(10.0%)	Client contract expenditure slightly less than forecasted and this results in a £15k underspent	None - keep on monitoring	
Chief Operating Officer	Development Management	(430,021)	(425,985)	(498,913)	(72,928)	17.1%	Additional income compared to budget forecast down to an assessment of what I know now so far: We have seen an increase in planning application fee income over the months since April 2020 which resulted in a forecast now showing iro an £80k additional fee income by year end. Of course this may change rapidly over the next couple of months if the regional and UK economy, and in particular the	Keep on closely monitoring the situation around planning application fee income, government announcements in respect of planning, assessing how announcement may impact on fee income and adjust accordingly month on month	

Service Grouping Summary

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Head of Service	Service Grouping	Actuals to June 2020	Budget	Forecast	Variance	Var %	Commentary on Result	Action Required	MTFS Impact
							construction sector, takes a turn for the worse.		
Chief Operating Officer	Environmental Protection Team	84,797	375,054	363,035	(12,019)	(3.2%)	Forecast underspend due to a combination of small vacant staff line, additional fee income linked to HMOs and Permitted processes and reduced costs linked to the Air Testing station.	N/A	
Chief Operating Officer	Business Team	45,571	278,018	305,454	27,436	9.9%	Additional costs for agency/consultancy staff of £70k, off set by salary savings due to vacant posts of £36k. This is to accommodate the increased workload of environment health due to Covid-19 outbreak.		
Chief Operating Officer	Community Team	193,885	540,710	567,365	26,655	4.9%	Employee numbers being checked- appears to be a double count between cost centres. Should not be showing overspend as 2 posts showing brief vacancy periods. Some overspend in Community Chest grants due to budget being temporarily increased.	Investigate staffing breakdown between cost centres	
Chief Operating Officer	Environmental Health Admin	32,291	143,794	130,503	(13,291)	(9.2%)	One post temporarily vacant- now filled.	N/A	
Chief Operating	Closed Churchyards	0	(13,000)	1,499	14,499	(111.5%)	Income target of £15k	Work to be carried out	

Service Grouping Summary

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Head of Service	Service Grouping	Actuals to June 2020	Budget	Forecast	Variance	Var %	Commentary on Result	Action Required	MTFS Impact
Officer							introduced with no identifiable means of delivery- Parishes not legally liable for this.	with parishes to establish whether they would voluntarily take this service on. Or fund via precept for HDC to carry out	
Chief Operating Officer	Corporate Health & Safety	13,371	64,706	77,916	13,210	20.4%	Overspend on salaries for post not budgeted for.	Confirm that post was deleted off establishment or not budgeted for elsewhere.	
Chief Operating Officer	Housing Needs	158,632	1,145,981	1,063,631	(82,350)	(7.2%)	We have received additional Government grants totalling £166k to assist with homelessness reduction activities including the provision of a rough sleepers street outreach service until the end of 2020/21. £80k of this covers the commissioning costs of the street outreach service, with the remaining £86k contributing to the forecast £82k budget underspend situation.	No specific actions required at present.	
Chief Operating Officer	Document Centre	54,032	175,580	198,397	22,817	13.0%	The Document Centre was directed to serve notice and cease printing for external customers by April 2019. However the external printing budget was C/F and we are	The budgets need resetting by accountancy by November 2020 to reflect the changing position of the Document Centre.	

Service Grouping Summary

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Head of Service	Service Grouping	Actuals to June 2020	Budget	Forecast	Variance	Var %	Commentary on Result	Action Required	MTFS Impact
							<p>unsure why. This has resulted in showing an overspend of £57K as we have no way of achieving the external income budgeted.</p> <p>Staff leaving and not being replaced has resulted in £48K salaries underspend.</p> <p>Printing internal recharge budget has been set £14K higher than printing spend budgets therefore showing as a £14K overspend because this amount will not be spent and not recharged to internal customers.</p> <p>The 3 combined budget positions described above have resulted in a £22K overspend showing against overall Document Centre budgets.</p>		
Chief Operating Officer	Housing Miscellaneous	(12,707)	25,735	66,787	41,052	159.5%	Projected overspend due to historic water bill being finalised to replace previous estimates. Possible water leak being investigated as cause of unexpectedly high	Investigation underway	

Service Grouping Summary

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Head of Service	Service Grouping	Actuals to June 2020	Budget	Forecast	Variance	Var %	Commentary on Result	Action Required	MTFS Impact
							bill.		
Chief Operating Officer	Chief Operating Officer	24,496	103,378	118,116	14,738	14.3%	Overspend due to budget for project officer shown within CLT, budget needs to be moved.	Budgets will be moved into COO.	
Programme Delivery Manager	Programme Delivery	1,400	69,549	47,802	(21,747)	(31.3%)	The staff vacancy has resulted in an underspend. The forecast shows the new Programme Delivery Manager will start in August 2020.		
Planning Policy Manager	Planning Policy	127,143	633,058	519,082	(113,976)	(18.0%)	Employees: Salary savings due to vacancies Income: Income for priority service for a strategic site not budgeted as not guaranteed income; agreed after budget setting completed. Supplies & Services: CV19 delay to Local Plan preparation.		Unspent monies for Local Plan prep should roll over 21/22. CIL/S106 Report paused due to CV19 - unspent money to be forecast for 21/22
Housing Manager	Housing Strategy	38,513	177,006	133,230	(43,776)	(24.7%)	Variance due to staff salary savings		
Corporate Leadership	Directors	176,418	508,300	607,160	98,860	19.4%	Additional staff costs incurred because cover for sickness leave was required to maintain HDC response to the impact of Covid-19 on the District.	This is an unavoidable in year situation.	
Corporate Leadership	Executive Support & Business Planning	41,580	160,394	175,435	15,041	9.4%	Minor expected staff overspend (£5k) and		

Service Grouping Summary

This list only includes service groups with a variance exceeding +/- £10,000

Head of Service	Service Grouping	Actuals to June 2020	Budget	Forecast	Variance	Var %	Commentary on Result	Action Required	MTFS Impact
							budgeted income (£10k) will not be achieved this year.		
AD Transformation	Transformation	99,457	400,988	332,033	(68,955)	(17.2%)	Underspend is based on two main reasons:- <ul style="list-style-type: none"> Projects have been delayed as all resources have been spent on COVID related activities over the last few months so these have not yet spent any budget but will when we deliver them later in the year. Staff costs are down as there has been a delay in hiring due to COVID activities and only being able to hire once final approval of the budget was in place 		
Head of Operations	CCTV Shared Service	388,752	233,251	255,594	22,343	9.6%	Reduction on the City only expenditure for CCTV which is offset by the reduction in the amount that can be recharge to City. Not expecting any income from the commercialisation of CCTV in 20/21.	Once the HDC Ventures part of CCTV is running, there will be an increase in income.	
Head of Operations	Green Spaces	178,542	1,106,056	1,090,280	(15,776)	(1.4%)	Countryside sites have suffered income losses due to Covid-19 closures of approximately £110k.	Countryside have adjusted staff levels and are now offering alternative food with higher %profit.	

Service Grouping Summary

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Head of Service	Service Grouping	Actuals to June 2020	Budget	Forecast	Variance	Var %	Commentary on Result	Action Required	MTFS Impact
							This has been off-set by staff savings of around £15k.	Alternative activity offerings are also being explored to generate income (e.g. outdoor cinema)	
Head of Operations	Waste Management	547,397	2,518,306	2,535,403	17,097	0.7%	Increase activity on green waste with requests for 2 nd Green bins creating additional income, off set by reduction in contribution for bin deliveries		
Head of Operations	Fleet Management	66,133	300,234	316,174	15,940	5.3%	Reduction in charges for use of pool cars due to closure of council officers and working from home, with continued costs for repairs and maintenance.	Consider reviewing the requirement of pool cars going forward due to potential changes in working arrangements i.e working from home; use of teams for meetings rather than travelling	
Head of Operations	Markets	22,090	(34,550)	44,530	79,080	(228.9%)	Market sites have suffered income loss due to Covid-19 closure of £72k. The markets are now up and running on a reduced basis with full operation assumed by the end of the year		
Head of Operations	Car Parks - Off Street	(137,649)	(1,445,010)	(369,509)	1,075,501	(74.4%)	Car parks have suffered income lost due to Covid-19 closure of £1,158m offset by savings on contributions linked income sharing arrangements.		

Service Grouping Summary

This list only includes service groups with a variance exceeding +/- £10,000

Head of Service	Service Grouping	Actuals to June 2020	Budget	Forecast	Variance	Var %	Commentary on Result	Action Required	MTFS Impact
Head of Operations	Car Park - On Street	(92,000)	(131,724)	(98,793)	32,931	(25.0%)	Car parks have suffered income loss due to Covid-19 closure of £32.9k.		
Head of Leisure & Health	One Leisure Active Lifestyles	43,929	155,819	269,567	113,748	73.0%	It sets out a significant reduction in Income due to reduced customer confidence in the first instance with this growing over time, and reduced capacity due to the current social distancing restrictions and measures being in place. It also includes £35K for a playing pitch strategy which should be offset by CIL funding (if application successful). See HoS commentary		The impact upon future years MTFS is currently unknown at this moment in time until we confidently map the recovery and how long this will take
Head of Leisure & Health	St Ives Outdoor Centre	55,386	19,159	190,501	171,342	894.3%	This forecast is based upon a recovery model produced by the industry governing bodies as a roadmap to recovery. It sets out a significant reduction in Income due to reduced customer confidence in the first instance with this growing over time, and reduced capacity due to the current social distancing restrictions and		The impact upon future years MTFS is currently unknown at this moment in time until we confidently map the recovery and how long this will take

Service Grouping Summary

This list only includes service groups with a variance exceeding +/- £10,000

Head of Service	Service Grouping	Actuals to June 2020	Budget	Forecast	Variance	Var %	Commentary on Result	Action Required	MTFS Impact
							measures being in place. This is offset by reduced expenditure, predominantly staffing, as members of staff remain furloughed. See HoS commentary		
Head of Leisure & Health	Leisure Centres Corporate	70,973	379,380	211,000	(168,380)	(44.4%)	This forecast is based upon a recovery model produced by the industry governing bodies as a roadmap to recovery. It sets out a significant reduction in Income due to reduced customer confidence in the first instance with this growing over time, and reduced capacity due to the current social distancing restrictions and measures being in place. This is offset by reduced expenditure, predominantly staffing, as members of staff remain furloughed. See HoS commentary		The impact upon future years MTFS is currently unknown at this moment in time until we confidently map the recovery and how long this will take
Head of Leisure & Health	One Leisure Management Team inc Alconbury Weald	51,159	149,731	271,000	121,269	81.0%	This forecast is based upon a recovery model produced by the industry governing bodies as a roadmap to recovery. It sets out a significant reduction in Income due to reduced customer confidence in		The impact upon future years MTFS is currently unknown at this moment in time until we confidently map the recovery and how long this will take

Service Grouping Summary

This list only includes service groups with a variance exceeding +/- £10,000

Head of Service	Service Grouping	Actuals to June 2020	Budget	Forecast	Variance	Var %	Commentary on Result	Action Required	MTFS Impact
							the first instance with this growing over time, and reduced capacity due to the current social distancing restrictions and measures being in place. This is offset by reduced expenditure, predominantly staffing, as members of staff remain furloughed. See HoS commentary		
Head of Leisure & Health	St Neots Leisure Centre	184,467	(330,590)	528,082	858,672	(259.7%)	This forecast is based upon a recovery model produced by the industry governing bodies as a roadmap to recovery. It sets out a significant reduction in income due to reduced customer confidence in the first instance with this growing over time, and reduced capacity due to the current social distancing restrictions and measures being in place. This is offset by reduced expenditure, predominantly staffing, as members of staff remain furloughed. See HoS commentary		The impact upon future years MTFS is currently unknown at this moment in time until we confidently map the recovery and how long this will take
Head of Leisure & Health	Huntingdon Leisure Centre	140,746	(124,849)	283,733	408,582	(327.3%)	This forecast is based upon a recovery model produced by the industry governing		The impact upon future years MTFS is currently unknown at this moment in time

Service Grouping Summary

This list only includes service groups with a variance exceeding +/- £10,000

Head of Service	Service Grouping	Actuals to June 2020	Budget	Forecast	Variance	Var %	Commentary on Result	Action Required	MTFS Impact
							bodies as a roadmap to recovery. It sets out a significant reduction in Income due to reduced customer confidence in the first instance with this growing over time, and reduced capacity due to the current social distancing restrictions and measures being in place. This is offset by reduced expenditure, predominantly staffing, as members of staff remain furloughed. See HoS commentary		until we confidently map the recovery and how long this will take
Head of Leisure & Health	St Ives Leisure Centre	155,435	(544,878)	344,353	889,231	(163.2%)	This forecast is based upon a recovery model produced by the industry governing bodies as a roadmap to recovery. It sets out a significant reduction in Income due to reduced customer confidence in the first instance with this growing over time, and reduced capacity due to the current social distancing restrictions and measures being in place. This is offset by reduced expenditure, predominantly staffing, as members of staff remain furloughed.		The impact upon future years MTFS is currently unknown at this moment in time until we confidently map the recovery and how long this will take

Service Grouping Summary

This list only includes service groups with a variance exceeding +/- £10,000

Head of Service	Service Grouping	Actuals to June 2020	Budget	Forecast	Variance	Var %	Commentary on Result	Action Required	MTFS Impact
							See HoS commentary		
Head of Leisure & Health	Ramsey Leisure Centre	80,160	(3,893)	244,589	248,482	(6382.8%)	This forecast is based upon a recovery model produced by the industry governing bodies as a roadmap to recovery. It sets out a significant reduction in Income due to reduced customer confidence in the first instance with this growing over time, and reduced capacity due to the current social distancing restrictions and measures being in place. This is offset by reduced expenditure, predominantly staffing, as members of staff remain furloughed. See HoS commentary		The impact upon future years MTFS is currently unknown at this moment in time until we confidently map the recovery and how long this will take

CAPITAL PROGRAMME

The approved gross Capital Programme 2020/21 is £16.611m. Schemes totalling £4.052m from 2019/20 have been rephased to 2020/21, to give the total gross capital programme for 2020/21 of £20.663m.

The net expenditure (income) to date is £1.023m and the Capital Programme is forecast to have a net underspend of £11.757m, this includes underspends, overspends and growth.

The net spend on the Council's Capital Programme is financed via borrowing which has a revenue implication through the Minimum Revenue Provision (MRP).

The table below shows the capital programme by scheme with proposed rephasing, expenditure to date and forecast outturn. The financing of the capital programme showing the funding from grants and contributions, capital receipts, use of earmarked and capital reserves and internal borrowing.

Due to the Covid 19 pandemic, this has and may continue to affect delivery of some projects in terms of capacity of internal resources and the uncertainty within economical landscape for investments into property.

CAPITAL PROGRAMME SUMMARY

Division	Project	Gross Expenditure						Variance	Grants, Contributions and Funding						Net Forecast Expenditure	Net Forecast Variance
		Approved	Rephase or	Revised	Year To Date Exp	Forecast	Variance		Approved	Rephase or	Updated	Year to Date Inc	Forecast			
		Budget	Supplementary	Budget					Budget	Budget						
£	£	£	£	£	£	£	£	£	£	£	£	£	£	£		
Chief Operating Officer	Disabled Facilities Grants	2,250,000	281,700	2,531,700	374,381	2,061,881	(469,819)	(1,300,000)	0	(1,300,000)	(53,902)	(1,222,639)	77,361	839,242	(392,458)	
	Lone Worker Software	0	20,000	20,000	0	20,000	0	0	0	0	0	0	0	20,000	0	
	3CICT EFH Fire Insurance Settlement	0	0	0	3,435	122,416	122,416	0	0	0	(122,416)	(122,416)	(122,416)	0	0	
	Printing Equipment	0	16,000	16,000	0	16,000	0	0	0	0	0	0	0	16,000	0	
	Environmental Health Software	0	40,000	40,000	0	40,000	0	0	0	0	0	0	0	40,000	0	
	Traveller Security Improvements	0	25,000	25,000	0	30,500	5,500	0	0	0	0	0	0	30,500	5,500	
	A14 Upgrade	200,000	200,000	400,000	0	200,000	(200,000)	0	0	0	0	0	0	200,000	(200,000)	
Housing Company	0	206,000	206,000	0	0	(206,000)	0	0	0	0	0	0	0	(206,000)		
Head of Leisure & Health	OL St Neots Synthetic Pitch	0	0	0	(8,879)	0	0	0	0	0	14,558	0	0	0	0	
	Leisure Centres - Future Maintenance	306,000	5,000	311,000	9,099	286,585	(24,415)	0	0	0	0	0	0	286,585	(24,415)	
	Pool Building	0	0	0	180	180	180	0	0	0	0	0	0	180	180	
	One Leisure Ramsey 3G	0	593,500	593,500	10,023	593,500	0	0	(300,000)	(300,000)	0	(300,000)	0	293,500	0	
	One Leisure St Ives New Fitness Offering	0	0	0	24,415	24,415	24,415	0	0	0	0	0	0	24,415	24,415	
	OL St Ives Changing Rooms	0	250,000	250,000	468	250,000	0	0	0	0	0	0	0	250,000	0	
	Bridge Place Car Park Const Bldg Efficiency - Salix Funding	0	378,000	378,000	60	60	(377,940)	0	0	0	0	0	0	60	(377,940)	
Retro-Fit Buildings	0	6,000	6,000	4,149	4,149	(1,851)	0	0	0	0	0	0	4,149	(1,851)		
HTC Grant	0	227,500	227,500	0	0	(227,500)	0	0	0	0	0	0	0	(227,500)		
Oak Tree Remedial Work	0	0	0	(50)	0	0	0	0	0	0	0	0	0	0		
Alms Close Health and Safety Works on Commercial Properties	1,000,000	912,000	1,912,000	0	1,000,000	(912,000)	0	0	0	0	0	0	1,000,000	(912,000)		
AD Corporate Services		665,000	429,000	1,094,000	245,707	844,207	(249,793)	0	0	0	0	0	0	844,207	(249,793)	
		0	15,500	15,500	(918)	15,500	0	0	0	0	0	0	0	15,500	0	
AD Corporate																

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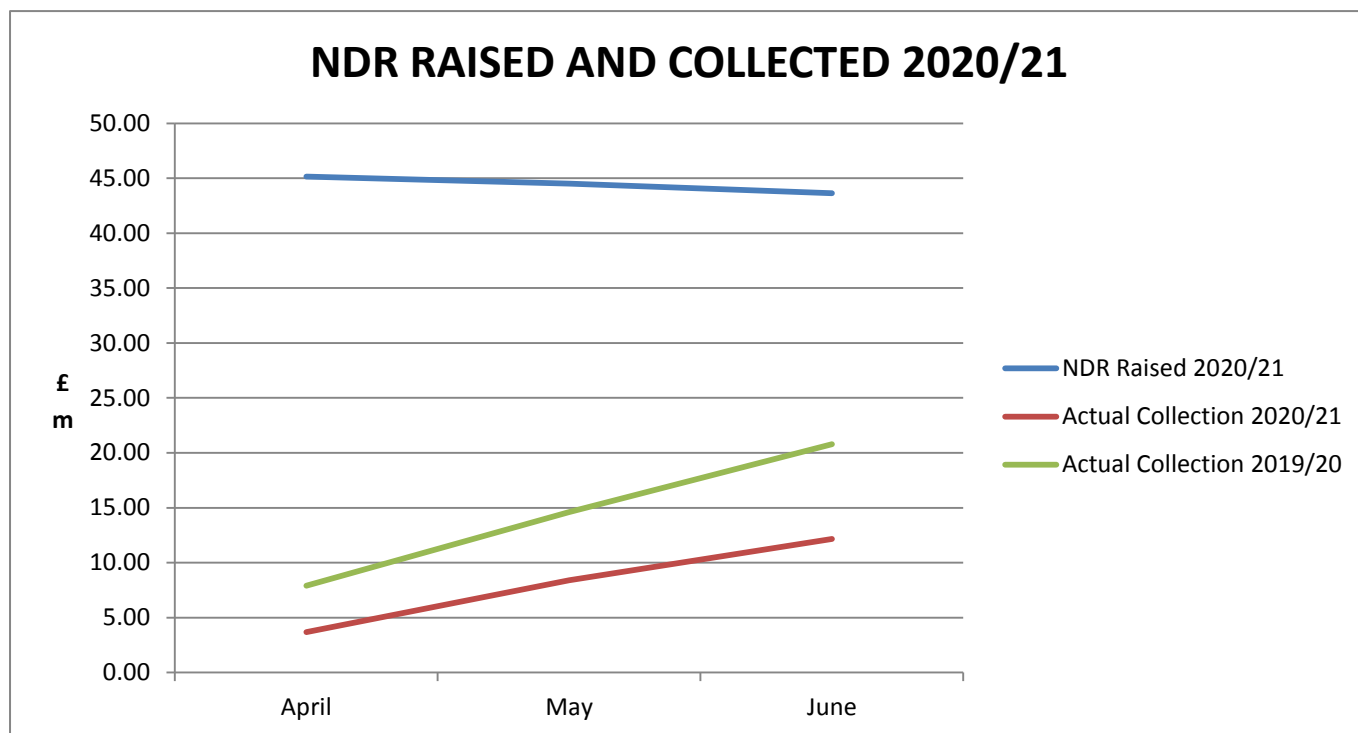
Capital Outturn Quarter 1

Division	Project	Gross Expenditure						Grants, Contributions and Funding						Net Forecast Expenditure	Net Forecast Variance
		Approved	Rephase or	Revised	Year To	Forecast	Variance	Approved	Rephase or	Updated	Year to Date	Forecast	Variance		
		Budget	Supplementary	Budget	Date Exp	£	£	Budget	Supplementary	Budget	Inc	£	£		
Services	Energy Efficiency Works at Commercial Properties VAT Exempt Capital Investment in Company	25,000	44,000	69,000	0	22,500	(46,500)	0	0	0	0	0	0	22,500	(46,500)
	Huntingdon Redevelopment Lighting - Loves Farm Footpath	8,500,000	0	8,500,000	0	0	(8,500,000)	0	0	0	0	0	0	0	(8,500,000)
	Generator - 3CICT Backup Data Centre Storage	27,000	0	27,000	0	27,000	0	0	0	0	0	0	0	27,000	0
	Wi-Fi Access Points	23,000	0	23,000	0	23,000	0	0	0	0	0	0	0	23,000	0
	Cctv PFH Resilience	12,000	0	12,000	0	12,000	0	0	0	0	0	0	0	12,000	0
	Cctv - Camera Replacements	0	0	0	200	200	200	0	0	0	0	0	0	200	200
	Play Equipment	0	0	0	1,215	1,215	1,215	0	0	0	0	0	0	1,215	1,215
	Wheeled Bins Vehicles & Plant	53,000	0	53,000	0	53,000	0	0	0	0	0	0	0	53,000	0
	Operations Back Office	238,000	0	238,000	33,695	270,317	32,317	(93,000)	0	(93,000)	(1,759)	(88,700)	4,300	181,617	36,617
	Parking Strategy	1,199,000	56,000	1,255,000	552,276	1,060,180	(194,820)	0	0	0	0	0	0	1,060,180	(194,820)
	Park Fencing Godmanchester Mill Weir Improvements	0	43,400	43,400	637	43,400	0	0	0	0	0	0	0	43,400	0
	Civil Parking Enforcement	37,000	90,000	127,000	(40)	127,000	0	0	0	0	0	0	0	127,000	0
	Secure Cycle Storage	12,000	0	12,000	(3,396)	12,000	0	0	0	0	0	0	0	12,000	0
	Districtwide Signage	0	0	0	0	60,000	60,000	0	0	0	(60,000)	(60,000)	(60,000)	0	0
	Hinchingbrooke Country Park	217,000	0	217,000	0	0	(217,000)	0	0	0	0	0	0	0	(217,000)
	Crms	58,400	0	58,400	0	58,400	0	0	0	0	0	0	0	58,400	0
	Robotics	70,000	0	70,000	0	63,000	(7,000)	0	0	0	0	0	0	63,000	(7,000)
	Customer Portal and Call Centre	1,550,000	0	1,550,000	0	1,395,000	(155,000)	0	0	0	0	0	0	1,395,000	(155,000)
AD Transformation	Crms Replacement	0	63,400	63,400	0	0	(63,400)	0	0	0	0	0	0	0	(63,400)
AD Transformation	Robotics	0	50,000	50,000	0	0	(50,000)	0	0	0	0	0	0	0	(50,000)
AD Transformation	AV Equipment	30,000	0	30,000	0	30,000	0	0	0	0	0	0	0	30,000	0
AD Transformation	Customer Portal and Call Centre	30,000	0	30,000	0	30,000	0	0	0	0	0	0	0	30,000	0

Capital Outturn Quarter 1

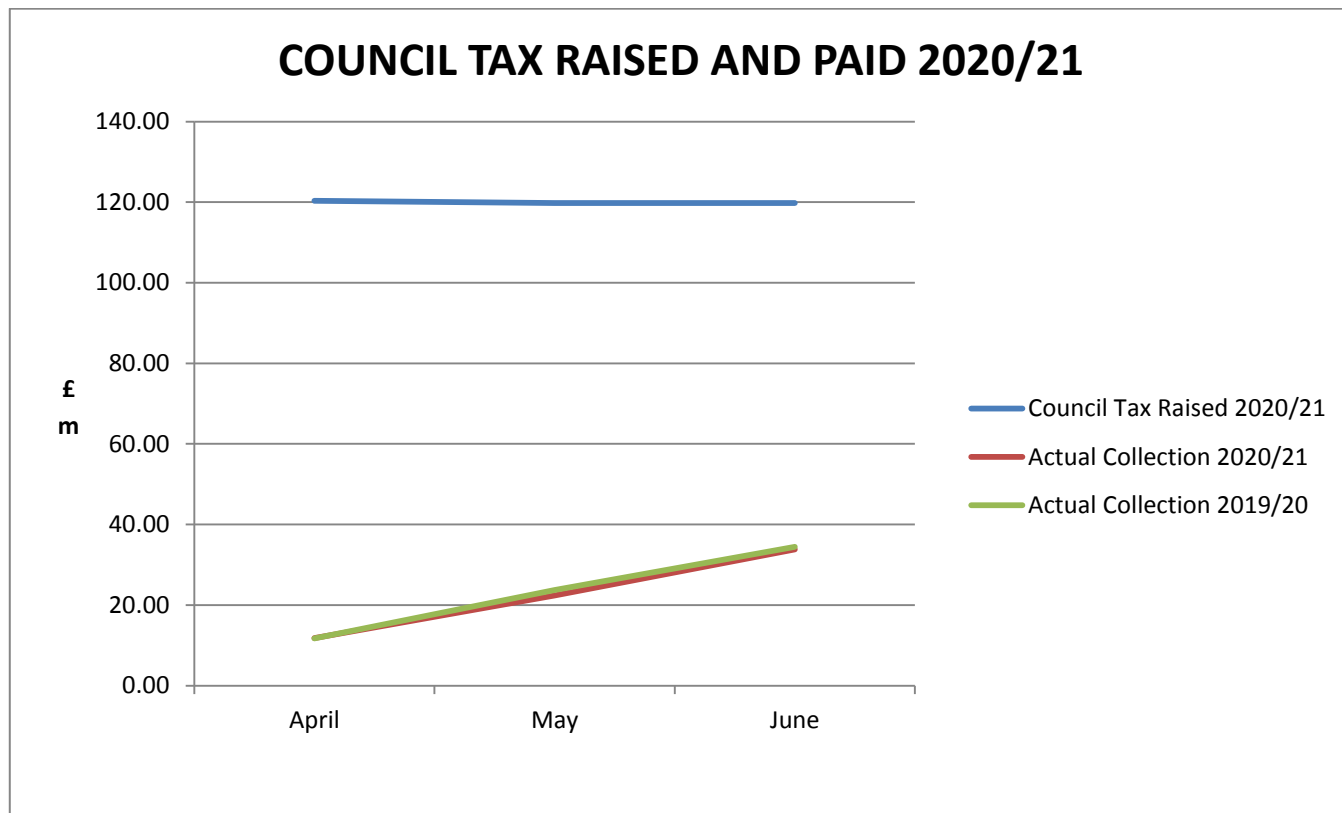
Division	Project	Gross Expenditure						Grants, Contributions and Funding						Net Forecast Expenditure	Net Forecast Variance	
		Approved Budget	Rephase or Supplementary	Revised Budget	Year To Date Exp	Forecast	Variance	Approved Budget	Rephase or Supplementary	Updated Budget	Year to Date Inc	Forecast	Variance			
		£	£	£	£	£	£	£	£	£	£	£	£			£
	Software															
	Voice Bots	34,000	0	34,000	0	34,000	0	0	0	0	0	0	0	0	34,000	0
	Total	16,611,400	4,052,000	20,663,400	1,246,657	9,006,605	(11,656,795)	(1,393,000)	(300,000)	(1,693,000)	(223,519)	(1,793,755)	(100,755)	7,212,850	(11,757,550)	

Financial Dashboard



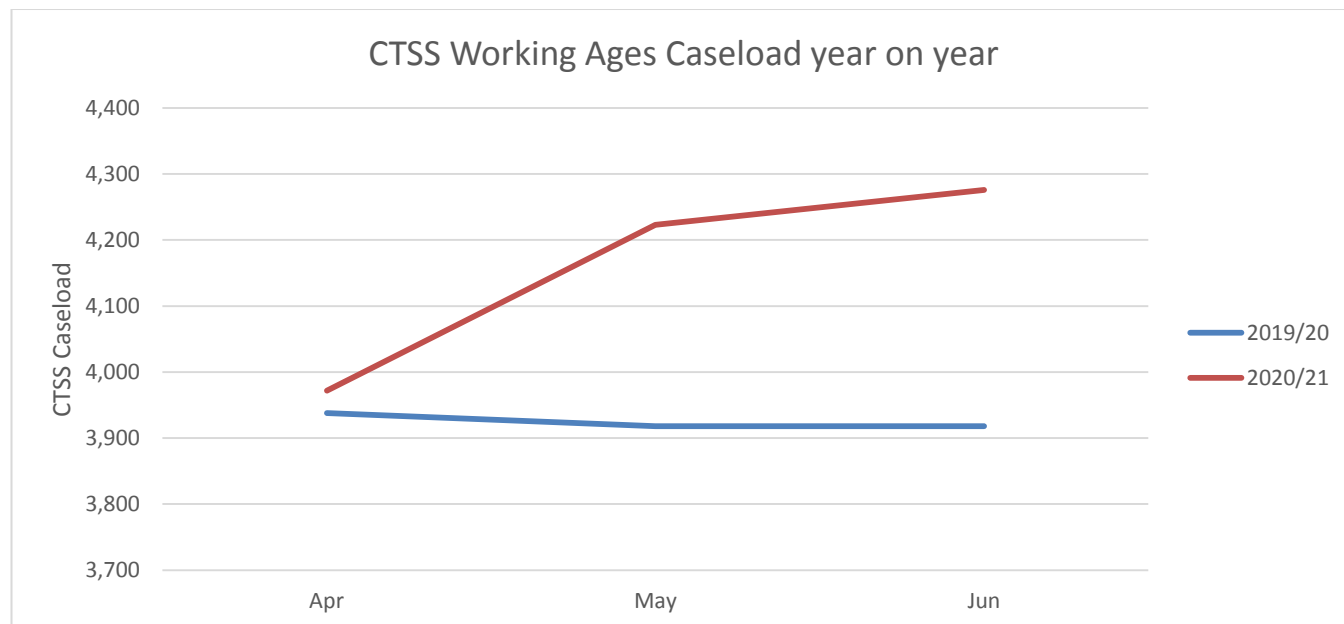
The NDR graph above shows the total amount of NDR bills raised in 2020/21 and the actual receipts received up to the end of June. For 2020/21 Central Government introduce significant reliefs for the retail and hospitality sector, which has reduced the annual billing by £20.851m. District Council's are being compensated for these reliefs in line with the normal grant income received via the Business Rate Retention Scheme. The Council tax graph below provides the same analysis.

Collection of Council Tax



Council tax collection rates during the initial phases of lockdown have not reduced significantly compared to 2019/20. However, during Q2 and Q3 the potential impact of the furlough scheme ending in October may have a significant impact on residence's ability to pay, if as anticipated, businesses are not able to continue to employ people at the pre-covid 19 levels.

Council Tax Support Scheme



The graph above shows the increase in Council Tax Support Scheme caseload in Q1, this is an increase of 9% by the end of Q1 and is continuing to increase into Q2.

Outstanding Miscellaneous Debt Overdue for Payment

Due to the Covid 19 pandemic the decision was taken to suspend debt recovery in support of the unusual circumstances of the whole economy in lock down, this has had a significant impact on the level of miscellaneous debt outstanding as at 30th June. The total outstanding debt as at 30th June is £5.682m (March 2020, £1.544m), of which 83%, became due for payment since 1st April and 48% of the total arrears is owed by other public sector bodies.

Over 90% of the debt is made up as follows:

Department	Amount Owed £m
3ICT Share Service	2.729
CIL	1.302
Commercial Estates	0.514
Housing	0.364
Finance	0.346

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Register of Reviews of CIS Propositions 2020/21 Q1 Appendix 2

The process of considering CIS opportunities is as follows:

Step 1

Property investment opportunities are both introduced by agents and actively sourced by the Commercial Estates Team. An initial review is undertaken against the outline criteria of the CIS such as yield, length of lease, tenant strength etc. and if they are judged to be reasonable investments, further preliminary initial due diligence is undertaken to determine the quality of the leases and an initial financial appraisal is undertaken.

Step 2

If Step 1 is passed, more detailed due diligence is undertaken (including detailed tenant strength review, ownership title, property energy efficiency, market analysis of rents and yield etc), this may lead to a site visit and more robust financial appraisal/modelling and further market scrutiny.

Step 3

If Step 2 is passed, then approval is sought from the members of the Treasury & Capital Management Group, the Managing Director, Corporate Director (Services) and the Head of Resources to submit a formal initial bid, subject to contract and relevant building and condition surveys

Step 4

If the bid submitted at Step 3 is successful, then this progresses to consideration by Overview and Scrutiny and approval for Cabinet.

Step 5

Once approval is given, formal legal and building condition due diligence commences by instruction of lawyers and building/specialist surveys are undertaken. This may take several weeks during which all concerns raised on legal and lease title and building condition are satisfied. If any significant concerns are unsatisfied, these can either be negotiated on price or withdraw from the purchase.

Reviews Undertaken April – June 2020 (Q1)

Over the above period, 13 properties in total were considered, all to stage 1 only. By property type the investments considered in Q1 are as follows:

Offices	2	Distribution	1
Retail	7	Other	2
Industrial/Warehouse	1		

Priority work was targeted to manage existing tenants and sustain income as much as possible due to the impact on businesses due to Covid 19. Government consultation on use of PWLB funds for property investment continues.