



Dear Councillor

**OVERVIEW AND SCRUTINY PANEL (PERFORMANCE AND GROWTH) -  
WEDNESDAY, 2 FEBRUARY 2022**

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.**

- 7. FINANCIAL PERFORMANCE REPORT 2021/22, QUARTER 3 (Pages 3 - 26)**  
The Financial Performance Report 2021/22 Quarter 3 is to be presented to the Panel.

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**Public**  
**Key Decision - No**

## **HUNTINGDONSHIRE DISTRICT COUNCIL**

**Title/Subject Matter:** Finance Performance Report Q3

**Meeting/Date:** Overview & Scrutiny (Performance and Growth) –  
2 February 2022

**Executive Portfolio:** **Strategic Finance: Councillor J A Gray**  
**(Executive Councillor for Strategic Finance)**

**Report by:** **Chief Financial Officer**

**Ward(s) affected:** **All Wards**

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### **Executive Summary**

This report sets out the council's forecast Financial Performance Report Q3 for 2021/22

### **RECOMMENDATION**

The Overview and Scrutiny Panel is invited to comment on Finance Performance Report Q3 from the Cabinet report attached at **Appendix A.**

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**Public  
Key Decision - No**

## HUNTINGDONSHIRE DISTRICT COUNCIL

**Title/Subject Matter:** Finance Performance Report (Q3)  
**Meeting/Date:** Cabinet – 10 February 2022  
**Executive Portfolio:** Executive Councillor for Strategic Finance (JG)  
**Report by:** Chief Finance Officer (ES)  
**Ward affected:** All

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### **Executive Summary:**

The impact of Covid-19 has affected and will continue to affect the financial landscape during 2021/22, as restrictions have finally been lifted. Areas, such as leisure facilities have now fully opened all their facilities. Central Government restrictions have started lifting and normal services are being resumed.

### Financial Impact

2021/22 budget included assumptions regarding the impact of the pandemic on the economy and the council based in the information available in December 2020. Since then, the restrictions were extended and only lifted in July, later than anticipated. The income compensation scheme was still available to support Local Government in Q1, £0.595m was factored into the base funding for 2021/22, and this has now been claimed. £0.758m for the final tranche 5 of the Covid Emergency funding was also factored into the base funding.

There was on going expenditure in relation Covid restrictions in Q1 in maintaining cleaning regimes and PPE in close contact area of the business, like waste collection, together with additional resources to support areas such as Council Tax and Housing Benefit in dealing with increased volume and recovery activities. This continued in Q2 and Q3 and is ongoing in Q4 order to protect staff and customers.

### **Recommendation(s):**

It is recommended that:

- Cabinet considers and comments on the financial performance to the end of December 2021, as detailed in Appendix 1 and summarised in paragraph 3.2.
- Cabinet considers and approves the proposed budget changes to the Capital Budget to accommodate reclassification of budget and in year activity not included within the MTFs as outlined in paragraph 3.3.

## PURPOSE OF THE REPORT

1.1 To present details of the Council's projected financial performance for 2021/2022.

- Revenue outturn estimated underspend of £1.607m.
- Capital outturn estimated underspend of £13.694m.

The impact of the Covid 19 pandemic, as far as possible, has been reflected within the Council's financial position and includes the Governments Income Compensation Scheme of £1.076m.

## BACKGROUND

2.1 The budget and MTFS for 2021/22 approved in February 2021, assumed a net expenditure budget of £20.686m, together with a Council Tax freeze. The approved Capital budget is £18.169m.

2.2 The detailed analysis of the Q3 forecast outturn as at 31 December 2021 is attached at **Appendix 1**.

## FINANCIAL PERFORMANCE

### 3.1 Financial Performance Headlines

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

**Revenue** The approved Budget is £20.686m, plus authorised carry forwards of £99k and in year re-classification of (£692k) giving a revised current budget of £20.093m, with the forecast outturn being £18.486m which is an underspend of £1.607m. Despite the forecast underspend and start to recovery there remains pressure from continuing some Covid related activities, such as maintaining safe environments for employees.

**MTFS** The MTFS was updated as part of the 2021/22 Budget setting process and will again be updated as part of the 2022/23 Budget setting process which is now almost complete. The revision of the MTFS will include 2020/21 outturn variations and others occurring or foreseen in 2021/22 that have an impact on future years.

**Capital** The approved Budget is £18.169m plus the re-phasing of £14.558m and in year activity of £12.239m giving a revised total Capital Programme of £44.966m. The forecast outturn is £31.272m giving an underspend of £13.694m.

### 3.2 Summary Revenue Variances by Service

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

Head of Service	Budget £'000s	Budget c/fwd £'000s	In year Changes £'000s	Revised Budget £'000s	Forecast Actual £'000s	Forecast Variance £'000s	Comments
AD Corporate Resources	6,896	57	66	7,019	6,363	(656)	CIS performance (£151k), OTC saving (£220k), land charge searches Income (£114k), management charge reduced (£116k), rent income (£77k) Pressure of £113k on HR staffing, insurance premium reduction (£77k).
AD Transformation	298	0	0	298	301	3	
Chief Operating Officer	4,350	0	0	4,350	4,448	98	Housing needs (£111k); Environment protection (£59k); offset by overspend in Development Management – agency costs of £535k due to planning application back log, grant income re test & trace admin (£128k), staff underspends in licencing and business team (£123k)
Corporate Leadership	619	0	0	619	670	51	Communications manager unbudgeted £51k
Head of ICT	2,338	0	0	2,338	2,477	139	IEG 4 costs
Head of Leisure & Health	522	35	0	557	521	(36)	
Head of Operations	4,621	7	0	4,628	3,441	(1,187)	Car parking income (£739k), waste quantity & price variations (£655k), CCTV extra staff costs £89k, flood risk survey cost £70k, cancelled bin removal project unachieved saving £89k
Housing Manager	180	0	0	180	178	(2)	
Growth Manager	791	0	0	791	775	(16)	
Programme Delivery Manager	71	0	0	71	70	(1)	
<b>Subtotal</b>	<b>20,686</b>	<b>99</b>	<b>66</b>	<b>20,851</b>	<b>19,244</b>	<b>(304)</b>	
Covid 19 Emergency Funding	0	0	(758)	(758)	(758)	0	Continued costs in relation to complying with the Covid restrictions in terms of PPE and cleaning, together with additional resources in Revenues and benefits to assist with the back log of arrears within Council Tax and Business Rates.
Covid 19 Recovery Program	0	0	0	0	0	0	Ongoing costs in relation to delivering Covid recovery projects
<b>Total</b>	<b>20,686</b>	<b>99</b>	<b>(692)</b>	<b>20,093</b>	<b>18,486</b>	<b>(1,607)</b>	

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 £18.169m plus the re-phasing of the £14.558m, together with in year budget of £12.239m giving a revised total Capital Programme for 2021/22 of £44.966m.

The forecast net expenditure outturn is £31.272m, an underspend of £13.694m.

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

Service Area	Original Budget 2021/22 £	Budget B/F from 2020/21 £	Externally Funded Schemes £	In year virement £	Current Budget 2021/22 £	YTD Actual 2021/22 £	Q3 Forecast 2021/22 £	Forecast Variance 2021/22 £	Comment on Variances over £50,000
AD Resources	729,000	11,057,891	4,192,141	(30,000)	15,949,032	3,193,942	5,884,130	(10,064,902)	Huntingdon Redevelopment will not happen until a feasibility study has been undertaken, leading to a saving of £8,500k this year. Oaktree remedial costs have been revised down with expected savings of £912k
AD Transformation	31,000	114,000	0	0	145,000	0	4,000	(141,000)	Projects stopped due to lack of business case
Chief Operating Officer	72,000	16,000	0	30,000	118,000	42,463	133,097	15,097	
Head of ICT	340,000	12,000	0	0	352,000	0	176,000	(176,000)	
Head of Leisure & Health	406,200	556,733	739,853	0	1,702,786	665,540	1,661,747	(41,039)	
Head of Operations	1,890,600	2,195,259	1,073,249	0	5,159,108	1,776,674	2,903,487	(2,255,621)	Reduced spending on the parking strategy in year
Housing Manager	1,850,000	0	0	0	1,850,000	845,400	1,275,000	(575,000)	Reduction due to referrals from Occupational Health
Growth Manager	12,850,000	606,000	6,234,546	0	19,690,546	0	19,234,546	(456,000)	Impact of phasing the Future High Street Fund into future years as whole life costs included in budget.
<b>Total</b>	<b>18,168,800</b>	<b>14,557,883</b>	<b>12,239,789</b>	<b>0</b>	<b>44,966,472</b>	<b>6,524,020</b>	<b>31,272,007</b>	<b>(13,694,465)</b>	

In the above table in year budget of £12,239m has been included to capture new projects that have been agreed since the original budget was set in February 2021, these are projects which are funded by external grants.



### 3.4 Finance Dashboard

The Outturn for Q3 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, the Council Tax collection rate is holding in line with 20/21 rates but is lower than pre-Covid performance.

The NDR collection rate is 1.25% less than in 20/21. However, the unique profile of retail, hospitality, leisure relief granted in 21/22 means that prior year comparison is not appropriate. Indications are that year-end collection will show some improvement on current rates but is likely to be lower than pre-COVID performance.

The number of working age people claiming Council Tax Support has seen a reduction of 1% compared to 20/21 and is now comparable to pre-Covid volumes.

### 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.

4.2 At the end of Quarter 3, the financial projections for the CIS are:

<b>CIS Investments</b>	<b>Budget (£'000)</b>	<b>Outturn (£'000)</b>	<b>Variance (£'000)</b>
<b>Cash Investments</b>			
CCLA Property Fund	(162)	(150)	12
<b>Total Cash Investments</b>	<b>(162)</b>	<b>(150)</b>	<b>12</b>
Property Rental Income	(4,590)	(4,861)	(271)
MRP	581	581	0
<b>Net Direct Property Income</b>	<b>(4,009)</b>	<b>(4,280)</b>	<b>(271)</b>
Management Charge	144	28	(116)
<b>Total Property Investments</b>	<b>(3,865)</b>	<b>(4,252)</b>	<b>(387)</b>
<b>TOTAL</b>	<b>(4,027)</b>	<b>(4,402)</b>	<b>(375)</b>

### 4.3 Investments

The property investment market continues to be quiet with little or no let investments coming to the open market within the District. There has been an increase in vacant property for sale, mainly offices within Huntingdonshire, reflecting the challenges in letting this space. The industrial and distribution investment market continues to be buoyant with low yields, driven by occupier demand. The team are continuing to focus on securing lease renewals with the aim of securing longer term increased rental income, which in turn enhances capital values.

Returns from the CCLA property fund have returned a drop in income, likely as a result of reduced income due to Covid measures. Other investment vehicles such as bank deposits and money market funds interest rates remain low and are not expected to increase materially in this financial year.

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**

Please see below the O&S comments from the Financial Performance Report 2021/22, Quarter 3 for review and comment.

## **6. RECOMMENDATIONS**

- Cabinet is invited to consider and comment on the financial performance at the end of December 2021, as detailed in Appendix 1 and summarised in paragraph 3.2.
- Cabinet considers and approves the proposed budget changes to the Capital Budget to accommodate reclassification of budget and in year activity not included within the MTFS as outlined in paragraph 3.3.

## **7. LIST OF APPENDICES INCLUDED**

**Appendix 1** – Financial Performance Monitoring Q3

## **CONTACT OFFICER**

Eric Symons, Chief Finance Officer

## Financial Performance Monitoring Suite December 2021 – Quarter 3

### Executive summary

This report sets out the financial forecast for December 2021, for revenue and capital. The headlines are:

**Revenue** - the forecast outturn is an estimated underspend of £1.607m when compared to the approved budget and an improvement from Q2 of £0.304m. The additional underspend is primarily due to additional improved performance as recovery from Covid 19 continues.

**Capital Programme** – the forecast outturn is an estimated underspend of £13.694m.

# Service Grouping Summary

## 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	Original Budget £'000s	Budget C/F From 2020/21 £'000s	In year changes £'000s	Revised Current Budget £'000s	Actuals to 31 December 2021 £'000s	Q3 Forecast £'000s	Funded from Reserves £'000s	Revised Q3 Forecast £'000s	Variance to Current Budget £'000s	%	Forecast Spend £'000s	Forecast Income £'000s	Q2 Forecast for Info £
AD Corporate Resources	6,896	57	66	7,019	932	6,420	(57)	<b>6,363</b>	(656)	-9.3	8,609	(2,189)	6,530
AD Transformation	298	0	0	298	400	436	(135)	<b>301</b>	3	+1.0	518	(82)	293
Chief Operating Officer	4,350	0	0	4,350	(573)	4,448	0	<b>4,448</b>	98	+2.3	35,327	(30,879)	4,771
Corporate Leadership	619	0	0	619	478	670	0	<b>670</b>	51	+8.2	670	0	658
Head of ICT	2,338	0	0	2,338	4,437	2,477	0	<b>2,477</b>	139	+5.9	7,309	(4,832)	2,363
Head of Leisure & Health	522	35	0	557	795	521	0	<b>521</b>	(36)	-6.5	5,313	(4,792)	515
Head of Operations	4,621	7	0	4,628	2,253	3,441	0	<b>3,441</b>	(1,187)	-25.6	8,836	(5,395)	4,458
Housing Manager	180	0	0	180	139	178	0	<b>178</b>	(2)	-1.1	178	0	178
Growth Manager	791	0	0	791	3,267	3,526	(2,751)	<b>775</b>	(16)	-2.0	6,308	(2,782)	758
Programme Delivery Manager	71	0	0	71	53	70	0	<b>70</b>	(1)	-1.4	70	0	71
<b>Total</b>	<b>20,686</b>	<b>99</b>	<b>66</b>	<b>20,851</b>	<b>12,181</b>	<b>22,187</b>	<b>(2,943)</b>	<b>19,244</b>	<b>(1,607)</b>	<b>-7.7</b>	<b>73,138</b>	<b>(50,951)</b>	<b>20,595</b>
Covid-19 Tranche 5	0	0	(758)	(758)	(758)	30	(788)	<b>(758)</b>	0	+0.0	788	(758)	<b>(758)</b>
Covid-19 Recovery Programme	0	0	0	0	97	138	(138)	<b>0</b>	0	+0.0	138	0	0
<b>Total</b>	<b>20,686</b>	<b>99</b>	<b>(692)</b>	<b>20,093</b>	<b>11,520</b>	<b>22,355</b>	<b>(3,869)</b>	<b>18,486</b>	<b>(1,607)</b>	<b>-7.7</b>	<b>74,064</b>	<b>(51,709)</b>	<b>19,837</b>

A detailed breakdown is shown in Annex A

## CAPITAL PROGRAMME

The approved gross capital programme for 2020/21 is £18.169m plus the re-phasing of the £14.558m, together with in year budget of £12.239m giving a revised total Capital Programme for 2021/22 of £44.966m.

The Capital Programme is forecast to have an underspend of £13.694m, comprising underspends, overspends and growth.

The table below shows the capital programme by scheme with proposed rephasing, expenditure to date and forecast outturn.

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 Project Expenditure Summary

## CAPITAL PROGRAMME SUMMARY

Department	Project Code	Description	Lead Officer	Original Budget 2021/22 £	Latest Budget 2021/22 £	YTD Actual 2021/22 £	Q2 Forecast 2021/22 £	Forecast Variance 2021/22 £	Comment on Variances over £10,000
Corporate Resources	100001	Bridge Place Car Park Const	Claire Edwards	0	345,592	7,995	345,592	0	
Corporate Resources	100006	Bldg Efficiency - Salix Funding	Mark Houston	0	0	3,448	38,893	38,893	Pay back of Salix funding project - need to view budget to cover costs
Corporate Resources	100035	Retro-Fit Buildings	Mark Houston	0	227,501	0	227,501	0	
Corporate Resources	100054	Oak Tree Remedial Work	Jackie Golby	0	1,787,248	130,075	875,000	(912,248)	Richard Herrmann Associates have been replaced, the project scope has been reduced with expected savings.
Corporate Resources	100056	Alms Close	Jackie Golby	0	0	1,885	41,790	41,790	
Corporate Resources	100059	Health and Safety Works on Commercial Properties	Jackie Golby	35,000	50,499	0	50,499	0	
Corporate Resources	100060	Energy Efficiency Works at Commercial Properties	Jackie Golby	10,000	76,051	0	70,000	(6,051)	
Corporate Resources	100061	VAT Exempt Capital	Claire Edwards	24,000	24,000	0	24,000	0	
Corporate Resources	100063	Company Share Investment	Claire Edwards	0	100,000	0	100,000	0	
Corporate Resources	100085	Huntingdon Redevelopment	Claire Edwards	0	8,500,000	0	8,500,000	0	Will not happen until feasibility study is completed
Corporate Resources	100092	Lighting - Loves Farm Footpath	Mark Houston	0	16,000	8,120	8,237	(7,763)	
Corporate Resources	100109	Capita & Payment Portal Upgrade	Claire Edwards	15,000	15,000	0	15,000	0	
Corporate Resources	100111	Estates Roof Replacement	Jackie Golby	130,000	130,000	0	130,000	0	
Corporate Resources	100112	Re-Letting Enhancement Works	Jackie Golby	250,000	250,000	0	250,000	0	

# Capital Project Expenditure Summary

Corporate Resources	100113	Re-Letting Incentives	Jackie Golby	150,000	150,000	0	150,000	0	
Corporate Resources	100115	PFH - BMS	Mark Houston	115,000	85,000	0	0	(85,000)	No longer required due to Salix s31 funding
Corporate Resources	100122	Skills Fund	Mark Houston	0	20,948	20,948	20,948	0	Fully grant funded scheme
Corporate Resources	100126	Pathfinder House Decarbonisation Scheme	Mark Houston	0	1,513,700	645,697	1,513,700	0	Salix s31 grant funding
Corporate Resources	100127	OL Ramsey Decarbonisation Scheme	Mark Houston	0	2,269,193	875,273	2,269,193	0	Salix s31 grant funding
Corporate Resources	100129	Upgrade/Replacement of Public Toilets	Mark Houston	0	260,000	0	260,000	0	CPCA Accelerated funding
Corporate Resources	100131	Sites for SMEs	Jackie Golby	0	37,300	0	37,300	0	CPCA Accelerated funding
Corporate Resources	100136	Smarter Towns	Claire Edwards	0	91,000		91,000		
Transformation	100081	Robotics	Tony Evans	0	50,000	0	0	(50,000)	Project has been stopped due to lacking a business case to proceed, the organisation is not in a position to currently generate a return on investment in robotics. The provision of SaaS robotics tools within the Office 365 solution changes the likely nature of this project.
Transformation	100096	Audio Visual Equipment	Tony Evans	15,000	45,000	0	0	(45,000)	COVID related funding has been used to deliver some changes to AV equipment. Further spending is on hold until a complete understanding of the future operating model and ways of working of the council is understood to ensure the most appropriate spend of capital.
Transformation	100098	Voice Bots	Tony Evans	0	34,000	0	4,000	(30,000)	
Transformation	100124	Data Warehouse & GIS	Tony Evans	16,000	16,000	0	9,335	(6,665)	
Chief Operating Officer	100064	Printing Equipment	Andy Lusha	0	16,000	0	13,714	(2,286)	

# Capital Project Expenditure Summary

Chief Operating Officer	100075	Environmental Health Software	Finlay Flett	0	0	18,145	18,145	18,145	Programme Manager invoice from Dec 20 received late, Licence for Civica APP for 2021/22 to ensure manual migration of data can take place, and additional data migration costs from March 2021. All approved by Project Sponsor.
Chief Operating Officer	100082	Traveller Security Improvements	Finlay Flett	0	0	6,952	6,952	6,952	Works delayed from previous year primarily due to covid issues. All works completed now.
Chief Operating Officer	100106	Replacement Corporate Scanners	Andy Lusha	25,000	25,000	0	21,429	(3,571)	
Chief Operating Officer	100125	Conservation Area Appraisals	Jacob Jaarsma	47,000	47,000	0	47,000	0	
Chief Operating Officer	100135	Mobile Home Park - Electrical Works	Finlay Flett	0	30,000	6,180	30,000	0	
Growth	100047	Community Infrastructure	Claire Burton	0	5,560,798	0	5,560,798	0	Forecast shows all of the expected 21/22 payments to external organisations from the CIL pot
Growth	100076	A14 Upgrade	Clara Kerr	200,000	600,000	0	400,000	(200,000)	Confirmation received saying we owe 2 years' worth of contributions, budget was set for 3 years to be paid in 21/22.
Growth	100077	Housing Company	Clara Kerr	0	206,000	0	0	(206,000)	Delayed spend and may be that project will not go ahead at all.
Growth	100114	Market Towns Programme	Clara Kerr	350,000	350,000	0	300,000	(50,000)	£300k from CPCA will be received to cover this cost
Growth	100123	Future High Streets	Clara Kerr	12,300,000	12,758,748	0	5,947,492	(6,811,256)	Budget was included for the full cost of the project which will be delivered over the next 3 years to be completed by March 2024. Therefore, the underspend will be automatically carried forward into future years.
Growth	100132	Bicycle Kitchen	Claire Burton	0	15,000	0	15,000	0	CPCA Accelerated funding
Growth	100133	Wayfinding & Info - Digital Screens	Clara Kerr	0	200,000	0	200,000	0	CPCA Accelerated funding
3CICT	100090	Wi-Fi Access Points	Sagar Roy	0	12,000	0	12,000	0	



# Capital Project Expenditure Summary

3CICT	100101	Mobile Phones Replacement	Sagar Roy	65,000	65,000	0	65,000	0	
3CICT	100102	Telephony Replacement	Sagar Roy	200,000	200,000	0	200,000	0	
3CICT	100103	Shared Data Centre Capacity	Sagar Roy	39,000	39,000	0	39,000	0	
3CICT	100104	Information@Work Consolidation	Sagar Roy	20,000	20,000	0	20,000	0	
3CICT	100105	GIS Test Environment	Sagar Roy	16,000	16,000	0	16,000	0	
Leisure & Health	100018	OL St Neots Synthetic Pitch	Jonathon Clarke	0	14,558	14,558	14,558	0	£14,559 is due from Sports England as a final grant payment. Process underway to claim back.
Leisure & Health	100020	Leisure Cents - Future Improve	Paul France	296,000	436,000	88,698	443,737	7,737	
Leisure & Health	100023	Sn Leis C - Gen Improve (Cs)	Paul France	0	0	(625)	0	0	
Leisure & Health	100024	St Ivo - General Improve (Cs)	Paul France	0	0	(4,006)	0	0	
Leisure & Health	100058	One Leisure Ramsey 3G	Martin Grey	0	837,425	303,156	820,386	(17,039)	£120,000 to be funded from the CIL pot, £26,549 to be funded from S106. £461,295 football foundation money has been received, 5% FF to be kept back.
Leisure & Health	100078	OL St Ives Changing Rooms	Chris Keeble	0	304,603	280,434	291,928	(12,675)	150k to be funded from CIL, £50k was underspent on the OL Future Improvements project code in 20/21 has been moved over to here for spend in 21/22. Total spend is forecasted.
Leisure & Health	100108	One Leisure CCTV Upgrade	Paul France	110,200	110,200	0	114,899	4,699	
Operations	100028	Lone Worker Software	Eddy Gardener	0	20,000	0	17,143	(2,857)	
Operations	100037	CCTV - Camera Replacements	Eddy Gardner	0	0	(50,508)	0	0	
Operations	100039	Play Equipment	Helen Lack	30,000	51,256	22,138	50,500	(756)	
Operations	100040	Wheeled Bins	Andrew Rogan	254,000	254,000	120,795	247,479	(6,521)	

# Capital Project Expenditure Summary

Operations	100043	Vehicles & Plant	Andrew Rogan	1,396,000	1,443,054	830,862	1,443,054	0	
Operations	100066	Operations Back Office	Helen Lack	0	0	5,527	5,527	5,527	
Operations	100073	Parking Strategy	George McDowell	80,000	169,500	(21,487)	76,516	(92,984)	
Operations	100074	Park Fencing	Helen Lack	13,000	13,000	733	7,235	(5,765)	
Operations	100083	Godmanchester Mill Weir Improvements	Andrew Rogan	0	426,870	426,870	426,870	0	Fully funded from grants
Operations	100084	St.Ives Park	Helen Lack	0	57,768	0	57,768	0	Fully funded from CIL
Operations	100091	Civil Parking Enforcement	George McDowell	0	217,000	0	186,000	(31,000)	
Operations	100093	Secure Cycle Storage	George McDowell	87,600	272,000	0	233,143	(38,857)	Fully funded from CIL
Operations	100094	Districtwide Signage	Matthew Chudley	0	70,000	0	60,000	(10,000)	
Operations	100095	Hinchingbrooke Country Park	Judith Arnold	0	1,546,049	9,831	200,000	(1,346,049)	
Operations	100100	St Neots Riverside Park Path/Cycle Imps	Matthew Chudley	0	450,000	7,067	7,067	(442,933)	Fully funded from CIL
Operations	100116	Additional EV Charge Points	George McDowell	30,000	30,000	0	0	(30,000)	This was additional budget set aside by the members for EV charging points. Since then we were able to secure CPCA funding, so this budget so no longer needed
Operations	100118	Parklets	Helen Lack	0	206,000	33,544	210,115	4,115	CPCA Accelerated funding
Operations	100119	Solar Benches	Helen Lack	0	22,500	0	19,286	(3,214)	CPCA Accelerated funding
Operations	100120	Covered Benches	Helen Lack	0	22,500	0	19,286	(3,214)	CPCA Accelerated funding
Operations	100121	Town Walks	Helen Lack	0	34,000	9,031	38,174	4,174	CPCA Accelerated funding
Operations	100128	Modern Waste Solutions	Matthew Chudley	0	66,348	60,000	116,869	50,521	CPCA Accelerated funding

# Capital Project Expenditure Summary

Operations	100130	Market Trader Pop Ups	George McDowell	0	35,000	12,066	42,066	7,066	CPCA Accelerated funding
Operations	100134	Places to Dwell	Helen Lack	0	55,000	0	47,143	(7,857)	CPCA Accelerated funding
Housing	100007	Disabled Facilities Grants	Pamela Scott	1,850,000	1,850,000	563,677	1,450,000	(400,000)	Spending is dependent on referrals from Occupational Health to Cambs HIA, There is a backlog of work from last year due to Covid-19 restrictions and staffing issues. Also, it is taking Contractors longer to complete work and submit invoices for the same reason.
<b>HDC Total</b>				<b>18,168,800</b>	<b>45,269,209</b>	<b>4,437,077</b>	<b>34,591,266</b>	<b>(10,677,943)</b>	



## Quarter 3 Forecast 2021/22 - Service Grouping Variance Commentary

for the period ending 31 December 2021

Head of Service	Service Grouping	Original Budget	Budget C/F	In year changes	Current Budget	Actuals to 31	Q3 Forecast	Funded from	Revised Q3	Variance to Current Budget		Comment on Variance to Budget
		£	From 2020/21 £	£	£	£	December 2021 £	£	Reserves £	Forecast £	£	
AD Corporate Resources	Audit	139,621	0	0	139,621	63,067	106,551	0	106,551	(33,070)	-23.7	IT audit provision via BDO, underspent due to delay in agreeing to a plan. No time to deliver, there is still the hope to spend this money if BDO can accommodate another audit and ICT agree a further area to audit. Vacancy from April to the end of August and manager role FTE reduced from 1 to 0.68 contributed to underspend on employees.
AD Corporate Resources	Commercial Estates	(2,728,509)	26,676	0	(2,701,833)	(3,182,600)	(3,284,585)	0	(3,284,585)	(582,752)	-21.6	budget and £11k improvement in costs and FC insurance recovery. oak Tree Centre income F/C £220k better than budget. £41k reduction in income forecast on industrial units as lease renewals taking longer than expected to secure increases. Employees: F/C Employee costs £121k below budget, difficulty recruiting and balanced by F/C £170k of agency staff costs. Difference is met by drawing down management charge in 5304 for estates restructure Buildings: CIS business rates £65k better than F/C, windfall saving on one unit where CVA retains rates liability, £10k lower maintenance costs as not experienced expected vacant units. Industrial £20k saving on maintenance - fewer voids but also availability of contractors challenging to place orders. Slightly lower business rates Oak Tree Centre-reduced maintenance F/C by £35k this year as works underway (limited access and some items picked up as part of capital remediation project). St Ives Enterprise Centre £10k reduction in F/C on maintenance due to lower wear and tear and some items transferred to capital and dealt with under accelerated recovery project. Supplies and services: CIS has voluntary MRP removed ( £111k) accounted for at corporate level. Management charge has been reduced /reallocated by £116k in CIS covering employee costs increase above and ICT costs of data recovery. , £7k net increase in consultancy CIS costs as condition surveys budget missed off. Commercial property £24k worse due to conditions surveys/asbestos surveys budget being missed off budget.
AD Corporate Resources	Corporate Finance	5,333,003	0	0	5,333,003	971,053	5,424,326	0	5,424,326	91,323	+1.7	Additional costs to MRP in realigning impact of commercial property investment with MRP policy
AD Corporate Resources	Democratic & Elections	865,987	0	4,000	869,987	484,336	755,513	0	755,513	(114,474)	-13.2	Additional income from Local Land Charges searches largely attributable to stamp duty holiday in 2021. Underspend on District elections. Underspend on Members Allowances owing to vacancies throughout 2021/22
AD Corporate Resources	Environmental & Energy Management	(9,668)	0	66,000	56,332	27,158	36,378	0	36,378	(19,954)	-35.4	Salary for Energy & Sustainability Officer has been entered as a saving instead of expenditure Budget for consultancy not required this year as grant funding received for decarbonisation plans
AD Corporate Resources	Facilities Management	861,772	30,650	6,400	898,822	561,902	821,862	0	821,862	(76,960)	-8.6	Employees - The Cleaner post has been removed from the establishment. Income & Fees - Additional rent received than what was previously budgeted for. Buildings - Cleaning services moved to Supplies & Services sercop and business rate cost lower than budgeted for as they have been frozen this year. Supplies & Services - Cleaning services moved from Buildings sercop.

AD Corporate Resources	Finance	751,311	0	0	751,311	693,714	862,415	(58,000)	804,415	53,104	+7.1	
AD Corporate Resources	AD Corporate Resources	108,203	0	0	108,203	80,920	100,766	0	100,766	(7,437)	-6.9	
AD Corporate Resources	Human Resources	507,416	0	(4,000)	503,416	414,473	616,582	0	616,582	113,166	+22.5	Staffing is forecast to be overspent and variance from budget as budget didn't account for Kickstart. The worse case forecast sees a end of financial year pressure of circa £13k, which has been approved through Recovery Programme Board. Additional HR resource for maternity covers and backfill perm resourcing gaps with agency temps due to work demands. Supplies and services is end of system project spend and additional demands on licences budget due to increased contingent/variable workforce.
AD Corporate Resources	Legal	223,940	0	0	223,940	4,044	221,028	0	221,028	(2,912)	-1.3	
AD Corporate Resources	Public Conveniences	6,400	0	(6,400)	0	(2,465)	259	0	259	259	+0.0	
AD Corporate Resources	Risks & Control	836,122	0	0	836,122	816,522	759,336	0	759,336	(76,786)	-9.2	Reduction in insurance premium cost during the tender process, insurance cover has remained the same.
Covid-19 Tranche 5	Covid 19 Emergency Funding	0	0	(758,000)	(758,000)	(758,000)	29,712	(787,712)	(758,000)	0	+0.0	
Covid-19 Recovery Programme	Covid Recovery	0	0	0	0	96,979	137,568	(137,568)	0	0	+0.0	
Chief Operating Officer	Building Control	152,540	0	0	152,540	46	152,586	0	152,586	46	+0.0	
Chief Operating Officer	Business Team	273,829	0	0	273,829	155,241	222,216	0	222,216	(51,613)	-18.8	Employees - Operational Manager is vacant and 2 Environmental Health Officer posts were recruited in September and October, as anticipated last quarter.
Chief Operating Officer	Chief Operating Officer	127,634	0	0	127,634	(3,595,736)	147,088	0	147,088	19,454	+15.2	Small overspend on staffing budget as investment made in skills to improve the Council's Website.
Chief Operating Officer	Closed Churchyards	(13,000)	0	0	(13,000)	430	2,396	0	2,396	15,396	+118.4	Previous savings proposal in budget without appropriate delivery plan. This proposed income cannot be achieved.
Chief Operating Officer	Community Team	581,128	0	0	581,128	515,352	577,083	0	577,083	(4,045)	-0.7	
Chief Operating Officer	Council Tax Support	(116,000)	0	0	(116,000)	(550,768)	(244,345)	0	(244,345)	(128,345)	-110.6	Grant funding received from DHSC for administering the Test & Trace payment scheme has increased as the scheme has been extended until the end of March 2022.
Chief Operating Officer	Customer Services	899,912	0	0	899,912	652,187	863,229	0	863,229	(36,683)	-4.1	
Chief Operating Officer	Development Management	(593,723)	0	0	(593,723)	(176,112)	(86,467)	0	(86,467)	507,256	+85.4	Employees - savings on vacant establishment posts c.£85k but forecast spending on agency to cover forecast c.£535k. Income & Fees has dropped owing to suspension of pre-application enquiry service. In between Q2 and Q3 a large application fee has significantly reduced from c.£432k to c.£90k, due to a developers decision to not bring forward the larger proposal. Supplies and services - £8k for Judicial Review (this has changed from £50k since Q2) and £10k for tree consultancy services. Grant Income - £48k allocated to DM for Lower Tier Services Grant. Allocation agreed between S151 and COO. Investing in building capacity within the team to clear backlog to reduce financial liabilities from Planning Guarantee and pre-application refunds, non-determination appeals and award of costs and to deliver the service improvement agenda.
Chief Operating Officer	Document Centre	191,524	0	0	191,524	150,108	206,103	0	206,103	14,579	+7.6	Delays in the Hybrid Mail HDC/Cambridge City joint project has created a variance of £18K for an agency worker who is now forecast to remain in post until Dec 2021. These delays have also created a £30K variance in salaries, due to the incumbent post holder now required to remain in post until March 2022. No budget has been set for internal recharges, however recharges are being credited to this code for work still being undertaken by internal printing services currently -£20K.
Chief Operating Officer	Emergency Planning	11,575	0	0	11,575	14,306	17,945	0	17,945	6,370	+55.0	
Chief Operating Officer	Environmental Health Admin	131,850	0	0	131,850	85,018	122,973	0	122,973	(8,877)	-6.7	

Chief Operating Officer	Environmental Protection Team	383,833	0	0	383,833	179,888	324,813	0	324,813	(59,020)	-15.4	Cost centre affected by Covid grant carried forward from 20-21 and the additional operational costs (overtime and mileage for direct staff plus additional temporary staff) associated with delivering Covid duties under the grant.
Chief Operating Officer	Head of Community	0	0	0	0	(1,145)	(1,145)	0	(1,145)	(1,145)	+0.0	
Chief Operating Officer	Head of Customer Services	0	0	0	0	117	117	0	117	117	+0.0	
Chief Operating Officer	Housing Benefits	1,430,164	0	0	1,430,164	1,664,726	1,454,705	0	1,454,705	24,541	+1.7	Income and Fees / Benefit & Transfer Payments - figures have been revised following mid-year review of position. This is always a volatile budget to forecast made more difficult by the on-going impact of the pandemic. Supplies & Services: expenditure increased to reflect costs for development work with new printing and post provider.
Chief Operating Officer	Housing Miscellaneous	27,158	0	0	27,158	3,970	9,317	0	9,317	(17,841)	-65.7	Employees - Part time vacant grade C post. Income & Fees - St Neots Mobile Home Park (MHP) Ground Rent Income generated expected to be larger than budgeted. Supplies & Services - Electricity & Water costs expected to be lower than budgeted. Unknown water leak repaired in year.
Chief Operating Officer	Housing Needs	1,142,188	0	0	1,142,188	442,256	1,031,795	0	1,031,795	(110,393)	-9.7	The current underspend is as a result of a reduction in the funding requirement for the Homelessness Trailblazer programme (now mainstreamed as business as usual) and additional Homelessness Prevention Grant (HPG) and Rough Sleeping Initiative (RSI) funding received from MHCLG. A further £138k of unexpected HPG was received from Government in Q2. The HPG grant will fund homelessness prevention activities during the year as we start to see more of the economic impact of the pandemic as it affects homelessness. It is anticipated that a proportion of this additional grant funding will not be committed this year and, as a ringfenced grant, be put into a reserve for 2022/23.
Chief Operating Officer	Licensing	(52,516)	0	0	(52,516)	(112,376)	(123,433)	0	(123,433)	(70,917)	-135.0	Employees - Operational Manager is vacant and was being covered by the Licensing Manager until November, both posts are now vacant, so a saving is generated. Licensing expertise has been recruited through Fenland DC at £6k until the end of March, and further cover has been put in place by current staff. Income & fees - Licensing income has recovered better than first anticipated with covid restrictions being lifted or amended.
Chief Operating Officer	Local Tax Collection	(227,770)	0	0	(227,770)	754	(229,047)	0	(229,047)	(1,277)	-0.6	
Programme Delivery Manager	Programme Delivery	70,929	0	0	70,929	52,702	70,457	0	70,457	(472)	-0.7	
Growth Manager	Economic Development	183,537	0	0	183,537	153,502	208,537	0	208,537	25,000	+13.6	£25,000.00 - Agreed in March 2021 for a need for a new site ( Corp Director Place/S151 officer). ED budget falls within wider Growth budget and year end position will need to be considered in that wider context.
Growth Manager	Planning Policy	583,868	0	0	583,868	3,100,200	3,298,005	(2,751,059)	546,946	(36,922)	-6.3	£2,398,115.00 - Additional Restriction Grants funded from reserves £352,944.00 - funded from Market Towns Reserve £45,540 - FHSF revenue cost expected to be capitalised in future years. -£52,000.00 priority income for strategic site -£15,000 - Neighbourhood planning income -£12,000 - pre-application income. Expected spend in yr 22/23
Growth Manager	Public Transport	24,000	0	0	24,000	13,223	19,459	0	19,459	(4,541)	-18.9	
Growth Manager	Transportation Strategy	0	0	0	0	0	0	0	0	0	+0.0	
Housing Manager	Housing Strategy	179,664	0	0	179,664	139,286	178,224	0	178,224	(1,440)	-0.8	
Corporate Leadership	Directors	522,855	0	0	522,855	390,067	531,525	0	531,525	8,670	+1.7	

Corporate Leadership	Executive Support & Business Planning	96,525	0	0	96,525	87,723	138,289	0	138,289	41,764	+43.3	Overspend due to communications manager post.
AD Transformation	Transformation	297,574	0	0	297,574	399,873	435,499	(135,000)	300,499	2,925	+1.0	Some transformation projects have been delayed waiting for capacity within 3C ICT and there has not been demand on Transformation from service managers. These two factors have resulted in lower spend on external resources and no pressure to scale headcount resulting in a lower spend compared to budget. We have also attracted grant funding from external sources to support our strategic priorities reducing our draw from reserves.
Head of Operations	Car Park - On Street	(131,724)	0	0	(131,724)	(116,691)	(28,434)	0	(28,434)	103,290	+78.4	Sites are collected on behalf of CCC, income lower due to removal of chargeable bays in St Ives and St Neots. As income is paid back to CCC this not impact HDC base line.
Head of Operations	Car Parks - Off Street	(546,599)	0	0	(546,599)	(1,234,041)	(1,388,867)	0	(1,388,867)	(842,268)	-154.1	Variance of income and fees relates to received income compensation. 21/22 I&F forecast is inline with budget of £1.89m Variance of employees is due to employees assigned to incorrect budget codes. Increased spend on business rates
Head of Operations	CCTV	(91,393)	0	0	(91,393)	(75,655)	(74,167)	0	(74,167)	17,226	+18.8	Some income is being predicted with the safer streets funding and there was an additional 10k from the depot crematorium. and more income sourced over the next few months from project work.
Head of Operations	CCTV Shared Service	219,128	0	0	219,128	465,712	308,227	0	308,227	89,099	+40.7	The staffing costs have impacted on the service over the past year with sickness and overtime to cover the short fall. 2 staff were taken on to ensure that the pressures on the service were not duplicated as per last year with the difficult team issues being experienced over the summer and the festive period . The team are in a far better position now with a robust team in place , operators wanting top work with each other and producing the results.
Head of Operations	Countryside	317,477	7,000	0	324,477	203,117	279,775	0	279,775	(44,702)	-13.8	
Head of Operations	Fleet Management	310,856	0	0	310,856	195,175	273,490	0	273,490	(37,366)	-12.0	Employees: (£22k) 2 vacancies, utilising Kick Starters since April, filled one Vacancy with Kick starter 11/10/2021
Head of Operations	Green Spaces	479,318	0	0	479,318	303,962	527,959	0	527,959	48,641	+10.1	£21k Employees: GM Market supplement to match similar jobs in the area. £81k Incofees: GM S106 no longer coded to GM, reduced and goes to Parks & OS. £13k Supplies: ARB Increased subcontractor costs to keep up with commitments.
Head of Operations	Head of Operations	301,658	0	0	301,658	297,262	204,512	0	204,512	(97,146)	-32.2	The current head of operations is being seconded to another role and vacant posts within the Operation Business Support has lead to a large underspend
Head of Operations	Markets	(43,495)	0	0	(43,495)	61,045	51,801	0	51,801	95,296	+219.1	Market trader rents agreed suspension for Q1 and Q2 by portfolio holder and leader
Head of Operations	Parks and Open Spaces	330,296	0	0	330,296	303,909	410,624	0	410,624	80,328	+24.3	(£10k) Buildings: SDVD Works done only when there is a reported problem with residents septic tank, none so far this year. £61k Supplies & Buildings; W Impact of flood risk management survey done, previous estimate of £70k reported to members in briefing. Awt Comments for P&OS.
Head of Operations	Street Cleansing	739,779	0	0	739,779	559,889	795,536	0	795,536	55,757	+7.5	£81k Supplies: Litter bin removal projected savings cancelled. (£25) Supplies: Subcontractor litter picking from A14/A1 staffing shortages, so unable to complete.



Head of Operations	Waste Management	2,736,024	0	0	2,736,024	1,289,194	2,080,924	0	2,080,924	(655,100)	-23.9	Incofees; (£83k) Increased Bulky revenue due to Covid; (£47k) recycling credits improved recycling as people at home; (£76k) improved Trade Waste sales; £44k Bin delivery income reduced as no current method to forecast; £13k 2nd Green Bin income reduced based on current volumes, this may improve as "queries" are resolved around the new years DD's, as income comes in later. Supplies; (£251k) reduced recycling collection cost raw material rebate due to increased recycle commodity rates; £48k increased waste disposal costs for Trade; £20k Increased spend on bin bags.
Head of Leisure & Health	One Leisure Facilities	335,592	0	0	335,592	681,417	286,627	0	286,627	(48,965)	-14.6	<p>The overall budget for One Leisure facilities was a deficit of £249K</p> <p>The current forecast for One Leisure facilities is a deficit of £199K showing a saving of £50K against budget target. This is an improvement of £9K from Q2.</p> <p>Income budget – which was set based on a recovery trajectory and based on the facilities and services being 100% open from April 1st was £4.9M</p> <p>Restrictions have meant that the service has been operating sub capacity since April 1st throughout Q1 until we were able to lift all capacity restrictions on 19th July.</p> <p>End of Year income is still forecasted as being just under the budget target of £4.9M – and this includes an income compensation scheme grant of £750K for the 1st quarter of the financial year (only receiving 75p of every £ lost).</p> <p>Swimming is performing ahead of the planned recovery. Swimming lessons are now virtually back to the pre-covid programme and occupancy levels still rising across all steps.</p> <p>Memberships are behind the recovery budget trajectory, but this was based on full capacity and opening from the 1st April. Memberships have been increasing slightly ahead of the industry expectations. Q3 performance was very good and in month membership payments (excluding DD run) was the best for the last 6 years. The start of January is not where we had forecast it to be in terms of in month membership payments due to a number of factors. a) The impact of the current covid wave reducing likelihood of customers joining, b) customers joining late last year instead of January and annual renewal payments not falling in the months you would expect due to frozen membership extensions In mitigation against this additional promotional activities in the community are planned on top of the social media, radio and newspaper advertising that is already taking place</p> <p>Burgess Hall is predicting a surplus but is down against budget by £20K which again takes into account very limited opening until the 19th July. This is a reduction of £10K since Q2 which is solely attributable to the effects of COVID as we approached the Christmas period.</p>

The annual pantomime has been a success in January with ticket sales still selling out on the most popular sessions and sales only down by around 5% showing facility users are confident with our COVID preventative measures.

Expenditure

Employee expenditure has a full year budget of £3.7M. Current forecast has a prediction of £3.1M (saving of £600K) with the savings being attributed to areas that have not been fully open. This is consistent with the forecast from Q1 & Q2 but is also in keeping with improving levels of income. Buildings are contributing an overall saving of £300K mainly due to savings of utility usage from the changes to the delivery of the service.

Supplies and Service are in line with budget expectations and service performance with the Marketing budget now fully committed and scoped to support the aforementioned campaigns and promotions.

Head of Leisure & Health	One Leisure Active Lifestyles	186,531	35,000	0	221,531	113,447	234,601	0	234,601	13,070	+5.9	35000 Playing Pitch Strategy - To be funded from reserves at year end - will have a net nil impact on Active Lifestyles budget at year end Income & Fees: Covid impact continues to be felt. Some restrictions on numbers remain (venue operator rules); Some reluctance to return to busier classes from customers who are vulnerable; Some partners and customer still not willing/able to resume/return directly with our services (e.g. schools, disability groups, FE colleges) and others are still not back face to face with their own client groups affecting onward referral. (e.g. Cardiac Rehab). Employees: Vacancies in Active Health team have helped to off-set reduced income; Reduced variable costs - being managed to mitigate impact of Covid on income Assumptions/Mitigation: MTFS for Technology Improvements forecast to be fully spent however does rely on ability of 3C and Transformation to assist.	
	ICT Shared Service	2,337,595	0	0	2,337,595	4,436,789	2,477,239	0	2,477,239	139,644	+6.0	Combination of IEG4 additional costs and accruals being brought forward has created this overspend. The position regarding extra costs to cover recruitment back-fill has increased again due to not being able to fill the posts and the local jobs market. Historic charges for County phone system dating back to 2018 have emerged - currently negotiating costs, but worsts case scenario (as presented) is Extra £45k.	
Head of ICT													

<b>HDC Total</b>		<b>20,685,919</b>	<b>99,326</b>	<b>(692,000)</b>	<b>20,093,245</b>	<b>11,520,472</b>	<b>22,355,482</b>	<b>(3,869,339)</b>	<b>18,486,143</b>	<b>(1,607,102)</b>	<b>-8.0</b>		
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