

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. |

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|-----------------------------|----------------------------|-----------|---|-----------|-----------|-------------|-----------|-----------|-----------|-----------|--------|--|
| 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 | |

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|----------------------------|-------------------------------|-----------|---|---|-----------|-----------|-----------|-------------|-----------|-----------|--------|--|
| 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 | |

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|----------------------|---------------------------------------|-----------|-------|---|-----------|-------------|-------------|-----------|-------------|-----------|--------|---|
| 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. |

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| 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.</p> <p>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.

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