

## Financial Performance Monitoring Suite March 2023 – Quarter 4

### Executive summary

This report sets out the financial outturn for financial year 2022/23 for revenue.

The outturn is an underspend of £476k, after contributions to and from earmarked reserves, when compared to the approved budget and an improvement to the Q3 forecast outturn of £642k.

This favourable outturn position, compared to the approved budget is, in the main, a result of:

### Underspends

Corporate Finance	£0.592m	Increased interest receipts and reduced interest payments
Waste Management	£0.513m	Additional income from bulky waste, recycling credits, and recycling gate fees are generating income rather than being a cost
Development Management	£0.263m	Income from re-launched pre-application service, plus service Improvements
Risk & Control	£0.150m	Insurance renewal rates lower than anticipated
Facilities Management	£0.148m	Additional rent from office lettings
Customer Services	£0.129m	Salary savings from vacant posts that have now been deleted making a permanent saving
Democratic and Elections	£0.115m	More income from elections and land charges, less expenditure on members allowances
Licensing	£0.114m	Salary savings offset by reduced income

### Overspends

Housing Benefits	£0.553m	Temporary accommodation costs not met by Housing Benefit payments which are set by government.
Leisure and Health	£0.457m	Increased costs due to electricity and minimum wage expenditure, and lower membership income
Development Management	£0.303m	Cost of agency staff and backlog clearance costs
ICT	£0.208m	Change in allocation of digital team between partners, reflecting use of resources.
Covid Recovery	£0.193m	Covid activity
Directors	£0.161m	Place strategy and recruitment costs
Car Parks – On Street	£0.132m	Lower income due to CCC changes to on street parking

# 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.

Head of Service	Current Budget £'000s	Q3 Forecast £'000s	Provisional Outturn £'000	Contribution	Revised Outturn £'000s	Over/(Under) Spend Against Budget		Over/(Under) Spend Against Forecast		Actual Spend £'000s	Actual Income £'000s
				to/(from) reserves £'000		£'000	%	£'000	%		
Chief Operating Officer	5,140	5,020	5,227	45	5,272	132	+2.6	252	+5.0	42,575	(37,303)
Chief Planning Officer	402	673	141	205	346	(56)	-13.9	(327)	-48.6	2,597	(2,251)
Corporate Leadership	1,201	1,196	869	487	1,356	155	+12.8	160	+13.4	1,356	0
Director of Finance & Resources	6,860	6,199	4,283	1,599	5,8828	(978)	-14.3	(661)	-5.1	14,242	(8,360)
Economic Development	198	200	188	0	188	(10)	-5.1	(12)	-6.0	199	(11)
Housing Manager	187	199	277	(88)	189	2	+1.1	(10)	-5.0	341	(152)
Head of ICT	2,604	2,810	2,374	438	2,812	208	+8.0	2	+0.1	8,328	(5,516)
Head of Leisure & Health	(25)	703	454	(4)	450	475	+1,900.0	(253)	-36.0	5,897	(5,447)
Head of Operations	4,917	4,517	4,280	94	4,374	(543)	-11.1	(143)	-3.2	7,627	(3,253)
Programme Delivery	73	63	41	0	41	(32)	-43.8	(22)	-34.9	41	0
Strategic Insight & Delivery	(153)	(10)	(40)	58	18	171	+111.8	28	+280.0	3,252	(3,234)
<b>Total</b>	<b>21,404</b>	<b>21,570</b>	<b>18,094</b>	<b>2,834</b>	<b>20,928</b>	<b>(476)</b>	<b>-2.2</b>	<b>(642)</b>	<b>-3.0</b>	<b>86,455</b>	<b>(65,527)</b>

# Service Grouping Summary

Head of Service	Service Grouping	Budget	Q3 Forecast	Provisional Outturn	Contribution to/(from) reserves	Revised Provisional Outturn	Over/Under) Spend Against Budget		Comment on Variance to Budget
		£	£	£	£	£	£	%	
Chief Operating Officer	Building Control	152,540	159,553	105,859	0	105,859	(46,681)	-30.6	3C Building Control Head of Service was only part time as they moved to a new role. Also more external income generated than expected which reduced contribution needed from partners.
Chief Operating Officer	Business Team	279,496	254,846	253,978	0	253,978	(25,518)	-9.1	Vacant post in the team which has, in future years, been amended to remove underspend.
Chief Operating Officer	Chief Operating Officer	108,229	123,492	102,663	0	102,663	(5,566)	-5.1	
Chief Operating Officer	Closed Churchyards	(13,000)	0	306	0	306	13,306	102.4	Income from this initiative is not achievable; and was withdraw in the MTFs submission.
Chief Operating Officer	Community Team	549,538	516,612	597,996	(80,897)	517,099	(32,439)	-5.9	Staffing issues (long term sick) within the team have impacted on staff costs. This has been resolved by internal appointments. Grant funding has also been received for Homes for Ukraine to support over 370 guests (net nil spend as we use this funding) and Domestic Abuse and Asylum Seekers, supporting circa 100 people within the District.
Rca Chief Operating Officer	Council Tax Support	(115,000)	(129,089)	(124,087)	0	(124,087)	(9,087)	-7.9	
Chief Operating Officer	Customer Services	979,276	889,164	850,059	0	850,059	(129,217)	-13.2	Vacancies have been held open following the introduction of the portal and new telephony system and Officers have been reviewing the job descriptions of the technical roles within the service to ensure we are recruiting for the correct skills to support the service. This has

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									taken time and delayed recruitment to a technical vacancy, which has impacted the service but was the right thing to do.
Chief Operating Officer	Document Centre	250,993	183,865	185,473	0	185,473	(65,520)	-26.1	Printing section has been closed and hybrid mail outsourced. This created a saving and 3 posts had been budgeted for in 22/23 in error. These have now been removed in the 23/24 MTFS approved by Council.
Chief Operating Officer	Emergency Planning	30,692	27,704	28,054	0	28,054	(2,638)	-8.6	
Chief Operating Officer	Environmental Health Admin	120,139	126,430	124,754	6,612	131,366	11,227	9.3	Long term sick increased urgency of recruiting to post earlier than budgeted to ensure service provision was maintained.
Chief Operating Officer	Environmental Protection Team	364,224	331,974	347,943	0	347,943	(16,281)	-4.5	Income from the Government's COVID fund is allocated here, hence current underspend. Under active monitoring by Officers. Vacant EH Officer post following internal promotion and difficulty in recruiting meaning alternative arrangements are being made to address resource gap.
Chief Operating Officer	Housing Benefits	1,554,017	1,802,995	2,106,818	0	2,106,818	552,801	35.6	Employees: temporary vacancies in establishment are being covered by a small number of contractors due to high on-going levels of work. Benefit & Transfer Payments: expenditure is offset by subsidy from DWP, although there is an impact from increased temporary accommodation costs that are not met by the funding given by the DWP. Supplies and services: Issues with costings for hybrid mail plus one-off set up costs with new supplier.

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		£	£	£	£	£	£	%	
Chief Operating Officer	Housing Miscellaneous	28,712	9,078	(2,337)	0	(2,337)	(31,049)	-108.1	Increased ground rents (£10k) and management fee (£5k) to cover increased costs, neither of which were budgeted for, plus salary savings (£5k). Water charge £13k less than budgeted due to revised estimate received in March.
Chief Operating Officer	Housing Needs	1,141,989	1,106,038	1,051,121	118,899	1,170,020	28,031	2.5	DLUHC made a further allocation of Homelessness Prevention Grant to councils in December. We received £106k which is in addition to the £227k received earlier in the year. As a ringfenced grant the underspend has been transferred to a reserve, this is £119k. £50k difference on B&B Costs & Recovery, main factor is block bookings for TA units necessary to ensure we do not lose units to other LA's, if vacant no recovery of costs increasing the gap. Rental Deposit Scheme (RDS) payments reduced by £25k, but recovery was similar to spend, whereas there is an excess budget for spend on RDS payments.
Chief Operating Officer	Licencing	(60,818)	(146,929)	(175,135)	0	(175,135)	(114,317)	-188.0	There is a reduction in taxi licencing income. the majority of this is due to a reduction of income as a result of the covid recovery. Staffing underspend, with amendments made to the structure to provide an ongoing saving to the Service in the MTFs.
Chief Operating Officer	Local Tax Collection	(230,770)	(236,154)	(226,587)	0	(226,587)	4,183	1.8	
Chief Planning Officer	Development Management	(296,243)	46,514	(282,599)	20,000	(262,599)	33,644	11.4	Changes in accrual estimates resulting from large Strategic planning applications submitted in Q4. Cost of agency staff for vacant posts and

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									backlog. Pre-application Service re-commenced Oct 22. Programme of Service Improvement Plan underway.
Chief Planning Officer	Planning Policy	674,211	608,217	406,084	185,495	591,579	(82,632)	-12.3	Additional priority income x 2 - £24k, CIL £43.9K better than budget, 17k saving on staff costs; £6k PPA not budgeted for; £4k saving on biodiversity action plan; A428 DCO costs (£20K) not budgeted for .
Chief Planning Officer	Public Transport	24,000	18,012	18,010	0	18,010	(5,990)	-25.0	
Corporate Leadership	Directors	1,035,191	1,029,766	696,549	500,000	1,196,549	161,358	15.6	Place Strategy costs £131k, plus Director recruitment costs £20k and MailChimp bulk email services £7k
Corporate Leadership	Executive Support & Business Planning	165,403	166,487	172,114	(12,993)	159,121	(6,282)	-3.8	
Director of Finance & Resources	Commercial Estates	(2,959,599)	(3,155,088)	(4,009,952)	990,194	(3,019,758)	(60,159)	-2.0	Salary saving on vacant posts during the year as well as recently vacant strategic manager role and savings from maintenance budgets
Director of Finance & Resources	Corporate Finance	5,355,530	4,935,570	3,984,189	779,658	4,763,847	(591,683)	-11.0	Higher interest rates from increase in Bank of England base rate meant increased income from short term investments plus lower interest on PWLB loan due to early repayment
Director of Finance & Resources	Democratic & Elections	928,428	823,879	983,716	(170,541)	813,175	(115,253)	-12.4	More income generated than budgeted for land charges. Underspend on Members' Special Duty Allowances. Income from parish council recharges for elections in May 2022.
Director of Finance & Resources	Energy & Sustainability Management	54,992	10,987	42,309	0	42,309	(12,683)	-23.1	Savings from the Energy and Sustainability Manager role being vacant for part of the year

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Director of Finance & Resources	Facilities Management	854,764	827,297	706,703	0	706,703	(148,061)	-17.3	Additional income generated letting out part of 2nd floor Pathfinder House to CPCA from rental and service charge income. Business rates payable for various HDC sites happened to lower than was budgeted for in 22/23. Savings were also made as the facilities manager role became vacant part way through the year and wasn't filled
Director of Finance & Resources	Finance	720,585	689,002	688,830	0	688,830	(31,755)	-4.4	Salary savings from a vacant post
Director of Finance & Resources	Head of Resources	104,518	88,903	92,221	0	92,221	(12,297)	-11.8	Savings due to the vacant director post being filled part way through the year
Director of Finance & Resources	Human Resources	599,408	631,462	601,299	0	601,299	1,891	0.3	
Director of Finance & Resources	Legal	223,940	188,043	185,802	0	185,802	(38,138)	-17.0	Savings from a reduction in HDC usage in the legal shared service
Director of Finance & Resources	Public Conveniences	0	976	1,195	0	1,195	1,195	0.0	
Director of Finance & Resources	Risk Management	131,206	148,067	117,406	0	117,406	(13,800)	-10.5	Underspend is due to audit fees not being spent as contract was delayed (£22k). Part of underspend was offset due maternity leave cover +£9k
Director of Finance & Resources	Risk & Control	846,705	851,372	697,091	0	697,091	(149,614)	-17.7	Underspend due to renewal rates being better than what was anticipated

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Director of Finance & Resources	Covid Recovery	0	158,502	192,584	0	192,584	192,584	0.0	Known overspend due to Covid activity
Economic Development	Economic Development	198,252	199,573	187,651	0	187,651	(10,601)	-5.3	There were staff savings owing to leavers and starters during the year. The service made cost savings on existing supplies and contracts. In addition, income was received in relation to market towns footfall cameras which had not been forecast. Furthermore, an unplanned cost of providing a BID ballot service for Huntingdon occurred in the year owing to the existing 5-year term concluding in 2022 and requiring a new ballot for a further 5 year term.
Housing Manager	Market Towns	0	0	85,738	(87,515)	(1,777)	(1,777)	2.1	
Housing Manager	Housing Strategy	186,980	198,507	190,893	0	190,893	3,913	0.0	
Head of ICT	ICT Shared Service	2,604,140	2,809,738	2,373,513	438,331	2,811,844	207,704	8.0	Following analysis carried out during the last quarter, the changes to the way in which the digital team funding is allocated is not yet reflected in the original budget figures.
Head of Leisure & Health	One Leisure Facilities	(176,863)	530,784	255,194	25,000	280,194	457,057	258.4	See separate sheets



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Head of Leisure & Health	One Leisure Active Lifestyles	151,457	171,741	198,823	(28,810)	170,013	18,556	12.3	Variance is due to the following key reasons: a. Predominantly due to sports development not meeting their revenue targets versus the budget which is mainly due to slower recovery for specific disability sessions post COVID-19 and this has duly affected revenue. b. The original sports development budgetary targets set were not consistent with actual usage and this has caused an issue between the correlation of actual activity and revenue generated for each session.
Head of Operations	CCTV	(114,393)	(115,437)	(110,057)	0	(110,057)	4,336	3.8	
Head of Operations	CCTV Shared Service	243,826	277,102	253,902	0	253,902	10,076	4.1	At the beginning of the year we were experiencing some long term sick issues which had an impact on staff salaries however income was expected to come via the incoming projects that were to be delivered and this would have counteract the overspend and break even or deliver an underspend but not as much income came through to due to project delays by 3rd parties.
Head of Operations	Fleet Management	317,275	312,089	260,596	0	260,596	(56,679)	-17.9	2 vacancies within the workshop, but one of the posts is being covered agency staff which is costing HDC than the permanent role. The role not being covered by agency has been removed from future budgets starting in 23/24.
Head of Operations	Green Spaces	641,178	639,570	729,026	(105,521)	623,505	(17,673)	-2.8	Extra income above budget and a saving on contactors has resulted in an underspend on Grounds maintenance and Aboricultural Services.

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Head of Operations	Head of Operations	90,257	165,713	170,078	0	170,078	79,821	88.4	Too much was accrued in relation to the high street fund, so when we received reimbursement from central government it didn't cover those costs. These are one off costs so this is not expected to impact future years
Head of Operations	Street Cleansing	867,885	830,101	816,707	0	816,707	(51,178)	-5.9	Street Cleansing were tasked with making a 10% budget saving, this has been achieved by Deletion of 3 posts along with removal of stand pipe licences have led to an underspend of £51k.
Head of Operations	Waste Management	2,871,194	2,407,913	2,159,339	199,317	2,358,656	(512,538)	-17.9	Additional income generated through bulky waste collections, house clearance etc, Reduced recycling re processing cost through our MRF contract due to a buoyant market, gate fees movement from negative to positive position meaning we were paid to have our material reprocessed at the start of the financial year, though part way through the year this flipped. In addition, increased income from recycling credit income due to increased recycling material tonnages.
Programme Delivery Manager	Programme Delivery	72,937	63,124	41,291	0	41,291	(31,646)	-43.4	Saving from vacant programme delivery manager post
Strategic Insight & Delivery	Car Park - On Street	(131,724)	29	175	0	175	131,899	100.1	Lower income due to CCC changes to on-street parking. This income is not HDC as is paid back to CCC. Historic issue with budget bid put in place now to recognise repayment to CCC

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		£	£	£	£	£	£	%	
Strategic Insight & Delivery	Car Parks - Off Street	(1,070,361)	(1,157,503)	(1,137,453)	37,967	(1,099,486)	(29,125)	-2.7	Income recovery slightly ahead of budgeted position. Some remedial works did not take place (£20k), this budget is moved into 23/24 through a budget carry forward
Strategic Insight & Delivery	Countryside	248,166	281,619	239,829	44,741	284,570	36,404	14.7	In 2019 a bid was approved which included the capital investment in Paxton Pits to add growth to the parks. There was an assumption that with this capital investment there would be an increase in income. The investment hasn't occurred nor is it expected in the near future which has meant that the increased income hasn't been realised
Strategic Insight & Delivery	Markets	(38,346)	40,108	33,124	0	33,124	71,470	186.4	Wednesday Market still not in operation but will be reintroduced 29 March 2023 as Traders lined up. Other markets operating at around 70% capacity, works ongoing to bring in more traders
Strategic Insight & Delivery	Parks and Open Spaces	541,810	490,522	433,476	23,611	457,087	(84,723)	-15.6	Savings in salary are due to a Climate Support Officer Role being recruited initially instead of a Climate Co-ordinator role. The Support role was Part time and at a lower grade than the co-ordinator. The Co-ordinator role will be recruited in Q1 23/24.
Strategic Insight & Delivery	Strategic Insight & Delivery	99,360	136,552	144,953	0	144,953	45,593	45.9	This overspend is being offset by savings in the Head of Operations post, and Waste Strategy cost centre.
Strategic Insight & Delivery	Transformation	198,256	198,255	246,208	(47,942)	198,266	10	0.0	



## **One Leisure Facilities Comments**

### **St Ives Outdoor Centre**

1. The original budget for St Ives Outdoor was £121k and the actual year end position was £224k a negative variance of £102k
2. Over £130k of this variance was attributed to sales performance at the Training Shed directly related to memberships. The Training Shed has now been taken back in house w.e.f 1.4.23 under One Leisure management.
3. There was £25k expenditure saving which was related to the capital expenditure sinking fund for the 3g pitch. We were able to remove £25k from the end of year forecast as we already had sufficient funds (£250k) in the sinking fund for pitch replacement

### **Leisure Centres Corporate**

1. Overall the leisure centre corporate support team saw an overall underspend of £34k. This underspend in costs has been used to support new costs across the set-up and implementation of the new membership and sales process and system.
2. In addition to this there was a direct overspend of £4k on payroll costs through the cover for maternity leave in One Leisure Direct that had not been originally budgeted.

### **One Leisure Corporate Management**

1. As stated above the leisure centre corporate saving of £34k offsets the overspend seen in leisure corporate management of £73k
2. The overall position therefore is £39k and this is broken down through an unbudgeted salary cost for the Training & Compliance Officer (£30k) + other on-costs related to this contracted position.

### **St Neots Leisure Centre**

1. St Neots shows a £28k positive end of year variance versus a budget of £347k
2. Therefore, the true P&L position is +£6k for 2022-2023 and this can be explained as follows:
  - a. Improvements in income of £15k related to casual swimming and dry side activities
  - b. Employees overspend of £50k of which £40k is attributed to mis-coding of General Management salary
  - c. There was an overspend of £23k on operating costs within site and centre for replacement equipment costs
  - d. Buildings & premises shows an overall saving of £60k which is made up of utility savings (£50k) and business rates (£10k)

### **Huntingdon Leisure Centre**

1. Overall Huntingdon Leisure Centre was budgeted to make a surplus of £128k and delivered £54k therefore had a negative P&L of £74k
2. This can be summarised as follows:
  - a. Overall income was worse by £90k versus budget and the main issue for income performance was memberships which was off budget by £120k. This is through very challenging budgets but mainly attributed to higher levels of competition seen in Anytime Fitness and Gym Group
  - b. Within expenditure there was a saving of £14k in buildings overall in the year but this was offset by an overspend in staffing of £14k.

### **St Ives Leisure Centre**

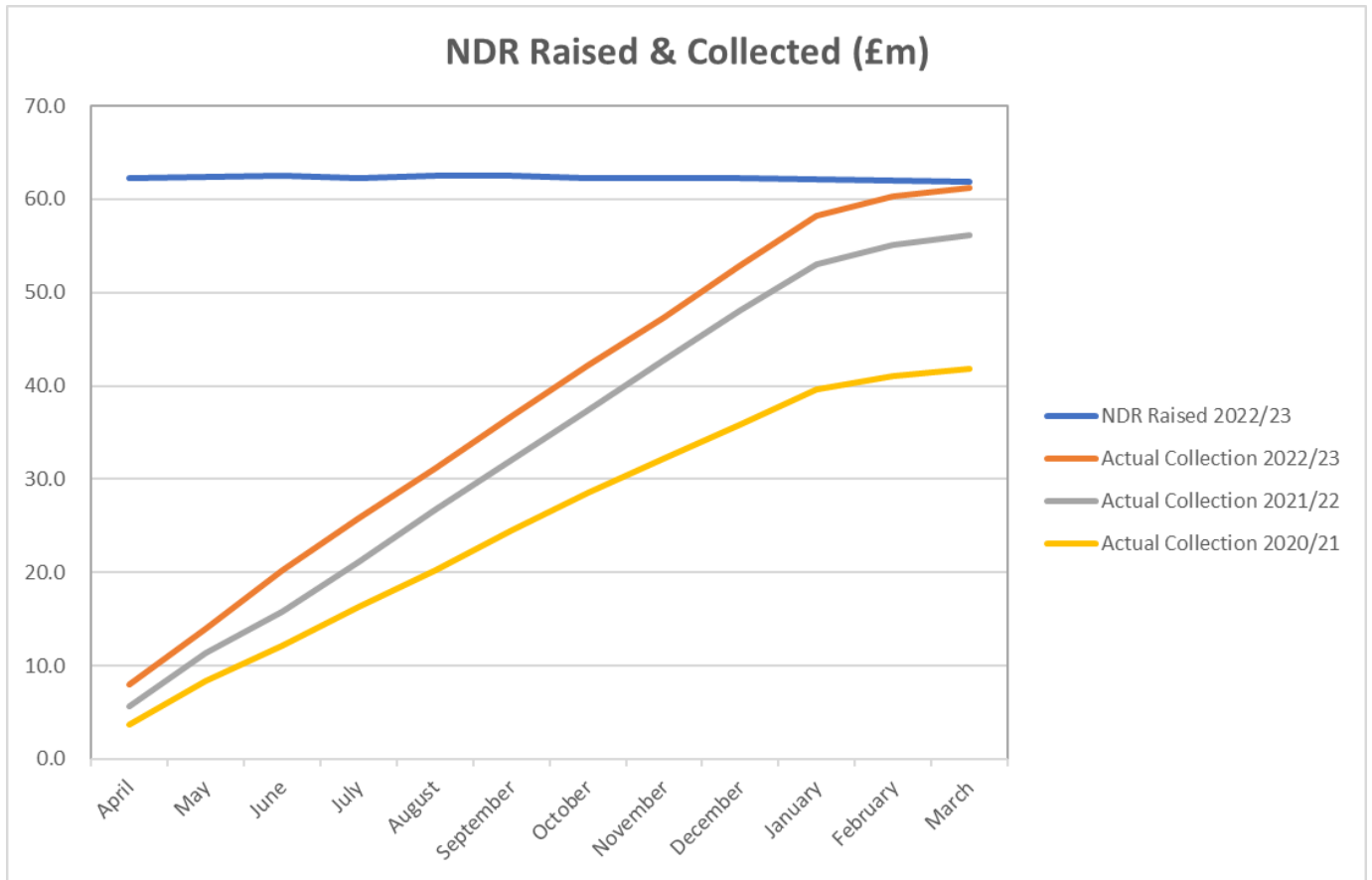
St Ives Leisure Centre had a budgeted surplus position of £375k but their actual out turn was £231k with a movement of £143k

- a. Overall the income for the year is £100k worse than budget and the reasons for this are around fitness activities (£210k) and £60k on indoor sports and hospitality
- b. These have been balanced off through improvements in swimming £120k and ten pin bowling £50k
- c. In terms of expenditure there was an overspend on employees of £62k and £47k of this is around the mis-coding of the general management salary. In addition there was a further overspend in building of £6k which was a mitigated position between an overspend on utilities and underspend on business rates.

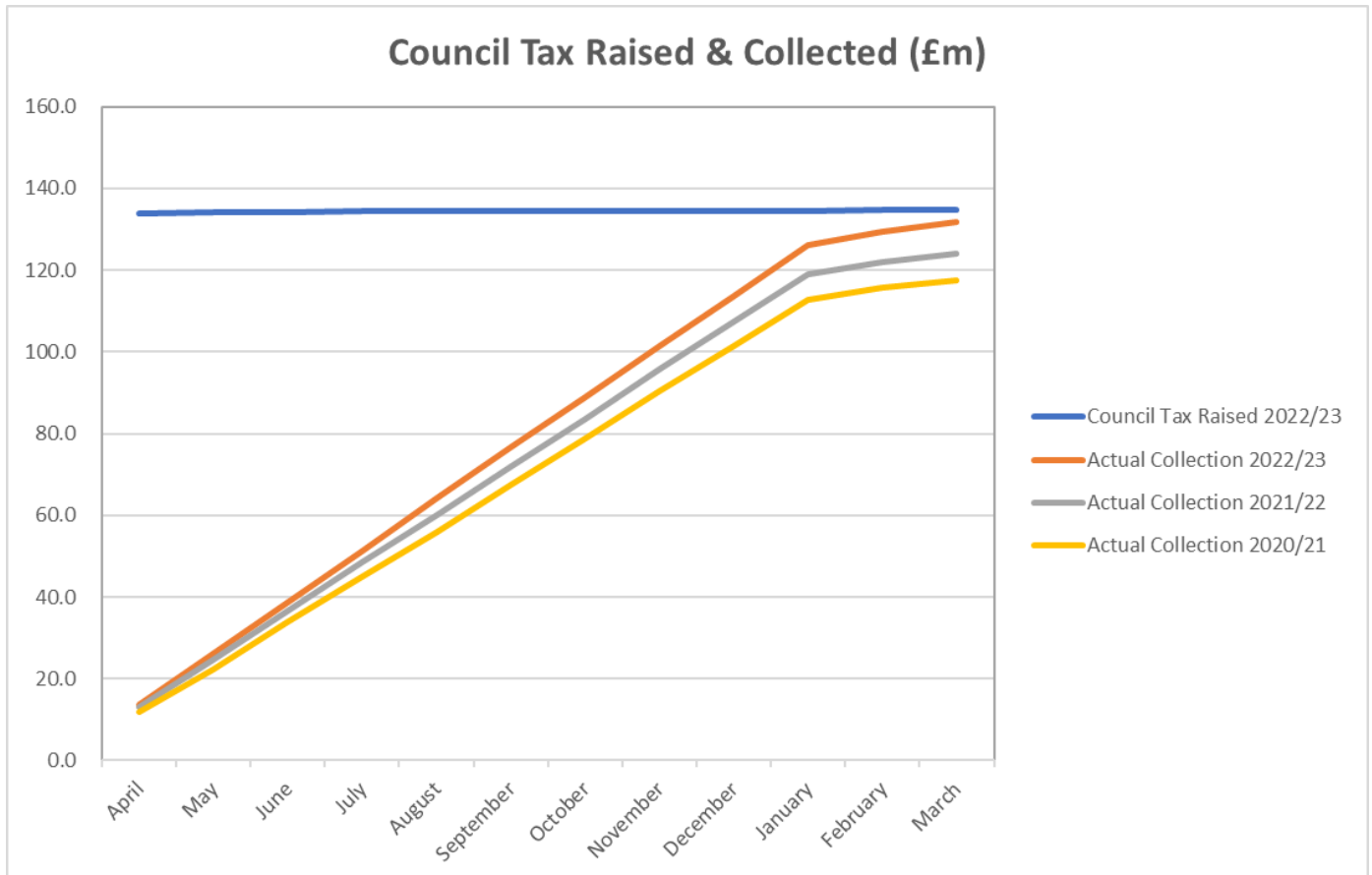
### **Ramsey Leisure Centre**

Overall Ramsey Leisure Centre were planned to make a small deficit of £3k but their end of year actual performance was £134k meaning a deficit position of £131k. This was due to the following reasons:

- a. Overall income was worse by £37k and this was attributed to fitness activities (£73k) which was offset by casual swimming of £46k
- b. The expenditure was £94k worse than budget and this is related to the following:
- c. electricity overspend of £50k due to the decarbonisation and increase in electricity wholesale prices
- d. The business rates were £50k worse than budget as the centre was re-rated following the completion and opening of the new 3g Football pitch at the centre



The NDR graph above shows the total amount of NDR bills raised in 2022/23 and the actual receipts received up to the end of March. The Council tax graph below provides the same analysis.



**Outstanding Miscellaneous Debt Overdue for Payment**

The level of miscellaneous debt outstanding at 31 March 2023 remains high at £7.163m (31 March 2022, £3.906m). Of this, £6.172m relates to invoices less than 30 days old.

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

Department	Amount Owed £m
3C Share Services	5.226
Operations	0.569
Commercial Estates	0.417
Housing	0.471

Bad debt provision of £611k has been provided to reflect what is at risk of non-payment in 2023/24.