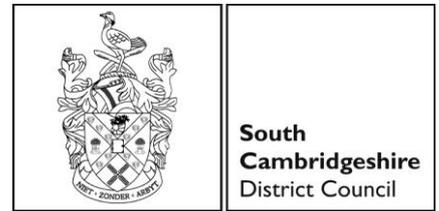


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4 December 2020

To: The Leader – Councillor Bridget Smith  
Deputy Leader – Councillor Dr. Aidan Van de Weyer  
Members of the Cabinet – Councillors Neil Gough, Bill Handley,  
Dr. Tumi Hawkins, Peter McDonald, Brian Milnes, Hazel Smith and  
John Williams

Quorum: Majority of the Cabinet including the Leader or Deputy Leader

Dear Councillor

This is a supplement to the previously-published agenda for the meeting of **Cabinet** on **Monday, 7 December 2020**, containing those reports which had not been received by the original publication deadline.

Yours faithfully  
**Liz Watts**  
Chief Executive

Requests for a large print agenda must be received at least 48 hours before the meeting.

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## Agenda

13. **Quarter Two Monitoring Report**

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# Agenda Item 13



South  
Cambridgeshire  
District Council

**Report To:** Cabinet

7 December 2020

**Lead Cabinet Member(s):** Councillor John Williams,  
Lead Cabinet Member for Finance

**Lead Officer:** Peter Maddock, Head of Finance

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## 2020/2021 Revenue and Capital Budget Monitoring (Quarter 2)

### Executive Summary

1. To consider the latest monitoring data and trends in respect of the 2020/21 General Fund revenue and capital budgets and emerging budget issues.
2. This is not a key decision as there are no resource implications directly arising from the report at this stage and the report provides monitoring information to ensure awareness of budget trends and emerging budget issues.

### Recommendations

3. **That Cabinet is requested to consider the report and, if satisfied, to:**
  - (a) **Acknowledge the forecast 2020/21 revenue outturn position against the approved revenue budget shown in Appendix B, the projected major variances with reasons for these variances at Appendices C1 and C2 and the action being taken to address the underlying issues;**
  - (b) **Acknowledge the latest position on the 2020/21 Capital Programme [and variances, if any] as shown in Appendix D.**

### Reason for Recommendations

4. To advise the Cabinet of the latest monitoring information in respect of the 2020/21 revenue and capital budgets and emerging budget issues, for the second quarter period to 30 September 2020.

### Details

#### 2020/21 Revenue Budget Monitoring – Overview

5. Effective budget monitoring is a requirement of the Council's Financial Regulations and the Medium Term Financial Strategy (MTFS) and is critical to sound financial management. This process enables the Cabinet to monitor the approved budget, to identify emerging issues and, where appropriate, to put plans in place to address forecast budget issues.

6. A framework for budget monitoring has been established and this enables budgetary performance and agreed efficiency actions to be monitored through the use of performance flags (Red, Amber and Green – RAG Status) and Direction of Travel indicators. This provides a statement of financial health and an overview of how the Council is utilising its resources.
7. An integral part of the monitoring process is the regular meetings with Budget Holders and Portfolio Holders to proactively monitor compliance with the approved budget. This enables the identification of potential risks and emerging budget pressures so that appropriate action can be taken at an early stage.
8. The monitoring process also needs to recognise the financial challenges as a result of the Coronavirus pandemic (COVID-19) which has had an impact on the Council's planned income and expenditure. A support package was announced by the Government in July 2020 to help address spending pressures and in recognition of lost income; the overall aim is to help Councils respond to Coronavirus as part of a comprehensive plan to ensure financial sustainability for the future.
9. As far as 2020/21 is concerned, the Council has received £1.921 million in support grant and, based upon returns to Government, anticipates that this will be adequate to offset the increased costs arising from the impact of COVID-19. During the review period £1.775m of this was received (see Appendix B) and this is an un-ringfenced grant so is held centrally rather than allocated to the budgets where the actual additional expenditure has been incurred. A separate exercise identifying income loss is also being carried out with the first tranche of support being paid in November for the period April to July 2020. A further exercise is due this month looking at the four months ended 30<sup>th</sup> November. The situation will clearly need to be kept under review having regard to the duration and severity of COVID-19 and the speed of the UK economic recovery. A longer duration could increase costs and reduce income to a greater degree; an increased severity in economic terms could increase demand led spending and suppress the recovery of assumed income levels.

#### Revenue Budget Monitoring – 2020/21 Efficiency Assumptions

10. The ongoing process also includes the monitoring of compliance with the efficiency assumptions built into the 2020/21 revenue budget. The evaluation of the efficiencies has been made on the basis of a RAG rating using the following criteria:

The proposal has been implemented and is on target to achieve the budgeted saving.	<b>Green</b>
The implementation of the proposal is in progress, the final saving to be achieved is estimated but not finalised.	<b>Amber</b>
Action is required to commence the project; savings to be delivered; proposal did not deliver the required savings.	<b>Red</b>

11. The budget for 2020/2021 included efficiency proposals totalling £1,739,700. The range of efficiency proposals are summarised at **Appendix A** and most of these are on target to achieve the expected results except from the following areas of service:

- (a) An increase of £100,000 (from an original target of £940,000). Income from investments, including rental from commercial property are expected to be better than forecast and from Ermine Street Housing worse than forecast. Uncertainty caused by the Coronavirus Pandemic has clearly impacted the latter with delays experienced particularly in the first quarter of the financial year.
- (b) The savings expected from the environmental health team £36,000 are now unachievable in 2020/21 given the continued work required in relation to the coronavirus outbreak. It is difficult to ascertain when or if these savings will be achieved but a restructure of the service was carried out earlier this year which achieved some efficiencies but is predicated on additional income being received from the planning process.
- (c) The delivery of £55,000 in the delivery of housing services is dependent on the implementation of the Orchard System project that will enable processes to be streamlined. The project has been delayed and, as a consequence, the savings are expected to be realised in 2021/22. It is estimated that £25,000 value of savings will be attributable to General Fund activities.
- (d) Additional income was expected of £60,000 from licensing and related training activities but again the pandemic has put paid to this at least in part. Half of this is expected to be achieved in 2020/21 with the remainder now achieved in 2021/22. Having said that this is assuming things get back to a degree of normality in the spring.
- (e) The pandemic has at least reduced the amount of mileage and travelling expenses incurred by the Council and whilst a modest £6,000 saving was included due to the roll out of council anywhere, a figure of £25,000 now looks more likely. Although savings at month six exceeded this total it is unclear how much of this travel will be avoided longer term.

- (f) The proposed energy efficiency and green energy measures at South Cambridgeshire Hall have been delayed due to the impact of COVID-19 and the projected energy savings, estimated at £79,700, are not now expected to be fully realised until 2021/2022.
12. The areas of efficiency savings continue to be subject to ongoing review and there are no further areas of concern at this stage.

Revenue Budget Monitoring

13. This report represents the revenue monitoring information for the period 1 April 2020 to 30 September 2020.
14. A summary of budget variances is reported at **Appendix B**, with explanations for significant items of variance reported at Appendix C1 (General Fund) and Appendix C2 (Housing Revenue Account). The variances have been assigned a RAG status (Red, Amber and Green) based on the following:

Under spends and overspends up to 2% of the budget	Green
Overspends between 2% and 10% of the budget	Amber
Overspends greater than 10%	Red

Revenue Budget Monitoring –Variances

15. This initial monitoring and assessment of the 2020/2021 revenue budget has identified a number of issues that require action to avoid budgetary pressures and issues that need to be kept under review. The key issues that require further reference are discussed in the following paragraphs:

(a) Salary Budgets

The table below identifies the variance on salary budgets by service area as at 30 September 2020:

	2020/2021			
	Budget to date (30 Sept 2020)	Actual to date (30 Sept 2020)	Variance	Variance %
HR & Corporate	729,108	821,386	92,278	13
Finance	1,092,660	1,189,948	97,288	9
Shared Waste & Environment	3,810,710	3,473,845	-336,865	-9
Housing	3,048,909	2,743,515	-305,394	-10

Planning	3,112,500	3,436,582	324,082	10
Transformation	1,280,261	997,476	-282,785	-22
<b>Total</b>	<b>13,074,148</b>	<b>12,662,752</b>	<b>-411,396</b>	<b>-3</b>

The analysis takes account of the cost of agency staff backfilling vacant permanent posts (with agency costs generally much higher than permanent appointment). The overall underspend has reduced by £45,000 since quarter 1 and now stands at 3% and there are some quite significant variances within the figures. The area of highest overspend, in terms of value, is Planning some this relates in part to additional costs incurred due to Covid and will be funded from the additional resources provided and part to be funded by Planning Performance Agreement (PPA) income. There were also overspends in both Finance and Corporate Services. The former related to additional resources needed to complete the 2017/2018 and 2018/2019 accounts and additional resources required in Revenues and Benefits to support the response to Covid-19 and in the later in facilities to help with Covid-19 related issues. At least half of the additional money provided for support for additional Covid related expenditure is likely to be toward additional staffing costs. The highest underspend is in Shared Waste & Environment, where trade and green waste crews were able to back up the domestic crews early in the pandemic avoiding the need for agency costs to be incurred. In Housing and Transformation the underspend is in the main due to vacancies.

(b) The impact of COVID-19

The General Fund, Housing Revenue Account (HRA) and the Collection Fund have all been impacted as a result of COVID-19. and these are dealt with in turn. The General Fund, by its nature, will bear the majority of the additional costs incurred by the Council with Revenues and Benefits, Shared Waste, Environmental Health, Planning and Homelessness all incurring additional expenditure. The Council has also needed to make expenditure that it would not normally incur to support the community and businesses through the crisis and again this has to fall on the General Fund. As stated, it is considered at this time that the £1.921 million of additional resource from the Government will be adequate to meet the additional expenditure, although this will need to be kept under review.

The Government has also provided around £25.15m to support small businesses and the retail, leisure and hospitality sector with two grant schemes and £0.661m for additional Local Council Tax Support to those struggling to meet their Council Tax liability. The Council has been administering these schemes which has meant significant additional work for some areas of the Council (particularly Revenues and Benefits, Accountancy, the Policy and Performance Unit and Business Support teams). The Grants schemes have, with members assistance, been successful in reaching many local businesses with much needed financial support but the schemes have now closed. Council spending on the original grants schemes was £24.02m

on the main scheme and £1.185m on the discretionary scheme. A reconciliation exercise has been carried out and the Council are owed £55,000 in relation to payments made that have not yet been reimbursed by Central Government. During November a further grants scheme was announced which is still on going.

The HRA has also been affected by the pandemic but mostly due to reduced spending as, for a time, only urgent cyclical and responsive repairs have been carried out. There has been an increase in housing rent arrears and these may turn into losses if they prove irrecoverable, however it is intended to use some of the aforementioned £0.661m to support tenants which will help mitigate this risk. There have been a few additional costs to the HRA mainly PPE related but an element of other costs will get recharged here.

The Collection Fund is seeing the biggest impact in terms of value. Income from Business Rates and Council Tax is collected by the Council to distribute to central government and the major preceptors. Early in the year there was a significant shortfall in Business Rates income and, whilst this has recovered somewhat, the full impact on the Business Rates Collection Fund will not be known for some time; the fund itself will inevitably fall into deficit and this could be significant. Central Government have confirmed that some support will now be provided to the Fund and also the residual deficit arising in 2020/21 will be recovered over a three year period which will lead to a cashflow disadvantage to the Council but this will probably not now be as significant as first feared. The Council Tax Collection Fund has also seen some income loss though not as significant. As the furlough scheme unwinds, however, it is possible that some of these losses will become unrecoverable, with the most significant impact felt by Cambridgeshire County Council.

#### Revenue Contingency

16. It is proposed that £50,000 of the revenue contingency, (£250,000) for the year be used to fund a client advisor for the Northstowe project and, therefore, the balance has reduced to £200,000.

#### Virement Movements

17. A virement is when a sum of money set aside in the budget for one purpose is then moved and used for another purpose. When the tenders came back for the parish maintained street lights programme there was not enough money for this to go ahead so £105,000 was moved to this budget from a budget that was not required for its original purpose. Cabinet agreed this in September as we did not want the programme held up further. This situation has formally been rectified with the Capital programme being updated to reflect the £105,000 additional money required for the street lights. We can now also return the money to its original purpose if it is required or add it the General Fund if not.

### Revenue Budget – Summary Position

18. The table below summarises the budgetary position relevant to each Service Area, with detailed information included at **Appendix B**, and further explanation of significant variances in **Appendices C(1) and C(2)**:

Directorate	Full Year Budget £'000	Budget to date £'000	Actual to date £'000	Variance to date £'000	Variance to date %
Chief Executives Office	600	316	163	(153)	-48
Finance	2,610	979	794	(185)	-19
Human Resources & Corporate Services	1,346	532	567	35	7
Shared Waste & Environmental Health	7,208	2,259	2,526	267	12
Housing General Fund	1,839	(312)	(443)	(131)	-42
Planning	3,988	1,055	2,346	1,291	122
Transformation	2,600	1,102	923	(179)	-16
<b>Net Service Costs</b>	<b>20,190</b>	<b>5,931</b>	<b>6,876</b>	<b>945</b>	<b>16</b>
Overheads	<b>9,282</b>	<b>4,583</b>	<b>4,119</b>	<b>(464)</b>	<b>-10</b>

19. The Council has a current overspend position of £0.945 million (16%) on its net cost of service. Much of this relates to additional expenditure or lost income due to the pandemic.

### Capital Budget Monitoring

20. The Cabinet monitors the performance of the capital programme by reviewing on a regular basis the progress of all schemes. Regular reports on the Capital Programme to the Cabinet should identify the following changes:
- any schemes that are not being progressed as originally envisaged or those that are no longer required;
  - the revised phasing of a scheme(s) having regard to the latest information and any changes in forecast funding;
  - changes in funding requirements of committed schemes and the reasons relating thereto;

- any budget amendments.
21. The Capital Programme is summarised at **Appendix D**. It should be noted that the Capital Programme set out is that as approved by Council on 20 February 2020.

## **Implications**

22. In the writing of this report, taking into account the financial, legal, staffing, risk management, equality and diversity, climate change, community safety and any other key issues, the following implications have been considered:

### ***Legal***

23. The legal position and relevant issues can be summarised as follows:

(a) Revenue Budget

The Council is required, by law, to set a balanced revenue budget each year which for 2020/21 was approved by Council on 20 February 2020. The purpose of this report, in accordance with best financial management practice, is to advise the Cabinet of significant variations from that budget.

(b) Capital Programme

Prudential Indicators that underpin the Council's capital investment demonstrate that the investment is prudent, sustainable and affordable. The Council is required, in compliance with the Code, to monitor and report performance against established Prudential Indicators. The ongoing review of the capital programme is required to effectively monitor these indicators.

### ***Policy***

24. The position in relation to established Council policies can be summarised as follows:

(a) Revenue Budget

The MTFS requires that, to ensure a continuously stable financial base for the provision of services, the Council will ensure that annual ongoing General Fund revenue expenditure can be covered by annual income sources in each financial year. The MTFS requires regular reports to be submitted to the Cabinet in respect of budget performance and the report, therefore, provides an update on the latest budget position and also identifies a number of emerging budget issues that will need to be monitored during 2020/21.

(b) Capital Programme

The Council has two approved policies relating to its Capital Programme; The Capital Strategy and the MTFS. The former provides the overarching capital strategy and linkage to the Corporate Asset Plan. The MTFS provides guidelines for the financing of capital schemes, any variations which may arise, and Prudential Code requirements.

**Finance**

25. The financial implications are outlined in the details section of the report.

**Risk**

26. The risk implications can be summarised as follows:

(a) Revenue Budget

When the Council considers each revenue service and function budget it is important that endeavours are made to identify potential risks. Inevitably, during the course of the financial year, some of these risks will occur and impact on the budget by either requiring further expenditure or by reducing the Council's budgeted income.

The budget is monitored on a regular basis to identify risks and take action to mitigate the risks when they arise. The Council holds a contingency with regard to budgetary risk in year, together with a range of Reserves to deal with specific issues.

(b) Capital Programme

In relation to Capital resources, the following risks should be taken into account when considering this report:

- (i) Capital schemes can emerge at any time based on newly identified needs or changes in legislation which require funding to be identified;
- (ii) The forecast cost/timing of existing schemes may vary as implementation is undertaken;
- (iii) Forecast capital receipts may not be achieved which could result in some schemes not proceeding until other sources of capital finance become available or unless further recourse is made to borrowing;
- (iv) Key risks associated with the Capital Programme are that budgets are not adequate, leading to over spend with consequent financial implications or that the schemes will not

meet the desired objectives.

### ***Environmental***

27. There are no environmental implications arising directly from the report.

### ***Equality Analysis***

28. In preparing this report, due consideration has been given to the Council's statutory Equality Duty to eliminate unlawful discrimination, advance equality of opportunity and foster good relations, as set out in Section 149(1) of the Equality Act 2010.
29. A relevance test for equality has determined that the activity has no relevance to South Cambridgeshire District Council's statutory equality duty to eliminate unlawful discrimination, advance equality of opportunity and foster good relation. An equality analysis is not needed.

### ***Effect on Council Priority Areas***

30. Timely and robust consideration of the Council's budget is vital to ensure that financial performance is in line with expectations, emerging issues are identified and tackled and that Business Plan priorities are met.

## **Background Papers**

Where the Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012 require documents to be open to inspection by members of the public, they must be available for inspection:

- (a) at all reasonable hours at the offices of South Cambridgeshire District Council;
- (b) on the Council's website; and
- (c) in the case of documents to be available for inspection pursuant to regulation 15, on payment of a reasonable fee required by the Council by the person seeking to inspect the documents at the offices of South Cambridgeshire District Council.

The following documents are relevant to this report:

- General Fund Medium Term Financial Strategy – Report to Cabinet: 4 December 2019
- Budget Report – Report to Cabinet: 5 February 2020
- Business Plan 2019 - 2014 – Report to Council: 20 February 2020

- Medium Term Financial Strategy and General Fund Budget – Report to Council: 20 February 2020

## **Appendices**

- A Service Efficiency/Income Generation Assumptions 2020/21: Update
- B Budget Monitoring by Service Area – Position as at 30 September 2020
- C Explanation of Significant Budget Variances – Position as at 30 September 2020
- D Capital Programme – Update Position as at 30 September 2020

### **Report Authors:**

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## Service Efficiencies/Income Generation Assumptions: 2020-2021 Revenue Budget Build

Theme 1: Develop a Workforce Operating Model		Saving	Revised	Performance
		2020/2021 £	2020/2021 £	RAG
1	Review of processes to identify potential changes to workforce deployment and a revised senior management structure, targeting a saving of <b>£600,000 per annum</b> by 31 March 2024. (* proposals approved by Council in May 2019)	£230,000 *	£230,000 *	
2	Creation of business resource capacity to release professional staff from corporate processes thus optimising professional staff time on key professional duties in Environmental Health.	£36,000	0	
3	Rationalise processes and budgets to focus on efficient service delivery and effective resource deployment, including a review of:			
	(a) the corporate communications budget to further the benefits already achieved from the transition from in house to commissioned design work and to the digital tasks needed for the Council.	£3,500	£3,500	
	(b) the statutory electoral registration service and, in particular, the scope to optimise canvassing by electronic means.	£5,000	£5,000	
	(c) services relating to the health and well-being of residents to enable the rationalisation of processes and effective targeted support in a cost effective manner.	£75,000	£75,000	
	(d) the shared waste collection service to achieve further efficiencies in the delivery of the service.	£25,000	£25,000	

Theme 2: Alternative Ways of Working		Savings	Revised	Performance
		2020/2021 £	2020/2021 £	RAG
4	To establish a framework for electronic service delivery, encouraging "paperless" business processes & reduced printing.	£20,000	£20,000	
5	Revised Scheme of Members' Allowances taking into account the recommendations of the Independent Remuneration Panel (October 2019).	£60,000	£60,000	
6	Following the introduction of 'Council Anywhere', reduce unnecessary travel to meetings. Target 10% of total General Fund mileage costs per annum.	£6,000	£25,000	

Theme 3: Business and Growth		Savings	Revised	Performance
		2020/2021 £	2020/2021 £	RAG
7	Implementation of the Investment Strategy (subject to Council approval on 28 November 2019) by pursuing, subject to business case justification, commercial investment opportunities.	£940,000	£1,040,000	
8	To review Planning Performance Agreements and processes to reduce the current subsidy provided to those who undertake major developments.	£10,000	£10,000	
9	To consider prevailing fee scales and income generation opportunities for regulatory services, including:			

	(a)	A review of the current pre-planning advice charging policy.	£10,000	£10,000	
	(b)	A review of the charging policy that applies in respect of the licensing function, targeting additional income from safeguarding training and DBS checks for Taxi Drivers.	£60,000	£30,000	
	(c)	The development of a commercial model for the building control service to generate additional income from consultancy services.	£2,500	£2,500	
10		To undertake a review of the Ermine Street Housing recharge model for both housing and support staff.	£6,000	£6,000	

<b>Theme 4: Managing Demand Better</b>		<b>Savings</b>	<b>Revised</b>	<b>Performance</b>
		<b>2020/2021 £</b>	<b>2020/2021 £</b>	<b>RAG</b>
11	Expand and grow the commercial waste collection service.	£25,000	£25,000	
12	Encourage budget holders, through increased autonomy, to manage budgets within cash limits thus eliminating inflation uplift (except for contractual commitments, nationally agreed increases and utility/fuel costs essential for service delivery).	£50,000	£50,000	
13	Review annually the revenue budget outturn position and to identify areas of budgetary underspend where, in the context of managing demand and resource better, budgets can be reduced without significant and noticeable impact on service delivery.	£80,000	£80,000	
14	To review the potential for additional discounts on postage budgets held by service areas by using Royal Mail's CleanMail service and/or transferral of universal postal service provider for '2 <sup>nd</sup> class' mail to a competitor of Royal Mail.	£11,000	£11,000	
15	To review the way in which housing services are delivered, particularly developing self-service opportunities and partnership approaches to the delivery of some services, with realisation of cost and efficiency savings.	£55,000	0	
16	To pursue, in line with the Business Plan Theme "Green to Our Core", the following specific investment opportunities:			
	(a) Energy efficiency and green energy measures at South Cambridgeshire Hall, including Ground Source Heat Pump, solar canopies in the car park, internal LED lighting upgrades, electric vehicle charging points and chiller modifications and enhancements.	£79,700	0	
	(b) The installation of roof-mounted solar panels at the Waterbeach Depot (fully operational).	£5,000	£5,000	

<b>Total Estimated Savings</b>	<b>£1,794,700</b>	<b>£1,713,000</b>
<b>Value Attributable to General Fund</b>	<b>£1,739,700</b>	<b>£1,683,000</b>
<b>Value Attributable to Housing Revenue Account</b>	<b>£55,000*</b>	<b>£25,000*</b>

\*Some initiatives will bring savings to the Housing Revenue Account because they are of a corporate nature and this is now estimated to amount to £25,000.

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## Budget 2020/21 Q2- Provisional Variance

Directorate	Full year Budget	Budget to date	Actual to date	Variance to date	Variance to date
	£'000	£'000	£'000	£'000	%
<b>General Fund</b>					
Chief Executive's Office	600	316	163	(153)	-48%
Financial Services	2,610	979	794	(185)	-19%
Human Resources and Corporate Services	1,346	532	567	35	7%
Housing General Fund	1,839	(312)	(443)	(131)	-42%
Shared Waste and Environmental Health	7,207	2,259	2,526	267	12%
Transformation	2,600	1,102	923	(179)	-16%
Planning	3,988	1,055	2,346	1,291	122%
<b>Net Service Costs</b>	<b>20,190</b>	<b>5,931</b>	<b>6,876</b>	<b>945</b>	<b>16%</b>
<b>Overhead Costs (Not included in Full Year Budget Total)</b>	<b>9,282</b>	<b>4,583</b>	<b>4,119</b>	<b>(464)</b>	<b>-10%</b>
Council Approved Contingencies	250	0	0	0	0%
Finance Charge Reversals	(1,074)	0	0	0	0%
Greater Cambridge/Combined Authority	1,065	0	0	0	0%
Internal Drainage Board Levies	206	103	101	(2)	0%
Interest Payable	2,128	370	5	(365)	-99%
Investment Income	(4,537)	(1,325)	(1,267)	58	4%
Revenue Contribution to Capital	3,978	950	49	(901)	-95%
Minimum Revenue Provision	2,075	0	0	0	0%
<b>General Fund total costs</b>	<b>24,281</b>	<b>10,612</b>	<b>9,884</b>	<b>(730)</b>	<b>-7%</b>
New Homes Bonus	(2,768)	(1,384)	(1,384)	0	0%
Covid Support Grant	0	0	(1,775)	(1,775)	-100%
Rural Services Grant	(131)	(65)	(65)	0	0%
(Surplus) / Deficit on Collection Fund re Council Tax	(99)	(50)	(50)	0	0%
(Surplus) / Deficit on Collection Fund re Business Rates	(307)	(153)	(153)	0	0%
Retained Business Rates (incl. Section 31 Grant)	(11,483)	(5,741)	(5,211)	530	9%
Council Tax	(9,562)	(4,781)	(4,781)	0	0%
<b>General Fund total income</b>	<b>(24,350)</b>	<b>(12,174)</b>	<b>(13,419)</b>	<b>(1,245)</b>	<b>-10%</b>
General fund total	(1,451)	(1,562)	(3,535)	(1,974)	-126%
Earmarked Reserves	(1,382)	0	0	0	0%
<b>Directorate</b>					
	Full year Budget	Budget to date	Total expenditure	Variance	Variance
	£'000	£'000	£'000	£'000	%
<b>HRA</b>					
Housing Repairs - Revenue	4,463	2,131	666	(1,465)	-69%
Supervision and Management General	4,447	1,380	1,175	(206)	-15%
Supervision and Management Special	696	356	125	(231)	-65%
Corporate Management	651	0	0	0	0%
Interest on Loans	7,254	3,589	3,537	(52)	-1%
Depreciation	6,868	0	0	0	0%
Capital Expenditure funded from Revenue	15,149	0	0	0	0%
Other	149	4	3	(2)	-37%
<b>Total HRA expenditure</b>	<b>39,677</b>	<b>7,461</b>	<b>5,506</b>	<b>(1,956)</b>	<b>-26%</b>
Income	(29,477)	(15,010)	(14,837)	173	1%
Interest Receivable	(680)	0	0	0	0%
<b>Total HRA</b>	<b>9,519</b>	<b>(7,549)</b>	<b>(9,332)</b>	<b>(1,783)</b>	<b>-24%</b>

## Budget 2020/21 Q2- Provisional Variance

Directorate	Full year Budget	Budget to date	Total expenditure	Variance	Variance
	£'000	£'000	£'000	£'000	%
<b>GF Capital</b>					
ICT Development	442	221	45	(176)	-80%
South Cambridgeshire Hall	1,990	50	10	(40)	-80%
Waste Collection & Street Cleansing	765	383	39	(344)	-90%
Awarded Watercourses and Footway Lighting	1,420	0	0	0	0%
Repurchase of GF Sheltered Properties	525	263	176	(87)	-33%
Northstowe	524	0	0	0	0%
Environmental Protection	21	11	0	(11)	-100%
Improvement Grants	780	390	235	(155)	-20%
Investments	112,803	30,000	20,114	(9,886)	-9%
<b>Total GF Capital</b>	<b>119,270</b>	<b>31,317</b>	<b>20,619</b>	<b>(10,698)</b>	<b>-34%</b>

Directorate	Full year Budget	Budget to date	Total expenditure	Variance	Variance
	£'000	£'000	£'000	£'000	%
<b>HRA Capital</b>					
Preparation of Self-Build Plots	152	76	(6)	(82)	-108%
New Homes Programme	26,871	13,436	4,477	(8,959)	-67%
Repurchase of HRA Shared Ownership Homes	150	75	133	58	77%
Housing Repairs - Capital	7,228	3,614	461	(3,153)	-87%
Orchard System Upgrade	127	64	8	(55)	-87%
<b>Total HRA Capital</b>	<b>34,528</b>	<b>17,201</b>	<b>5,065</b>	<b>(12,135)</b>	<b>-71%</b>

## Significant Items of Variance from Working Budget

## Budget 2020/21 Q2 - General Fund revenue

Service Grouping	Reason for Outturn Variance	Full year budget £'000	Budget to date £'000	Actual to date £'000	Actual (Favourable) / Adverse variance to date £'000	Variance to date %
<b>Overhead Costs</b>						
HR Payroll	The variance is due to the differences between profiled budget and actuals. Main items of underspend are Monthly Pension Deficit payments, which are a period behind the profiled budget (£135,000), Q2 City Payroll invoice not yet received (£40,000), the new HR IT system costs not having started yet (£86,700) and the Apprentice Levy monthly charges being lower than budgeted.	1,640	953	696	(258)	-27%
ICT	The variance is driven by late invoicing of £130,000. This relates to the first half year instalment of the additional £200,000 annual contribution agreed as part for the budget. Confirmation is still awaited that the service has been fully delivered.	1,205	592	504	(88)	-15%
Internal Audit	No invoices for the service have been received.	92	62	0	(62)	-100%
<b>Explained variances</b>		<b>2,937</b>	<b>1,607</b>	<b>1,200</b>	<b>(407)</b>	<b>-25%</b>
<b>Financial Services</b>						
Investment Properties rent	The budget assumed a couple of further purchases during the year which have now occurred and therefore the budget should be met.	(1,306)	(484)	(408)	76	16%
Interest	This relates to interest from Ermine Street, Cambridge Leisure and Ice Centre and various financial institutions. Income is slightly above expectations.	(3,231)	(841)	(858)	(17)	-2%
Treasury Management	These are additional costs associated with the investment strategy showing a small positive variance due to timing.	6	15	9	(6)	-42%
<b>Explained variances</b>		<b>(4,531)</b>	<b>(1,310)</b>	<b>(1,257)</b>	<b>53</b>	<b>4%</b>
<b>Housing General Fund</b>						
Lettings & Advisory Service	The variance is driven by late invoicing as invoices for annual software licence fees & Homelink fees (£17,000 total) are not received yet	(105)	18	0	(18)	-100%
Travellers Site - Milton	Income up by £2,000 and site expenditure £8,600 lower than anticipated year to date	(28)	(14)	(24)	(10)	-75%
Travellers Site - Whaddon	Site expenditure £3,900 lower than anticipated year to date	(39)	(19)	(21)	(2)	-13%
Homelink - sub regional service	The variance is due to the differences between profiled budget and actuals. Timing of invoices for annual charges is not as anticipated in the budget	(92)	(60)	(46)	14	22%
<b>Explained variances</b>		<b>(264)</b>	<b>(75)</b>	<b>(91)</b>	<b>(16)</b>	<b>-22%</b>
<b>Waste and Environmental Health</b>						
Environmental Health	Timing difference due to the 3C ICT recharge for bespoke business software licence fees being already charged upfront for the whole year, rather than spread evenly across the year. Variance will diminish as we go through the financial year.	67	32	37	5	17%
Shared Waste Collection Service	Trade Income decimated by Covid-19. Business is continuing to work with customer-base to establish a best-fit collection service with invoicing currently undertaken piecemeal when demand is identified. Shared service has been successful in claiming support funding under the Government's loss of income compensatory scheme where it is hoped up to two-thirds of lost profit will be compensated.	(2,934)	(1,555)	(865)	690	44%
Environmental Health General	Recoverable income of £22,884 was not received in the first half-year. This income was to offset staffing costs which were also not incurred. The staffing budget position is not represented in this table and thus only the lost income is (but no overall budget impact).	(12)	(7)	10	17	229%

COVID-19 Emergency	Central expenditure incurred in tackling Coronavirus e.g. sanitisation equipment, PPE, signage etc... - other Covid related expenditure has been directed to specific services.	0	0	69	69	100%
Taxi Licensing	£37,000 lost income due to COVID-19 was partially offset by a £12,000 saving on licence plates and stationery	(196)	(93)	(60)	33	35%
Air Quality Monitoring	£7,000 unbudgeted income received from Cambs County Council; £10,000 variance is due to expected purchases not being made yet.	69	26	12	(14)	-54%
<b>Explained variances</b>		<b>(3,006)</b>	<b>(1,597)</b>	<b>(797)</b>	<b>800</b>	<b>50%</b>
<b>Transformation</b>						
A14 Highways England	Majority of the expenditure incurred in the first half year has been reimbursed in quarter three and is therefore not included in the numbers.	(15)	(15)	11	26	171%
<b>Explained variances</b>		<b>(15)</b>	<b>(15)</b>	<b>11</b>	<b>26</b>	<b>171%</b>
<b>Planning</b>						
Development Management	There was a loss of income due to the covid in the first 6 months of the year. It is expected that government grant will cover some of this loss.	(2,684)	(1,342)	(628)	714	53%
Strategic Sites	The shortfall in income is broadly offset by service budget underspends.	(798)	(394)	(386)	8	2%
Operations Management	Variance at Q2 relates to a number of service budget underspends due to lower activity during the pandemic	120	60	18	(42)	-70%
Land Charges	The variance at Q2 is due to a shortfall in income, this again is Covid related and is expected to be partially recovered from the government grant.	(468)	(235)	(107)	128	54%
<b>Explained variances</b>		<b>(3,830)</b>	<b>(1,911)</b>	<b>(1,103)</b>	<b>808</b>	<b>42%</b>

## Budget 2020/21 Q1 - Housing Revenue Account Monitoring

Service Grouping	Reason for Outturn Variance	Full year budget £'000	Budget to date £'000	Actual to date £'000	Actual (Favourable) / Adverse variance to date £'000	Variance to date %
<b>Housing Revenue Account - Income</b>						
Rental Income from dwellings	Rental income has fallen below the budgeted amounts and relates to the longer void periods we experienced during the Covid lockdown.	(29,023)	(14,790)	(14,607)	183	1%
<b>Housing Repairs - Revenue</b>						
Cyclical and Responsive Repairs	The large variance is a result of the reduced first quarter expenditure, as only urgent repairs were carried out, and there has been late invoicing by contractors. Quarter three is seeing a significant increase in activity.	4,463	2,131	666	(1,465)	-69%
<b>Supervision and Management General</b>						
Repairs Administration	Lower spend than anticipated in first half-year on consultancy fees (re-tender of response repairs contract) and late invoicing from Mears for apprentice fees. Staff mileage claims lower (£5,000 YTD) from the Covid lockdown period.	1,888	574	475	(99)	-17%
<b>Supervision and Management Special</b>						
Sheltered Housing	The Sheltered communal facilities have been closed for usual activities and consequently expenditure is significantly lower for repairs/maintenance and utility usage.	95	54	(56)	(110)	-202%
Shared Areas - Flat Blocks	Reduced activity on repairs/maintenance and delayed electricity invoices due to a dispute with utility provider (now being resolved)	49	28	(15)	(44)	-155%
Outdoor Maintenance	Scheduled grass cuts have continued as planned but there has been lower expenditure to date on managed tree/shrub cuts and tenant led estate works	159	111	56	(55)	-50%
Tenant Participation	Elections for tenant representatives have been delayed by the pandemic	214	88	43	(44)	-51%
New Homes Programme	Work on our new build sites was halted during lockdown and the reduced YTD capital expenditure means we have not been able to capitalise the expected amount of staff costs over the first two quarters.	172	36	79	43	121%
<b>Explained Variances</b>		<b>(21,983)</b>	<b>(11,768)</b>	<b>(13,359)</b>	<b>(1,591)</b>	<b>-14%</b>

## Significant Items of Variance from Working Budget

## Capital Budget 2020/21 Q2 - Major Variances from Budget

Service Grouping	Reason for Variance	Full year budget £'000	Budget to date £'000	Actual to date £'000	Actual (Favourable) / Adverse variance to date £'000	Variance to date %
<b>Housing Revenue Account</b>						
HRA Land	No expenditure incurred to date due to the coronavirus pandemic	152	76	0	(76)	-100%
New Homes Programme	Due to the pandemic lockdown, work was halted on the new build sites but we are now working towards completion on several sites. However, the developer has not yet begun work on the Northstowe scheme budgeted in this year's capital program. The capital program will be revised accordingly.	26,871	13,435	4,541	(8,894)	-66%
Repurchase of Shared Ownership	This budget is reactive, and spend is dependent upon the number of homes which are represented to the Council in any year, and the value at which they are re-acquired.	150	75	133	58	77%
Orchard Development	Delays in this area are also due to COVID lockdown.	127	63	47	(17)	-27%
Improvement to the Housing Stock	A significant underspend is showing here because only urgent works were carried out for the first few months of the year. Activity has increased however, with work scheduled and orders raised in anticipation of completing the capital programme by year end.	7,228	3,614	461	(3,153)	-87%
<b>Total HRA Capital Programme</b>		<b>34,528</b>	<b>17,263</b>	<b>5,182</b>	<b>(12,082)</b>	<b>-70%</b>
<b>General Fund</b>						
Cambourne Offices	The budget mostly covers the South Cambs Hall Greening project and includes a rollover of £82,000 from 2019/20 for works originally planned then but not completed. Much of the current year's work has been delayed due to COVID and some of the projects, while still hoping to commence in 2020/21, will slip into the year 2021/22. On the other hand, the Washroom Refurbishment project, which was budgeted for the year 2020/21, was actually completed in the prior year, costing £179,000	1,990	995	10	(985)	-99%
ICT Development	The full year budget includes a roll over of £371,000 from the prior year. Underspends are due to the delay in the installation programme of the new telephony system, and the audio visual and delegate systems for the meeting rooms. The new Human Resources System is being project-led by CCC and although on target for completion by April, no invoices have yet been received and paid.	442	177	45	(132)	-75%
Waste Collection & Street Cleansing	Due to the pandemic the programme for these vehicles was affected and the x7 vehicles that were scheduled for replacement (£200,000) will not now be delivered until Q4. The electric RCV was delivered in October and is now in operation, the actual purchase of this (£380,000) was not made until November, following successful trials and is therefore not showing in the figures. The other vehicle that was scheduled within the programme has been put back to 2021/22, this has been rephased in the revised capital programme.	890	729	39	(690)	-95%
Envirocrime Enforcement Support Vehicle	Tendering process has been completed and supplier notified. Following the completion of the required cooling-off period, the order will be placed with build time of up to 18 weeks so it's envisaged that supply will be in quarter 4.	21	0	0	0	0%
Footway Lighting	This budget relates to the upgrade to LED lighting for the parish maintained street lights. The installation programme was started in quarter 2 and so the budget is committed even though nothing has been paid to date.	1,295	480	0	(480)	-100%
Repurchase of GF Sheltered Properties	This budget is reactive, and spend is dependent upon the number of homes which are represented to the Council in any year, and the value at which they are re-acquired.	525	250	176	(74)	-30%
Improvement Grants	The Covid lockdown meant delays for assessment and awards of grants but activity now is picking up.	780	390	235	(155)	-40%
Ermine Street Housing Loans	The number of loans for house purchases reduced due to the lockdown temporarily freezing the housing market. Acquisitions have accelerated in Q3 but the full budget will not be spent and a proportion has been reprofiled into Q1 of 2021/22.	16,603	8,302	4,165	(4,137)	-50%
Investment Strategy	The actual includes the purchase of 296 Cambridge Science Park and Vitrum Building at Cambridge Science Park. The full year budget assumes further acquisitions before the end of March. Other sites are under consideration but the full budget is not expected to be spent and a proportion has been re-profiled into 2021/22.	96,000	30,000	20,451	(9,549)	-32%
	Allocations set aside for the Northstowe Civic Hub, Sports Pavilion and Community Centre have not yet been spent. Much of this has been rooled forward into 2021/22 in the revised capital programme.	524	0	0	0	0%
	The amount for the A14 infrastructure has not been paid yet.	200	0	0	0	0%
<b>Total for GF Capital expenditure</b>		<b>119,270</b>	<b>41,323</b>	<b>25,121</b>	<b>(16,202)</b>	<b>-39%</b>