



AYLESBURY VALE DISTRICT COUNCIL

Democratic Services

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16 November 2017

FINANCE AND SERVICES SCRUTINY COMMITTEE

A meeting of the Finance and Services Scrutiny Committee will be held at **6.30 pm on Tuesday 28 November 2017 in The Olympic Room, Aylesbury Vale District Council, The Gateway, Gatehouse Road, Aylesbury, HP19 8FF**, when your attendance is requested.

Membership: Councillor M Rand (Chairman); Councillors B Everitt (Vice-Chairman), J Bloom, J Chilver, S Lambert, R Newcombe, E Sims, M Smith, M Stamp, R Stuchbury and M Winn

Contact Officer for meeting arrangements: Craig Saunders; csaunders@aylesburyvaledc.gov.uk

AGENDA

1. APOLOGIES

2. TEMPORARY CHANGES TO MEMBERSHIP

Any changes will be reported at the meeting.

3. MINUTES (Pages 3 - 12)

To approve as a correct record the Minutes of the meeting held on 5 September 2017, copy attached as an appendix.

4. DECLARATION OF INTEREST

Members to declare any interests.

5. LEISURE MANAGEMENT CONTRACT - AQUA VALE SWIM AND FITNESS CENTRE, AYLESBURY (Pages 13 - 14)

To consider the attached report (representatives from Everyone Active, the Council's leisure management contractor) will be attending the meeting.

Contact Officer: Paul Marston-Weston (01296) 585116

6. BUDGET PLANNING 2018-19 (Pages 15 - 30)

To consider the attached report.

Contact Officer: Andrew Small (01296) 585507

7. QUARTERLY FINANCE DIGEST (APRIL - SEPTEMBER 2017) (Pages 31 - 50)

To consider the attached report.

Contact Officer: Nuala Donnelly (01296) 585164

8. WORK PROGRAMME

To consider the future work programme. Meetings are scheduled as follows:-

8 January 2018 (Note: this meeting date has changed from 10 January 2018)

1. Draft budget proposals for 2018-19
2. Capital Programme Review
3. Connected Knowledge
4. Public Sector Equality Duty
5. Treasury Management Strategy
6. Vale Commerce Business Plan

5 February 2018

No items as yet

4 April 2018

No items as yet

9 July 2018

No items as yet

FINANCE AND SERVICES SCRUTINY COMMITTEE

5 SEPTEMBER 2017

PRESENT: Councillor M Rand (Chairman); Councillors J Chilver, B Everitt (Vice-Chairman), R Newcombe, M Smith, M Stamp, R Stuchbury and M Winn.

IN ATTENDANCE: Councillors S Bowles, H Mordue, Mrs S Renshell and Sir Beville Stanier.

APOLOGIES: Councillors J Bloom, S Lambert and E Sims.

1. MINUTES

RESOLVED –

That the minutes of the meetings held on 4 April 2017 and 17 May 2017 be approved as correct records.

2. CORPORATE HEALTH AND SAFETY POLICY / STRATEGY

The Scrutiny Committee received a report that would be submitted to Cabinet on 6 September 2017, advising Members of the work undertaken to update the Council's Corporate Health and Safety Policy. The revised policy and the accompanying Strategy / Action Plan were a budget and policy framework document and, as such, would be reported in due course to full Council for formal approval.

Members were informed that it was essential for the Council to have a comprehensive approach to health and safety and that this was properly embedded within the organisation. The existing documents had not been recently reviewed and the latest refresh took account of changes in legislation and the extensive transformational changes within the Council.

The policy (attached as Appendix A to the Cabinet report) would apply to all staff employed by the Council, either directly or indirectly and to any other person or organisation that used Council services or premises for any purpose. The existing Policy had not been comprehensively refreshed since 2014. The Policy would also apply to temporary staff, young workers, staff working from home and contractors working on Council business.

The principles of the Policy would apply to all Council work activities, regardless of who has supplied or provided them. The aims of the policy were to:-

- Outline the requirements of Health and Safety Regulations.
- Outline Health and Safety Guidance and Approved Codes of Practice that applied to the Council.
- Inform Managers, Supervisors and Staff as to their roles and responsibilities in relation to health and safety.
- Demonstrate the Council's commitment to reducing accidents and incidents causing ill-health, as well as other environmental hazards and risks in the workplace.

- Set out clearly and unambiguously the organisation's arrangements for health and safety in accordance with the Health and Safety Executive's (HSE) Guidance – HSG65, Managing for Health and Safety.
- Set out the organisation's training requirements for health and safety.

The Policy identified the roles and responsibilities of Directors, Assistant Directors, Managers, Supervisors and Staff and reflected legislative changes that had occurred since it was last reviewed. It was anticipated that the policy would result in the following outcomes:-

- To ensure that there was a standardised approach to the Council's health and safety management system.
- To prevent foreseeable accidents or incidents so far as was reasonably practicable by undertaking suitable and sufficient risk assessments.
- To demonstrate how the Council complied with its statutory health and safety responsibilities against Legislation, Regulations, Approved Codes of Practice (ACOP's), best practice etc.
- The prevention of reoccurrence of adverse events so far as was reasonably practicable.

The Council had a Corporate Health and Safety Board (Executive) and in accordance with HSG65 – Managing for Health and Safety, the Board would review the policy and performance against the Policy annually.

The Strategy (attached as Appendix B to the Cabinet report) set out the Council's approach to managing a positive health and safety culture. It would put in place a defined and coordinated process for health and safety performance. The Strategy had last been reviewed in 2015.

A corporate health and safety action plan would be prepared to support the Strategy. It would be monitored by the Corporate Health and Safety Manager and the Corporate Health and Safety Board. The targets would be reviewed and updated annually by the Board.

The aims and objectives of the Strategy were to:-

- Ensure that there was a standardised approach to the Council's health and safety management system.
- Regularly measure and monitor the Council's health and safety performance.
- Use accident, incident and near miss software for the Council to record and consolidate accurate reports and data.
- Ensure that there was an appropriate level of health and safety risk control throughout the Council.
- Ensure that all Managers, Supervisors and Staff were engaged actively in the positive management of health and safety.

- Ensure that there was a standardised approach for Event Safety Planning and Resilience.

The following outcomes would be delivered:-

- Necessary key performance indicators would promote a positive health and safety culture within the Council.
- Appropriate means of cooperation and communication between Sectors and roles would be secured.
- The Council would automatically audit, monitor and review all health and safety policies, guidance notes, safe systems of work and risk assessments.
- Health and Safety Management would be embedded as an integral part of the management approach to achievement of objectives.
- Staff would be involved in health and safety performance within the Council.

Members commented as follows:-

- (i) Reference was made to stress in the workplace and its impact on mental health. It was indicated that due regard would be paid to all policies when taking operational actions. The intention here was to streamline the processes and add clarity. Any references to disability, equalities and mental health would blur the overall position and these matters were more appropriately dealt with within the Equalities Strategy. There was no obligation under the Health and safety at Work Act (HSAWA) for mental first aid. However the Council was a responsible employer and there would be a clear statement of how it would respond to mental health issues in the Council's HR policies. Due regard would be given to equalities issues when undertaking risk assessments.
- (ii) Some clarification was sought around the section concerning working at height. The Policy contained the statutory definition.
- (iii) Reference was made to the need for consistency in the manner in which the delegations proposed.
- (iv) Reference was made to the need to ensure that the Council's CCTV policies were properly reflected within the revised Health and Safety Policy, and in particular the need to preserve CCTV evidence within the context of violence towards staff.
- (v) There was a need to clarify the terminology used to describe the responsibilities of the Health and Safety Board and the Health and Safety Committee.
- (vi) It was felt that perhaps the policy should include high level key performance indicators.

- (vii) As a general point it was hoped that any grammatical/typing errors would be removed before final publication.

However, the Committee was very supportive of the Policy and Strategy and in the circumstances it was,

RESOLVED –

That Cabinet be advised that although supportive of the revisions, it be asked to take account of the views expressed by Members at (i) – (vii) above in considering the recommendations to be submitted to Council in relation to the adoption of the revised Corporate Health and Safety Policy / Strategy and the accompanying Action Plan for its implementation.

3. HOUSING BENEFITS - RISK BASED VERIFICATION POLICY

The Housing Benefit and Council Tax Reduction schemes (“Housing Benefit”) were cornerstones of the Welfare State. Nationally, nearly £25 billion was paid out in total per annum. At November 2011, the total number of people claiming Housing Benefit was 4.94 million, with 5.87 million claiming Council Tax Reduction.

In the early 1990’s the Department for Work and Pensions (DWP) had introduced a “verification framework policy” for administering Housing and Council Tax Benefit claims. This was a voluntary policy that strongly recommended that local Councils should obtain a substantial amount of documentary evidence, carry out numerous pre-payment checks and visits before making any payment.

The verification framework proved to be both costly and caused significant delays in processing. It had to be applied to all claims and there had been little scope for local discretion. Although it had been abandoned in 2006 by DWP, most Council’s including AVDC had continued to use at least some of the guidelines set out in the framework.

In 2011, the DWP had allowed a limited number of Councils to pilot a different type of scheme to try to reduce fraud and error; based on Risk Based Verification (RBV) principles. This concentrated on the risk profile of each claimant which then allowed resources to be targeted at the higher risk groups where most of the fraud and error occurred. It was an approach used by many public services as well as businesses in the commercial world; from finance to the chemical industry, the police and immigration authorities. The pilots had been a success and the DWP had confirmed that all Councils could now adopt this approach (Housing Benefit and Council Tax Benefit Circular HB/CTB S11/2011 attached at Appendix C).

It was intended that RBV would apply to new Housing Benefit claims, Council Tax Reduction and Changes in Circumstances. However, once implemented it could be used for reviews and overpayments.

The Benefits Service had conducted a Fundamental Service Review over the last year. The implementation of Risk Based Verification was a recommendation from that process. This was to reduce the burden on customers to provide excessive evidence, and reduce the cost of administering claims by reducing the correspondence with customers in chasing evidence, and the scanning of that evidence. It was intended that RBV would be implemented for new claims by the Council from 1 October 2017. It was believed that this process would provide an improved service for customers and contribute to a significant reduction in costs.

Detailed information on the background (AVDC had to adhere to Housing Benefits legislation), the risk based verification methodology and how AVDC intended to apply it were included in a report to be considered by Cabinet on 6 September which had been appended to the Committee report.

The Cabinet report contained information on how the policy would be recorded and monitored. Training would be provided for all officers using Risk Based Verification to ensure the agreed processes, procedures and guidelines were adhered to. Discussions would take place with all internal and external stakeholders including Investigation staff, Housing staff, Social landlords and the Voluntary sector so that they were fully aware of the change.

Members sought clarification on a number of general issues, including the assessment criteria, the numbers of claimants and the possible future use of new technology in determining applications, after which it was,
RESOLVED –

That Cabinet be advised that this Committee was fully supportive of the introduction of the proposed process using Risk Based Verification for verifying Housing Benefit and Council Tax Reduction claims.

4. TREASURY MANAGEMENT 2016-17 YEAR END AND 2017-18 MID YEAR REVIEW

The Authority's Treasury Management Policy required an annual report to be brought to Council after each year end and a mid year report for the current year. This report set out the performance of the Treasury Management section for the 2016/17 financial year and provided an update for the 2017-18 financial year. The Policy and performance reports were also reported to this Committee prior to Council.

The Committee received a report, similar to that which would be considered by Cabinet on 6 September, 2017, on the performance against the Treasury Management Action plan for 2016-17 and the mid year performance against the Treasury Management Action Plan for 2017-18.

The report included information:-

- on the objectives for the Treasury Management team for 2016-17, as laid out in the Action Plan agreed by Council in May 2016.
- on the in-house team performance.
- that the Council continued to operate two Money Market Funds to give the in-house team easy access to surplus funds.
- that no new borrowings had been taken out during the year.
- that the Council did not use Fund Managers to aid its investment decisions.
- on the mid year review against the 2017-18 Treasury Management Action Plan.
- on the £3m that the Council had invested with foreign banks (Handelbanken and Sumitomo Mitsui bank).

- that, although allowed for within the Strategy, the Council did not have any capital invested with property funds.

RESOLVED –

That Cabinet be advised that this Committee had no substantial comments on the report submitted and asked to express the Council's thanks to the in-house team for the efficient manner in which they had managed the Council's funds.

5. BUSINESS RATES - DISCRETIONARY RELIEF SCHEME 2017

In the Spring Budget 2017 the Government had announced the establishment of a £300m discretionary fund over four years from 2017-18 to support those businesses that faced the steepest increases in their business rates bills as a result of the 2017 revaluation.

The Government expected each Council to design their own scheme based upon local requirements and staff at Aylesbury Vale had been working with their counterparts in the other districts within Bucks to formulate a common scheme which combined an element of local discretion.

The Committee received a report, similar to that which would be considered by Cabinet on 6 September, 2017, on the final draft of the Business Rates – Discretionary Relief Scheme 2017. Cabinet would be asked to consider and adopt the scheme at their meeting so that allocations could commence as soon as possible.

Members commented on a number of issues, including the number of businesses affected and the criteria that might be applied in cases of hardship. Otherwise the Committee was fully supportive of the scheme. Members were advised that the budget provided by the Government would allow for awards of 35% as opposed to the 30% referred to in the report. Members were also informed that 543 businesses were likely to attract discretionary relief.

RESOLVED –

That Cabinet be advised that this Committee endorsed the proposed scheme subject to the increase in the level of awards as indicated above.

6. COMMERCIAL PROPERTY INVESTMENT STRATEGY

The Committee received a report that would be considered by Cabinet on 6 September, 2017, in relation to a proposed Commercial Property Investment Strategy, including on how it would be funded and implemented. The detail would be included in the Minutes of Cabinet.

The overall aim of the Strategy would be to acquire and build a commercial property portfolio that generated income for the Council using a strong, stable, financial model with an acceptable degree of risk. Commercial income generated from property acquisitions would be used to help fund the delivery and enhancement of services to the local community and support the delivery of the district's growth. It had been modelled on a ten year plan.

The Council had been working with consultants with extensive experience in this field and a representative of the company attended the meeting to give a presentation on the rationale and how the strategy might work and to answer technical questions. All Members of the Council had been extended an invitation to the Committee meeting to

listen to the presentation. This matter would in due course be considered by full Council.

The strategy proposed the Council establishing a property acquisition capital fund of £100m sourced from a loan from the Public Works Loan Board. An additional revenue sum of £100,000 was being requested to support the fees needed as part of the acquisition process e.g. agents, legal and stamp duty. These fees would be deducted from the purchase price to give a NET yield against the purchase price and recovered from the income over time. If approved, changes would be required to the Treasury Management Borrowing limits for 2017/18 and reference had been made to this in the report on Treasury Management Strategy appearing elsewhere on the Committee agenda.

Depending on the number of assets acquired, the in-house asset management capacity needed to manage the asset after acquisition would be reviewed. Each acquired asset would require an asset management plan and any additional capacity needed to deliver this, would be factored into the business case for acquisition and recovered from the income over time.

Strong governance was needed coupled with agile decision making to ensure that suitable opportunities which came to the market could be effectively bid for. It was proposed that a Commercial Property Investment Panel be established to consider the business cases put forward for acquisition (and disposal) for any property, with delegated authority being given to the Chief Executive in conjunction with the Director with responsibility for Finance and after consultation with the Panel.

The Strategy and performance against the objectives would be reviewed annually by this Scrutiny Committee, Cabinet and Council with a high level summary report included in the Quarterly Financial Digest. Town centre developments or other developments which had a stronger orientation towards regeneration/place making would not be included in the Strategy which was purely commercially driven.

The Council already owned a number of commercial assets and the intention was that, if approved, these assets and their performance would be measured against the Strategy and the objectives to inform decisions about their future.

The Cabinet report contained three confidential appendices (Appendix 1: specific supporting information used to shape and develop the Strategy; Appendix 2: the Strategy that had been developed with the support of Montagu Evans and Appendix 3: Investment Return information) and the Scrutiny Committee considered these as part of their deliberations.

Members asked questions on sought clarity around the following:-

- (i) The proposed governance arrangements and noted that these had been carefully drafted to ensure accountability and transparency.
- (ii) The rules around the use of New Homes Bonus (NHB) funds and noted that there was complete discretion on how these funds might be used.
- (iii) The scope of the property portfolio. Members were advised that every investment opportunity would be the subject of a detailed business case and risk assessment.
- (iv) Reference was made to recent media comment about investment proposals such as these. Members were however satisfied that AVDC's proposed policy

had been carefully formulated with a view both to protecting the Council's investments and optimising the income generated.

- (v) The need to protect the Council from significant fluctuations in returns and noted that consideration might need to be given to the creation of an equalization reserve similar to that created to smooth out interest rate fluctuations within the context of treasury management.
- (vi) Members noted that investments would not be limited to the Vale, although all local opportunities would be examined.
- (vii) Members commented on the relationship with Aylesbury Vale Estates (AVE), but were satisfied that this scheme would not be in "competition".
- (viii) It was noted that the governance arrangements had been formulated to ensure that the Council could react quickly to investment opportunities whilst maintaining the necessary checks and balances.

RESOLVED –

That Cabinet be advised that this Committee was supportive of the proposal.

7. WORK PROGRAMME

The Committee considered the work programme for the period up until December 2017.

The list of updated agenda items for meetings would be:-

- (i) **3 October 2017** – Quarterly Finance Digest
- (ii) **30 November 2017** – Leisure Centres Management contract, Connected Knowledge, Vale Commerce Business Plan, Draft Budget Proposals for 2018/19.
- (iii) **10 January 2018** – Budget scrutiny (if required)

Members appreciated that might be necessary to cancel the October meeting unless anything substantial emerged in the meantime. Accordingly it was,

RESOLVED –

That the work programme be noted.

8. EXCLUSION OF THE PUBLIC

RESOLVED –

That under Section 100(A)(4) of the Local Government Act, 1972, the public be excluded from the meeting for the following item of business on the grounds that it involved the likely disclosure of exempt information as defined in the Paragraph indicated in Part 1 of Schedule 12A of the Act:-

Commercial Property Investment Strategy (Supporting Information and Strategy Document) (Paragraph 3)

The public interest in maintaining the exemption outweighed the public interest in disclosing the information because the documentation contained information relating to the financial or business affairs of organisations (including the authority holding that information) and disclosure of commercially sensitive information would prejudice negotiations for contracts and land disposals or transactions.

9. COMMERCIAL PROPERTY INVESTMENT STRATEGY

As part of the discussions referred to above concerning the proposed Property Investment Strategy, consideration was given to three confidential appendices that had formed part of the Cabinet agenda, namely:-

- Appendix 1: specific supporting information used to shape and develop the Strategy.
- Appendix 2: the Strategy that had been developed with the support of Montagu Evans.
- Appendix 3: Investment Return information) and the Scrutiny Committee considered these as part of their deliberations.

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LEISURE MANAGEMENT CONTRACT - AQUA VALE SWIM AND FITNESS CENTRE , AYLESBURY

1 Purpose

- 1.1 The purpose of this report is to receive an update from Everyone Active, the council's leisure management contractor, what actions and measures they have implemented over the last six months and any other plans for the future that will continue to improve the standard of cleanliness and hygiene at Aqua Vale Swim and Fitness Centre, Aylesbury.

2 Recommendations/for decision

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| 2.1 The Scrutiny Committee is requested to make any comments and/or observations on this report and to learn directly from Everyone Active of their actions to ensure good quality cleanliness and hygiene standards at Aqua Vale Swim and Fitness Centre continue to be delivered. |
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3 Background and Supporting Information

- 3.1 The leisure management contract for the management and operation of the council's two leisure centres (Aqua Vale Swim and Fitness centre, Aylesbury and Swan Pool and Leisure Centre, Buckingham) was awarded to Sport and Leisure Management Ltd, trading as Everyone Active (EA) from April 2013 for an initial period of ten years with an option to extend the contract, by mutual agreement for up to a further five years. Members will recall that EA pay the council approximately £510,000 each year to manage the council's leisure centres.
- 3.2 EA managers attended the Scrutiny Committee meeting in April this year following reports of poor standards of cleanliness at Aqua Vale. It should be noted that there are no significant concerns regarding the cleanliness standards at Swan Pool.
- 3.3 Formal contract monitoring is undertaken by the AVDC client officer by way of a monthly contract meeting with EA Contract managers and site visit together with ad-hoc contract meetings with the Regional Director of EA. In addition, any complaints received by the council are followed up with EA to ensure that they are resolved in a satisfactory manner. Furthermore, AVDC Environmental Health Officers review the water quality test results obtained by EA if there any concerns regarding the water quality.
- 3.4 EA acknowledged that the overall standards at Aqua Vale had not been as they would expect to provide and that they should have been more proactive in responding to issues that had arisen. The Council's Officers also commented that they could have been more proactive in managing the contract, consequently they had substantially increased the number of unannounced inspection visits to ensure that standards were improving. Members were informed by EA that a number of changes had been made including changes to the senior staffing structure, and the cleanliness and maintenance regimes.
- 3.5 Since the last meeting, the standards of cleanliness at Aqua Vale have continued to improve greatly and much has been done by EA to address concerns raised at the Scrutiny Committee meeting. There is of course, room for further improvement and EA remain committed to raising standards of cleanliness now and going forward. EA has produced a report which will be

circulated at the Scrutiny Committee meeting highlighting the actions and improvements made. Furthermore, Councillor Julie Ward, Cabinet Member for Civic Amenities has met with EA managers and has toured the centre to see first hand the improvements made.

- 3.6 The Committee asked that EA be invited back to attend this meeting to allow elected members to hear of the improvements made and to seek on going assurances of their commitment to continuous improvement to cleanliness standards and to ensure customers receive a quality experience on every visit to the centre.

Contact Officer
Background Documents

Paul Marston-Weston 01296 585116
Minutes of Finance and Services SC meeting, 4 April 2017

BUDGET PLANNING 2018-19

1 Purpose

- 1.1 The Scrutiny Committee is asked to consider the report that was submitted to Cabinet on 8 November 2017 (attached as an appendix) and that sets out the high level issues facing the Council when developing budget proposals for 2018/19, and also impacts on updating the Medium Term Financial Plan (MTFP). The report also sets out a proposed timetable in order to agree the budget and set the Council tax prior to the end of February 2018.
- 1.2 The views and comments of the Committee will be reported back to Cabinet so that they can be taken into consideration in developing the 2018/19 budget.
- 1.3 A further report on the budget process and proposals for 2018/19 will be submitted to the Scrutiny Committee in January 2018.

2 Recommendations/for decision

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| 2.1 The Scrutiny Committee is requested to indicate any comments that it wishes Cabinet to take into consideration in developing the 2018/19 budget. |
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3 Executive summary

- 3.1 Cabinet received a report to its meeting on 8 November 2017 on the high level issues facing the Council when developing budget proposals for 2018/19, and also impacts on updating the Medium Term Financial Plan (MTFP).
- 3.2 A copy of the Cabinet report is attached to the agenda.
- 3.3 The Scrutiny Committee is requested to consider the report and indicate any comments that it wishes to be passed to Cabinet.

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BUDGET PLANNING 2018-19
Councillor Howard Mordue
Cabinet Member for Finance, Resources and Compliance

1 Purpose

- 1.1 This report sets out the high level issues facing the Council when developing budget proposals for 2018/19 and in terms of updating its Medium Term Financial Plan (MTFP).
- 1.2 The report also sets out a proposed timetable in order to agree the budget and set the Council Tax prior to the end of February 2018

2 Recommendations/for decision

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| 2.1 Cabinet is requested to consider the report and agree the approach proposed for developing the 2018/19 budget and the Medium Term Financial Plan. |
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3 Supporting information

- 3.1 The current Medium Term Financial Plan (MTFP) for 2018/19 was agreed by Council in February 2017. This predicted the need to identify £1.4 million of savings in order to balance the budget for 2018/19, based upon the information available at that time and a set of assumptions around key variables within the budget.
- 3.2 These key assumptions will be revisited and reviewed as part of the budget planning and preparation process for 2018/19 and for the 4 years thereafter, which make up the Medium Term Planning period.
- 3.3 Local Government, and most of the public sector, has been managing the consequences of the Government's balancing of the public sector funding equation over the last 7 years whilst at the same time managing the expectations of the Vale's residents.
- 3.4 With the recent General Election and the ongoing uncertainty surrounding Brexit and its impact, there has been some softening of the Government's stance on austerity. As a consequence the Government's long term targets for balancing the budget have been extended and there has been some new funding for some nationally high profile issues.
- 3.5 However, it is still considered unlikely that this will have any material impact on the targets which have been set for local government for the period up to 2019/20. All indications are that austerity will continue for this sector well beyond this timeframe.
- 3.6 The Chancellor has hinted at a landmark budget with a focus on issues such as housing growth. The Chancellor's Autumn Budget is due to be made on 22 November and a re-prioritising of the Government's agenda may have further far reaching implications for local government. However, the Government appears committed to the 4 year settlement, so core funding seems likely to be unaffected, but there remain many other mechanisms by which local government could be affected.
- 3.7 The tone of this budget setting and planning report is, therefore, still primarily focused around the delivery of efficiency savings and new income generation, as identified last year, but with an eye to the wider budgetary risks potentially facing the Council.

- 3.8 This report identifies some of the key issues and areas which will need to be considered as part of the review and update process and sets out the timetable for scrutinising and agreeing the budget and Medium Term Financial Plan for the next 4 years.

4 Timetable

- 4.1 The proposed process broadly follows the same format as in previous years and is set out below.

Meeting Date	Meeting	Possible Reports
8th November	Cabinet	Scene Setting Report
21 st November	Budget Seminar	Consideration of Scene Setting / Grant Changes
11th December	Cabinet	Initial Budget Plan / Strategy
	No Scrutiny of Budget Proposals by Economy or Environment	At this stage there are thought to be no operational service impacts arising from the proposals which require Scrutiny consideration
10 th January	Finance Scrutiny	Consideration of Cabinet Report
9th January	Cabinet	Budget Recommendation to Council
18 th January	2 nd Budget Seminar	
31st January	Council	Budget Setting
21 st February	Council	Council Tax setting

- 4.2 The ongoing work of the Council's officers and its Cabinet members, under the wider Commercial AVDC Programme should again mean that the process can be condensed.
- 4.3 This should be achievable, as any strategic choices relating to the level or means of service delivery have already been debated and scrutinised throughout the year and therefore are not required to be agreed as part of the budget development process. The restructuring programme recently completed has been the single largest facet of the Commercial AVDC programme during the past 12 months.
- 4.4 The Commercialisation Programme is being delivered as an ongoing 4 year programme of co-ordinated works and services reviews and not as 4 separate annual decision making rounds. Through this approach members avoid the annual pain of being presented with multiple, equally unpalatable choices around service cuts. This also minimises the amount of decision making required as part of this annual refresh and update to the Medium Term Plan.

5 Government Funding and the Wider Landscape

- 5.1 The 2015 Spending Review outlined a multi year settlement offer for local Government, which 97% of all councils accepted. The Settlement for 2018/19 represents the third year of four for this settlement.
- 5.2 The figures contained within the settlement are set out below;

	2016-17 £M	2017-18 £M	2018-19 £M	2019-20 £M
Settlement Funding Assessment	5.22	4.30	3.83	3.26
of which:				
Revenue Support Grant	1.57	0.58	0.00	0.00
Baseline Funding Level	3.65	3.72	3.83	3.95

Tariff/Top-Up	-16.16	-16.47	-16.96	-17.50
Tariff/Top-Up adjustment				-0.69

5.3 In 2018/19 the Council will effectively receive no Government Revenue Support Grant. However, it will continue to receive funding from other Government allocations and is allowed to retain the Business Rates Baseline number set out in the table above.

5.4 The Government is currently consulting on elements of the wider settlement but has signalled, barring exceptional circumstances, its intention not to vary this key element of the settlement package.

5.5 The Settlement includes;

- Revenue Support Grant
- Business Rates Tariffs and Top Up payments
- Rural Service Delivery Grants and Transition Grants

5.6 Other elements of the Consultation include proposals around tightening eligibility to New Homes Bonus and the Government's proposals for Council Tax Referendum principles in 2018-19.

6 Council Tax

6.1 On Council Tax, the Government has signalled its intention to hold the broad referendum principles from the last two years. Specifically, for districts, this means a maximum of 2% or £5, whichever is the greater.

6.2 Aylesbury Vale chose to increase Tax by £5 last year, the maximum permissible, representing a 3.59% increase.

6.3 The Medium Term Financial Plan assumed a further increase of £5 in 2018/19, representing an increase of 3.47% in that year.

6.4 Against a backdrop of increasing inflation, a 2% increase is increasingly looking low and the Government will come under pressure from the sector to set a threshold which at least keeps pace with the real growth in costs.

6.5 Inflation is currently 2.8% using the CPI measure and 3.9% using RPI, with concern that currency weakness may push this still higher.

6.6 The assumptions around the proposed increase in Council Tax will be tested as part of the Budget development process.

6.7 In relation to Parish and Town Councils the consultation states that it expects to see clear evidence that these bodies are exercising restraint. It seems unlikely, given that the Government has thus far resisted implementing controls on to this tier, that it will introduce them this year.

7 New Homes Bonus

7.1 Last year the Government consulted on 'Sharpening the Incentive' which resulted in the introduction of a growth baseline target, which needed to be exceeded in order to attract bonus and a reduction in the number of years for the Bonus is paid from 6 years to 5, to 4 years in 2018/19.

7.2 The Government held back from imposing some more radical changes, but promised to keep these under review.

- 7.3 This year, the consultation is seeking to revisit these. The areas of main concern are proposals to increase the base level and to withhold NHB where development is permitted on appeal.
- 7.4 The Council has responded to this consultation, highlighting that even councils committed to housing growth delivery will sometimes need to reject applications where they are opportunist and where they are not consistent with the location of growth in the local or neighbourhood plans, or the with the provision of infrastructure.
- 7.5 Councils are keen to support resident's wishes enshrined in Neighbourhood Plans and the consultation proposals are a financial disincentive to do this.
- 7.6 The Council is still holding a considerable reserve of NHB funds held against commitments awarded out previous allocations.
- 7.7 The Budget proposals will need to consider how expected future allocations might be utilised, but given uncertainty over the changes the Government might implement, it will need to be more cautious over what future commitments it proposes entering into.

8 Business Rates Pooling and 100% Retention

- 8.1 From the 1st April 2013, Government Grant is now made up of two elements, Revenue Support Grant and Retained Business Rates. The system of Business Rate Retention allows councils to benefit (or lose) from changes in the amount of business rates collected in their area and thus each council will be incentivised to promote economic expansion.
- 8.2 The Council's ability to gain from business rates growth is limited in practice, but it has still generated some tangible gains over the 4 years the current system has been in place.
- 8.3 Appeals against the amount of business rates payable continue to present an issue. Thus far, these appeals have been successfully managed through an appeals provision. However, appeals against a number of the largest properties in the Vale are still unresolved and therefore present a potential risk. The current assumption is that these can be managed within the existing appeals provision but this will need to be kept under review.
- 8.4 The revaluation of all Business Rates took place on the 1st April 2017 and, as predicted, this impacted some groups of businesses in the Vale. The Government announced funding for Discretionary Relief for small businesses and pubs and this relief has been designed into the local scheme and distributed.
- 8.5 In 2016/17, Aylesbury Vale entered into a Business Rates Pooling arrangement with Bucks County Council, Bucks Fire and Rescue, Chiltern District Council and South Bucks District Council. This allowed the Pool to retain a proportion of Business Rates Growth which would normally go to the Government.
- 8.6 Across Buckinghamshire this resulted in a Pooling gain of in excess of £1 million during 2016/17 and this has been shared amongst the Pooling partners in accordance with the Memorandum of Understanding agreed by the Pooling members.
- 8.7 On the anticipation of this gain, the Pool opted to continue in to 2017/18 (where further gains are anticipated) and is expected to continue again in to 2018/19.

- 8.8 The Government consulted last year in proposals to allow local government to retain all of business rates growth. This resulted in a set of detailed and complicated proposals which it intended to enact through Parliament. However, the General Election and the change in Parliamentary majority meant the Government no longer considers progressing its full proposals a priority.
- 8.9 However, the Government remains committed to the concept and it is piloting ways to achieve the broad ambitions of its policy intention without the need for primary or secondary legislation.
- 8.10 As part of the Settlement process for 2018/19 the Government has sought pilot areas to trial retention. There are a number of existing pilots in operation, mainly around the mayoral based combined authority deals recently agreed. DCLG is now keen to widen the pilots to include other structural combinations, in particular in 2 tier areas.
- 8.11 As part of any submission the Government wants to see a focus on Functional Economic Areas, with Business Rates Retention being seen as a means to deliver economic growth in these areas as well as dealing with Local Government sustainability considerations.
- 8.12 Buckinghamshire is made up of more than a single Functional Economic Area with twin focuses, looking north and south. Aylesbury Vale has a strong economic focus towards the SEMLEP geography and this is supported by the Government's promotion of the East West Corridor and Central Area. Aylesbury Vale feature prominently with the Central Area of this corridor and retention of Business Rates growth is seen as an important funding mechanism in terms of infrastructure delivery.
- 8.13 As a purely Buckinghamshire focused pilot would detract from progressing a wider retention proposal, and because of the narrow bidding window available, no submission was submitted in this pilot round. The time gained will be used to try and develop a wider area proposal in time for any future pilot opportunities.

9 Inflation and Pay

- 9.1 The MTFP agreed in February made assumptions around Inflation and Pay based upon trends in the economy. In practice, the looming Brexit deadline is having unpredictable effects on the economy as markets react to the uncertainty the issue is causing. Much of this will be determined and resolved by the Government's final agreed approach to the exit from the European Union.
- 9.2 At the point of writing it is still far from clear as to what kind of agreement the UK Government can achieve or how global markets will react to this.
- 9.3 For now, it appears that continued uncertainty will weaken the Pound and push inflation higher in the short term. Seemingly, this will now hasten higher interest rates. However, the situation is volatile and provides an uncertain environment in which to plan. This will need to be kept under review, but it seems unlikely that any great clarity will emerge during the budget planning period. It therefore seems probable that this will become one of those issues that will necessitate continual review and a higher level contingency.
- 9.4 Last year the Staff Side and Unions agreed a two year pay settlement arrangement with 1% in 2017/18 and a further 2% in 2018/19. This agreement has been built into Medium Term Planning assumptions.

- 9.5 The Council also committed to a pay review and work continues on this. The results will need to be considered in the context of budget planning and consideration of service pressures.

10 Brexit

- 10.1 Officers continue to watch the negotiations on Brexit with interest. The practical fallout implications are still extremely difficult to tell at this stage, because of the uncertainty of the terms that will be negotiated.
- 10.2 The Council does not received any direct funding from the European Commission and so will not see any immediate direct impacts. However, the main concerns continue to be around the indirect impacts any these are harder to anticipate.
- 10.3 For now concerns over the indirect impacts reside in the availability of workforce, inflation, costs of borrowing and the impact on the wider economy in terms of business rate income.
- 10.4 The Council has relatively few direct employees from the EU, and so the situation is not of such significance as for those councils which have care responsibilities. However, a number of the Council's contractors do rely on EU staff and the future availability may put additional pressure on contract costs.
- 10.5 The impact of workforce availability, tariffs, exchange rates and borrowing may all potentially push prices up. This would be reflected in the headline rates of inflation. Currently there is some upward pressure in this respect, but this is mainly the result of uncertainty. Once clarity is ascertained on the nature of the exit terms there may be additional cost pressure as the markets digest this and price this in.
- 10.6 The Council now receives a proportion of all Business Rates collected in the Vale. Brexit will certainly have some impact on local businesses, but the nature is harder to determine. Businesses may choose to relocate within the EU or import tariffs may make UK production more attractive to the domestic market. There may be Business Rate losses or gains depending upon the nature of the agreement.
- 10.7 However, it seems probable that whatever the actual impact is, its full implications will not truly determined for a very long time.
- 10.8 Brexit will remain a consideration for at least the length of this Medium Term Financial Plan.

11 AVDC Commercial Interests

- 11.1 Members will be aware that the Council now has a number of commercial interest holdings, each at different stages of maturity.
- 11.2 In line with the overarching governance approach adopted by Council earlier this year, each of these interests will present an annual Business Plan for consideration and Scrutiny alongside the budget development process. The financial implications of the agreed Business Plans will be reflected in the developing budget.

12 Commercial AVDC

- 12.1 The councils approach to balancing its finances over the Medium Term Financial Plan has been based on the Commercial AVDC programme.

- 12.2 In summary the programme was developed as the response to addressing the budget challenges following the changes to government funding and the desire to develop a more commercial response to the delivery of services for existing and new customers of traditional and new services.
- 12.3 A programme of continual change and innovation has been put in place over recent years, with the last year largely focused on a complete top to toe rebuild of the internal structures of the council, as well as the delivery of key innovations in service delivery.
- 12.4 Members will be aware that during the last 12 month or biggest and most valuable assets, our staff, have been through a behavioural led process to ensure that we are fit for the future. At the same time, we have also completely rebuilt the structure and all roles in the council to fit with the behaviours and the more commercial approach to how we work. This is the first time we are aware of any council undertaking a programme of this type, simultaneously redesigning and recruiting its entire staff whilst keeping all services running. Set out below are some headlines of the programme and its successes:
- Delivery of a newly designed delivery structure fit for the 21st century, aligned to our commercial behaviours making us fit for the future and ready to address the other issues set out in the MTFP
 - Exceeding the £6m target set for the programme by 2020 – achieving £2.2m in 2017/18 and delivery of £3.8 by 2021.
 - Headcount reduction from 471 to 426 (around 10%)
 - 250 of the above roles were filled by existing staff, (drivers and loaders undertook a different development behavioural process and are therefore excluded from the above figure making up a total of xx staff). This left 110 roles to fill externally (around a third of all posts in the new structure, excluding drivers and loaders).
 - Aylesbury Vale has managed to attract a very high calibre of applicants externally, including applicants from local government, other public services and the commercial world – this indicates that the programme overall is succeeding in bringing a more commercial mind-set and approach to the Council's activity.
 - To date, 88 people have left the Council during the course of the Commercial AVDC Programme, comprising 25 settlements, 38 voluntary redundancies, 23 compulsory redundancies and 2 resignations. Settlement / redundancy payments are in excess of £2m and that the cost of the behavioural assessments and accompanying programme had cost in excess of £1m. It is expected that these measures would lead to ongoing salary savings of £2m p.a., representing a payback of approximately 1.5 years.
 - The new structure means that AVDC had a 'fit for purpose' workforce that would enable the Council to live within it means, although there will continue to be cost pressures.
 - The equalities statistics for the workforce remains broadly the same post the restructure, with an overall reduction in all age groups (small increase in 31-40), ethnicity and disability percentages broadly the same, with our gender profile broadly similar, although a slight growth in female employees in senior management roles.

- Additional benefits of the re-structure have already been proved. Some examples of this are
 - Increased flexibility within the Senior Structure to re-allocate responsibilities and projects, ensuring the organisation is better able to react and flex as required.
 - The opportunity to have more of a commercial focus across all Sectors and a joined up approach to enable increased income streams.
 - Clarity on development requirements, recruitment branding and succession planning.

12.5 During this time, we have also achieved a number of significant achievements exhibiting the Commercial Approach:

- First council globally to deliver comprehensive and delivery focused Alexa voice skills, enabling new ways for our customers to interact with us
- First public body that we are aware of to pilot artificial intelligence to assist with handling our customers enquires, freeing up time to spend with those customers who need our help more
- Through the Vale Lottery the Council has generated around £80,000 worth of new income for communities in Aylesbury Vale, as well as the delivery of 7 lotteries across the Country. This has increased income for AVDC, whilst also helping the wider sector and 173 communities across the country to raise new funds for their areas.
- Running and speaking at numerous conferences sharing our best practise and those of our partners and colleagues, as well as providing consultancy services to other public-sector providers enabling them to work in a more commercial way, whilst delivering income to the council.
- Moved more customer fulfilment functions on to the Salesforce platform thereby helping our staff to provide our customers with better, more efficient and faster service, and reducing our complex IT legacy systems
- The Council are mid-way through building 'The Exchange', a new restaurant and residential development in Aylesbury Town Centre, and has agreed a £100m Commercial Property Investment Strategy. These along with our other strategic commercial assets will enable the Council to continue to support its aims over the medium and long term.
- The Council is partway through building the new Pembroke Road Waste Depot, and is on target to launch the Commercial Workshop later in 2018.
- The Waste Team will be retiring its old HGV vehicles and bringing in a new fleet that will be built to the latest EURO 6 emission standards. This will improve emissions for the 500,000 miles the fleet travels each year and reduce fuel consumption as well.

13 Connected Vision

- 13.1 In 2018/19 and beyond the Council needs to build on this wealth of progress and achievement. Now that the organisational restructure is largely completed, the time is right to start to build how the Council will orient itself in

the future to ensure that we are focused on ensuring the long term delivery of public service. To this end work, has commenced on bringing together the different strand of the Commercial AVDC Programme and other external and internal objectives into a single statement of objectives. This will provide a single point of truth and clarity of purpose for the staff and external observers which will steer and guide the future work of the organisation. This is known as '*Connected Vision*'.

- 13.2 In developing Connected Vision, there is no attempt to challenge the already clearly set objectives for the Council, namely "*To Secure the Economic, social and environmental wellbeing of the Vale*". This, or a variant, has long been the vision that drives the Council's purpose. However, what has been finessed over recent months is the mission; the driver of how the vision is delivered. The Mission as part of Connected Vision is "*to make AVDC the best Social Enterprise Business in the UK – providing World Class support for those that need it*".
- 13.3 A Social Enterprise is "*An organisation that by selling goods and services in the open market, social enterprises reinvest the money they make back into their business or the local community. This allows them to tackle social problems, improve people's life chances, support communities and help the environment*". (Social Enterprise UK). This approach adds to the direction the Council is taking in terms of commercialisation, but emphasises this is not for its own sake, rather with an end of achieving social improvement and wellbeing for the residents, businesses and environment.
- 13.4 The Connected Vision document seeks to bring all the existing strands of work together in an attempt to demonstrate how they nest within the Council's wider vision and the milestones which will need to be passed on the way in order to ensure its achievement. This will help in the understanding of where individual actions sit and how they inter-relate. It will also help the organisation manage and direct its resources in the delivery of the vision.
- 13.5 The Connected Vision is expressed in a number of themes which create a framework in which the wider vision can be delivered. The four themes are:
- Financially Fit (ensuring we have the funds to fulfil the vision and use them wisely)
 - Customer & Innovation (ensuring the customer is at the heart and we are drive to innovate for them)
 - Community Focussed (ensuring we deliver for the community at large)
 - Commercially Minded (to ensure we fulfil the overall Social Enterprise model).
- 13.6 These are not divergent from the existing direction, but by clarifying these in this way it helps to ensure the organisation is better aligned, as well as being clear to its customers why it is developing in the way it is.
- 13.7 It is intended to publish a connected vision update annually, communicating on progress periodically. The first iteration of this is set out below in a graphical form. This will continue to update and develop before the beginning of the new financial year. More detail on the monitoring and reporting framework behind Connected Vision will be published towards the beginning of the new financial year.

Commercially Minded



Community Focused

14 Connected Knowledge

- 14.1 In January 2017 Cabinet and Council considered a technology strategy, titled Connected Knowledge. The was well received and endorsed by Council as the right direction of travel for improved customer services and the main driver for efficiency driven work over the next 5 years.
- 14.2 As part of the Budget process an initial allocation of funding was awarded to progress the first year's work. This was accompanied by an undertaking to provide an update on progress towards the end of the first year and dependent on progress, to seek a further tranche of funding once the scope and costs of the next stage has been clarified.
- 14.3 Connected Knowledge is designed to be the catalyst for technological innovation and change, thereby propelling our organisation into the future.

The programme is intended to support the Council with the necessary tools, policies, people and environment that further enhances the commercial mind-set and company culture. The Council is already widely acknowledged as championing this agenda within the public sector.

14.4 Connected Knowledge is built on the advances made in the previous five year cloud strategy, which created strong foundation for the next five years.

14.5 This strategy, and its accompanying roadmap, set out in detail the guiding principles and objectives. It also contained the key achievements. This Included:

- The creation of the Connected Knowledge platform, a platform of integrated data and intelligent systems enabling properly integrated and automated transactions for all our customers.
- The introduction of artificial intelligence (AI) and AI powered voice control, which over time will serve increasingly complex customer demands Connected Knowledge. We see the future as an interconnected world with staff, customers, partners all engaging with the digital technology to deliver the Councils Strategy.
- Being 100% cloud software based. Meaning a simplified, lower maintenance Information Communication and Technology (ICT) landscape
- A more strategic approach - to what we do, the services we provide, who we work with and what we buy.

14.6 In the Medium Term Financial Plan the Connected Knowledge programme will therefore represent a major area of investment as the driver of a significant element of the planned efficiency savings across the next 4 years.

14.7 It is intended to provide a detailed update on the programme to Cabinet in December, alongside the initial Budget Proposals.

15 The Council Tax Base

15.1 The Tax Base is a measure of the number of household which are liable to pay Council Tax in an area in a given year. The Tax Base also takes into account the banding (size) of the property and the entitlement to discounts of the occupiers.

15.2 With the growth in the Vale over recent years the Tax Base has increased significantly above its historic growth trends, resulting in more Council Tax being collected. Whilst useful, in terms of the additional Council Tax generated, the reality is that the housing growth which has resulted in the Tax Base growth often contributes more cost, by way of demands for infrastructure and services, than the increased Council Tax income the new residents will pay.

15.3 It is estimated that the combination of these factors will result in actual Tax Base growth of just below 2% (1.97%) in 2018/19 compared to the existing 1% assumed in the Medium Term Financial Plan. This is a slight reduction from the 2.4% achieved in 2017/18.

16 Capital Planning and the Impact of Spending Decisions

16.1 The revenue financing implications arising from the decisions taken by Council over the past few meetings (such as the property investment strategy

and schemes around Silverstone) will now need to be factored into the budget for 2018/19 and beyond.

- 16.2 This, along with the impacts of any other new decisions, will also need to be modelled alongside the position on capital resources.
- 16.3 The Capital Programme is to be considered in a broadly parallel process to that of revenue budget development and the revenue impacts of any funding decisions taken will need to be considered and built into revenue planning as part of the approval process.
- 16.4 Where the Council has had spare cash balances available, it has used these in lieu of borrowing. This reduces the need to take long term borrowing and also the Council gets the lender's return, thus it is financially advantageous to do so.
- 16.5 Utilising spare cash in this way is especially advantageous during periods of low interest rates. It is generally predicted that the Bank of England will begin to increase base rates during 2017, but this is still heavily dependent on external and global factors and any increase, when it comes, is likely to small and gradual.
- 16.6 The impact on investment income, the costs of borrowing and the returns or savings from investment decision must therefore all be considered together in order to understand the actual impacts of these decisions.
- 16.7 The final impact of completed and planned investment decisions are still being modelled and will be set out in more detail in subsequent reports.

17 Process for Resolving the Budget for 2018/19

- 17.1 As highlighted in previous years the Council's strategy for balancing the budget is an ongoing process and not an annual exercise purely undertaken at this time of the year. This is driven by a desire to balance the budget through reorganisation, efficiency and income generating strategies already set in train and without the need for a crude or simplistic cuts exercise.
- 17.2 The re-organisation recently completed (Commercial AVDC) and the Connected Knowledge programmes are both central tenants of this approach.
- 17.3 From the work undertaken over the past 12 months (and prior to this) it is believed that this should be possible but, as highlighted, there are still some key uncertainties which will need to be better understood through the development process.
- 17.4 It is therefore proposed to continue to work on refining the budget, making assumptions about the range of outcomes and aiming for the worst case scenario where appropriate.
- 17.5 The Council has Working Balances broadly in line with its stated minimum. These allow the Council to push forward and invest in new savings initiatives with the confidence of a cushion behind it. Balances (adding to, or a use of) are therefore likely to form part of the strategy for concluding the balancing of the budget for 2018/19.
- 17.6 As identified, the focus remains on restructuring and new income generation and not upon lists of potential cuts for consideration. If a specific proposal requires a Cabinet decision or scrutiny consideration it will have already been taken through the democratic process at the appropriate time, or be separately identified for debate as part of the budget development process.

- 17.7 This will again make the budget process lighter touch and should avoid the need to take lists of potential service reductions through scrutiny committees.
- 17.8 An initial budget position will be presented to Cabinet in December and will be the subject of Scrutiny by Finance and Services Scrutiny Committee.

18 Options considered

- 18.1 This report sets out the current position in relation to budget planning and highlights the issues that will need to be resolved prior to agreeing a budget recommendation in January. As such there are no options to consider at this time.

19 Reasons for Recommendation

- 19.1 The report asks members to note the current position and asks them to agree the process to be adopted for concluding Budget Planning for 2018/19 and for revising the MTFP.

20 Resource Implications

- 20.1 These are included within the report

21 Response to Key Aims and Objectives

- 21.1 The Budget is the key lever in terms of delivering the Council's objectives, where they require additional investment or resources. The budget also articulates the costs of providing existing services and a balance has to be struck between the competing demands for resources. These issues will be explored further in subsequent reports on budget development.

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FINANCIAL DIGEST – JULY – SEPTEMBER 2017

1 Purpose

- 1.1 This report presents the Financial Digest for the period to 30 September 2017.

2 Recommendations

Members are requested to consider the digest and its contents.

3 Supporting information

- 3.1 This report presents the financial digest for the period to the end of September 2017 for members consideration.
- 3.2 The financial digest is attached as Appendix 1.
- 3.3 The year to date financial information is based on the actual income and expenditure for the first six months of the financial year. An estimate of the expected financial outturn position for 2017/18 is also provided.
- 3.4 As at the end of September, an overspend against budgets of £1.290m is reported.
- 3.5 The financial position is largely being driven by above budgeted levels of staff costs in relation to the Council reorganisation. Over the past 12 months, the Council has undergone a series of business reviews in order to position itself as a more commercial organisation. It is anticipated that the financial benefit of the re-organisation will be realised through significant savings in staff costs in the future.

During the first 6 months of the year, £0.672m of salary savings were recognised as a result of business reviews and vacancies. These vacant posts are however being filled by temporary staff (agency and consultants) at a premium cost. For the first six months of the financial year, agency costs are reported as being £1.290m above budgeted levels. As we progress through the year it is anticipated that these vacancies will be filled and the reliance on temporary staff should reduce.

- 3.6 A forecast overspend of £0.496m is currently forecast for the period to the end of March 2018.
- 3.7 The forecast overspend reflects redundancy costs of £1.7m and temporary staff costs of £2.9m, offset by full year salary savings of £1.8 in excess of the salary savings requirement.
- 3.8 The cost of redundancy will be funded from reserves. The use of reserves to meet redundancy costs has previously been agreed to fund these exceptional costs of reorganisation. The council anticipates pay back of costs incurred through staff savings over the next few years.
- 3.9 Detail of the reserves and provisions held by the Council are detailed on page 13 of the digest. After allowing for known movements, the balance of reserves is forecast to be £35.817m at 31st March 2018.
- 3.10 As well as the revenue budget the digest, on page 14, also reports on the level of capital spend to 30th September 2017. Whilst the year to date spend of £0.78m represents only 6% of the total anticipated spend, there is no

perceived risk on the delivery of the schemes and it is anticipated that spend will increase in line with plans over the last 6 months of the year.

- 3.11 On page 15 there is information on the level of investments and borrowings during the first six months of the financial year. No new borrowing has been taken out during the year and so the current level remains at £23.5m.
- 3.12 The council had £54.8m invested at the end of September, in a combination of banks, building societies and money market funds.
- 3.13 This Committee is requested to consider the contents of the Financial Digest.

4 Options considered

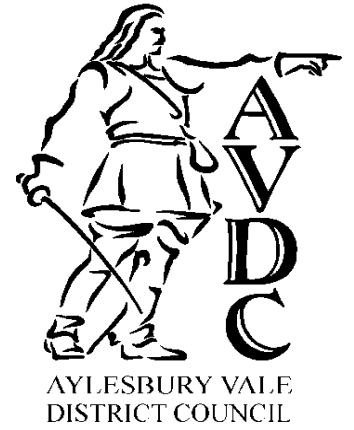
- 4.1 The financial forecast represents a view of the likely financial outturn for the financial year, given current working assumptions. We are working within a very dynamic environment and the financial outlook is being reviewed on an on-going basis to both reduce financial risks that may impact adversely on the financial forecast and also to identify opportunities to improve on the current forecast position.
- 4.2 As part of routine financial management arrangements, budget holders' will be asked to review all of their areas of responsibility to assess areas where spend can be minimised and income opportunities optimised. Budget managers will be encouraged to review anticipated staff costs and agency costs over the coming months, with an emphasis to drive costs down whilst still maintain service delivery. The strategic team will also review possible mitigating actions and opportunities to improve the forecast position.

5 Resource Implications

- 5.1 The resource implications are as detailed within the digest. The digest represents the main forum for reporting budget performance to members.

6 Response to Key Aims and Objectives

- 6.1 Budget monitoring helps us to ensure resources are deployed in a way that is consistent with our key aims and outcomes.



FINANCIAL DIGEST SEPTEMBER 2017

CONTENTS

	PAGE NUMBER
Main Points	1
General Fund Summary	2
Portfolio	
General Fund Summary	3
Civic Amenities	4
Commercialisation & Business Transformation	5
Communities	6
Economic Development & Regeneration	7
Environment & Waste	8
Growth Strategy	9
Leader	10
Resources, Governance & Compliance	11
Special Expenses	12
Reserves and Provisions	13
Capital Programme	14
Rate of Return and Investment Level	15
Members Feedback / Question Sheet	16

Main points of note contained within September's digest

The Main Message

- The Council spent £1,290,246 more on the provision of services during the first 6 months of 2017/18 than allowed for in the budget.
- Over the past 12 months, the Council has undergone a series of business reviews in order to position itself as a more commercial organisation.
- This has led to a total structural reorganisation which will result in significant savings in staff costs in the future.
- During the first 6 months of the year, we recognised £672,300 of salary savings as a result of these business reviews and other unforeseen vacancies.
- These vacant posts are currently being filled by temporary staff (agency and consultants) which have cost £1,228,200 in excess of budget.
As we progress through the year it is anticipated that these vacancies will be filled and the reliance on temporary staff will reduce.
- We are currently predicting a full year overspend of £496,700 after use of Reserves.
- This includes redundancy costs of £1,712,300 and temporary staff costs of £2,894,300, offset by full year salary savings of £1,801,100 in excess of the salary savings requirement.
- It is expected that the redundancy costs will be funded from reserves.

The Main Issues

The main issues arising are highlighted below, with further analysis included in the main body of the digest:

	Variance to Date £	Predicted Outturn £	
Top 5 Over Budget			
Housing Benefits	585,848	1,120,700	Redundancy, agency staff & salary costs
Assistant Directors	338,602	234,100	Redundancy, salary and consultancy costs
Finance & Payroll Services	166,668	313,600	Redundancy, agency staff & salary costs
Business Strategy	138,969	99,900	Staff costs relating to Commercial Solutions initiative
Office Accommodation	125,371	102,500	Increased repairs & maintenance contract costs
Top 5 Under Budget			
Car Park Management	(203,844)	(55,400)	Savings in Business Rates & potential income from Chiltern Railways reduced by loss of P&D income in Exchange Street.
Commercial Property	(77,251)	(120,100)	Increased rental and service charge income
Strategy & Partnerships	(56,307)	(89,900)	Salary savings & increased income
Communities	(47,460)	(65,200)	Salary & other cost savings
Planning Services	(41,970)	180,200	Additional Building Control fees reduced by redundancies, agency staff & salary costs

GENERAL FUND SUMMARY AS AT 30TH SEPTEMBER 2017

GENERAL FUND STATEMENT OF BALANCES	ACTUAL OUTTURN 2016/17 £'000	ORIGINAL BUDGET 2017/18 £'000	EXPECTED OUTTURN 2017/18 £'000
Brought Forward 1st April	(3,975)	(3,646)	(2,873)
Planned Use of Balances	91	0	0
Less General Overspend Assumption	(168)	0	497
Contribution to the HS2 Fund	10	0	2
Web & E-Commerce Project	424	0	0
Commercial AVDC Change Project	745	0	450
Net Use of Balances	1,102	0	949
Working Balance Carried Forward	(2,873)	(3,646)	(1,924)

Fund	General
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Portfolio	Full Year		Year to Date		
	Current Budget	Expected Year End Variance	Budget to Date	Actuals to Date	Significant Variances
Civic Amenities	579,900	(132,600)	134,068	(141,145)	(275,214)
Commercialisation & Business Transformation	1,847,600	267,200	1,871,020	2,151,936	280,916
Communities	3,487,600	(12,300)	1,385,173	1,425,262	40,089
Economic Development & Regeneration	(940,800)	(78,700)	(694,946)	(774,685)	(79,738)
Environment & Waste	6,316,700	5,000	2,281,894	2,326,291	44,397
Growth Strategy	2,498,700	139,400	1,011,014	938,698	(72,317)
Leader	2,857,500	379,500	1,736,261	2,274,211	537,951
Resources, Governance & Compliance	3,460,500	1,593,500	2,031,096	2,845,258	814,162
Total Portfolio Expenditure	20,107,700	2,161,000	9,755,581	11,045,826	1,290,246
Net Interest Payable	(1,147,500)	0			
Contribution To Reserves	823,400	0			
Contribution From Reserves	(2,627,500)	(1,712,300)			
Contingency Items	104,900	0			
Asset Management	(1,470,900)	0			
Financing Items	1,502,000	48,000			
District Expenditure	17,292,100	496,700			
Less Aylesbury Special Expenses	(830,300)	0			
Contribution (from)/to Special Expenses	(38,000)	0			
Net District Expenditure	16,423,800	496,700			
Government Grant	(5,478,000)	0			
Collection Fund	(10,945,800)	0			
Underspend	0	496,700			

Please Note: Figures in brackets are underspending/additional income

Fund	General
Portfolio	Civic Amenities

Service	Full Year		Year to Date		
	Current Budget	Expected Year End Variance	Budget to Date	Actuals to Date	Significant Variances
Car Park Management	(761,600)	(55,400)	(159,582)	(363,427)	(203,844) ①
Community Centres	412,400	(13,300)	150,109	140,975	0 ②
Leisure Centres	136,000	(27,300)	(223,107)	(244,982)	(21,876) ③
Market	(1,700)	5,900	(150)	(2,085)	0 ④
Public Burial Fees	3,000	0	1,500	(1,308)	0
Public Conveniences	123,400	(800)	44,500	41,465	0 ⑤
Theatre & Leisure Centre Management	122,900	(31,900)	55,050	35,093	(19,957) ⑥
Town Centre Manager	139,100	300	58,548	58,618	0 ⑦
Waterside Theatre	406,400	(10,100)	207,200	194,506	(12,694) ⑧
Grand Total	579,900	(132,600)	134,068	(141,145)	(275,214)

Notes

* Services annotated with an asterisk are either wholly or in part recharged to other services. The figures for these services are the net cost after recharges have been made.

- ① £203,844 lower costs/lower income - savings in business rates of £248,300, £2,000 staff savings from the business reviews & £150,000 potential income from Chiltern Railways. The forecast has been amended to reflect these savings offsetting the £350,000 potential shortfall in P&D income from Exchange Street Car Park.
- ② The forecast has been amended to reflect salary savings following the business reviews
- ③ £21,876 lower costs/higher income - savings in building insurance costs plus increased contract income. The forecast has been amended to reflect the anticipated outturn position.
- ④ The forecast has been amended to reflect increased business rates.
- ⑤ The forecast has been amended to reflect reduced business rates.
- ⑥ £19,957 lower costs - salary savings from vacant posts. The forecast has been amended to reflect the anticipated outturn position.
- ⑦ The forecast has been amended to reflect increased business rates.
- ⑧ £12,694 lower costs - The forecast has been amended to reflect savings in building insurance costs.

Fund	General
Portfolio	Commercialisation & Business Transformation

Service	Full Year		Year to Date		
	Current Budget	Expected Year End Variance	Budget to Date	Actuals Plus Commitments to Date	Significant Variances
Business Strategy	0	99,900	0	138,969	138,969 ①
Car Pooling Scheme	114,300	(30,000)	52,550	52,901	0 ②
Communications & Marketing	500	105,800	227,375	282,724	55,350 ③
Digital Services	289,400	44,300	167,500	189,952	22,452 ④
IT - Strategic & Enterprise Service Desk	(93,800)	49,600	414,095	467,884	53,789 ⑤
Project Management Office	1,537,200	22,600	1,009,500	1,033,112	23,612 ⑥
Vale Lottery	0	(25,000)	0	(13,650)	(13,650) ⑦
Grand Total	1,847,600	267,200	1,871,020	2,151,892	280,872

Notes

* Services annotated with an asterisk are either wholly or in part recharged to other services. The figures for these services are the net cost after recharges have been made.

- ① £138,969 higher costs - costs relating to the Commercial Solutions initiative, which should be offset from future income streams. The forecast has been amended to cover these costs for this year.
- ② The forecast has been amended to reflect a reduction in vehicle leasing costs.
- ③ £55,350 higher costs - redundancy costs £65,000 and agency staff costs £17,000 offset by salary savings following business reviews £28,000. The forecast has been amended to reflect these plus future redundancy costs.
- ④ £22,452 higher costs - temporary staff costs £82,000 offset by salary savings £59,000 following the business reviews. The forecast has been amended to reflect the anticipated outturn position.
- ⑤ £53,789 higher costs - redundancy costs £39,000 and agency staff costs £38,000 offset by salary savings £11,000 following the business reviews. The forecast has been amended to reflect future redundancy & on-going agency staff costs.
- ⑥ £23,612 higher costs - redundancy costs £10,000 and increased staff costs £10,000. The forecast has been amended to reflect the anticipated outturn position.
- ⑦ £13,650 higher income - income generated from the lottery which will offset voluntary grant spend during the year.

Fund	General
Portfolio	Communities

Service	Full Year	
	Current Budget	Expected Year End Variance
Communities	588,000	(65,200)
Community Safety	391,600	24,800
Concessionary Travel	40,600	(30,000)
Grants	447,800	25,700
Housing Pathways	365,800	(46,500)
Housing Services	489,800	33,700
Parks, Pitches & Open Space	1,164,000	45,200
Grand Total	3,487,600	(12,300)

Year to Date		
Budget to Date	Actuals Plus Commitments to Date	Significant Variances
154,205	106,744	(47,460) ①
129,596	152,168	22,572 ②
7,700	5,550	0 ③
168,148	181,836	13,688 ④
108,039	82,816	(25,222) ⑤
190,924	203,345	12,422 ⑥
626,562	692,803	66,241 ⑦
1,385,173	1,425,262	40,089

Notes

* Services annotated with an asterisk are either wholly or in part recharged to other services. The figures for these services are the net cost after recharges have been made.

- ① £47,460 lower costs - salary savings following the business reviews £30,000 & savings in service costs £33,000 offset by redundancy costs £13,000. The forecast has been amended to reflect the anticipated outturn position.
- ② £22,572 higher costs - higher CCTV costs. The forecast has been amended to reflect these plus increased salary costs following the business reviews.
- ③ The forecast has been amended to reflect savings in taxi token costs.
- ④ £13,688 higher costs - increased grants payments. The forecast has been amended to reflect the anticipated outturn position, and is offset by increased lottery income.
- ⑤ £25,222 lower costs - salary savings following the business reviews £42,000 offset by increase agency staff costs £19,000. The forecast has been amended to reflect future ongoing salary savings and temporary staffing costs.
- ⑥ £12,422 higher costs - redundancy costs £45,000 and agency staff costs £50,000 offset by salary savings following the business reviews £62,000. The forecast has been amended to reflect the expected full year impact of these.
- ⑦ £66,241 higher costs - redundancy costs £45,000 plus increased salary costs £34,000 offset by a number of smaller savings across a range of services. The forecast has been amended to reflect redundancy costs.

Fund	General
Portfolio	Economic Development & Regeneration

Service	Full Year		Year to Date		
	Current Budget	Expected Year End Variance	Budget to Date	Actuals Plus Commitments to Date	Significant Variances
Bus Station	153,500	3,100	36,600	34,378	0 ①
Commercial Property	(2,005,500)	(120,100)	(1,021,423)	(1,098,674)	(77,251) ②
Economic Development	273,100	(69,800)	85,346	43,752	(41,594) ③
Industrial Estates and Town Centre Props	453,100	125,100	213,896	212,041	0 ④
Land Charges	(1,500)	10,300	(75,952)	(80,113)	0 ⑤
Non Operational Property	(23,500)	(31,500)	(11,462)	(46,439)	(34,977) ⑥
Sustainability	136,300	14,200	62,598	152,699	90,101 ⑦
Town Centre Open Spaces	73,700	(10,000)	15,450	7,671	0 ⑧
Grand Total	(940,800)	(78,700)	(694,946)	(774,685)	(79,738)

Notes

* Services annotated with an asterisk are either wholly or in part recharged to other services. The figures for these services are the net cost after recharges have been made.

① The forecast has been amended to reflect increased business rates costs.

② £77,251 higher income - increased rental income at Pembroke Road and High Street of £110,000 offset by lower service charges at High Street £20,000 and lower than expected conference centre income £15,000. The forecast has been amended to reflect the anticipated outturn position.

③ £41,594 lower costs - salary savings following the business reviews. The forecast has been amended to reflect the full year impact of these.

④ The forecast has been amended to reflect increased business rates costs.

⑤ The forecast has been amended to reflect salary savings following the business reviews offset by agency staff costs.

⑥ £34,977 higher income - increased rental and land licence income. The forecast has been amended to reflect the anticipated outturn position.

⑦ £90,101 higher costs - redundancy costs £68,000 and specialist advice £30,000, offset by salary savings following the business reviews £54,000. The forecast has been amended to reflect these plus on-going salary savings.

⑧ The forecast has been amended to reflect anticipated savings in utility costs at Kingsbury Square.

Fund	General
Portfolio	Environment & Waste

Service	Full Year		Year to Date		
	Current Budget	Expected Year End Variance	Budget to Date	Actuals Plus Commitments to Date	Significant Variances
Environmental Services	885,000	88,600	(424,346)	(408,228)	16,119 ①
Facilities Management	52,500	0	500	6,140	0
Health & Safety	(5,500)	48,100	32,444	32,253	0 ②
Licensing	15,400	0	(216,521)	(219,597)	0
Waste & Recycling - Commercial	1,097,200	(115,800)	356,885	410,854	53,969 ③
Waste & Recycling - Non Commercial	4,272,100	(15,900)	2,532,932	2,504,868	(28,064) ④
Grand Total	6,316,700	5,000	2,281,894	2,326,291	44,397

Notes

* Services annotated with an asterisk are either wholly or in part recharged to other services. The figures for these services are the net cost after recharges have been made.

- ① £16,119 higher costs - redundancy and agency staff costs following the business reviews. The forecast has been amended to reflect these full year costs.
- ② The forecast has been amended to reflect salary savings from vacant post.
- ③ £53,969 higher costs - £68,000 redundancy costs following the business reviews and £60,000 security costs at Pembroke Road. This is reduced by £145,000 salary savings & £100,000 additional Garden Waste income from increased customer base. The forecast has been amended to reflect salary savings from vacant post.
- ④ £28,064 lower costs/higher income - agency staff costs £470,000 and redundancy costs £92,000 offset by salary savings from vacant posts £405,000, £55,000 fuel savings & £120,000 increased recycling & bins sales income. The forecast has been amended to reflect these ongoing savings

Fund	General
Portfolio	Growth Strategy

Service	Full Year	
	Current Budget	Expected Year End Variance
Facilities Management	7,300	0
Forward Plans	947,200	57,000
Heritage	281,700	(7,900)
Planning Services	508,600	180,200
Strategy & Partnerships	753,900	(89,900)
Grand Total	2,498,700	139,400

Year to Date		
Budget to Date	Actuals Plus Commitments to Date	Significant Variances
2,750	2,310	0
405,328	421,792	16,464 ①
89,450	99,387	0 ②
(23,162)	(65,133)	(41,970) ③
536,648	480,341	(56,307) ④
1,011,014	938,698	(72,317)

Notes

* Services annotated with an asterisk are either wholly or in part recharged to other services. The figures for these services are the net cost after recharges have been made.

- ① £ 16,464 higher costs - redundancy costs £52,000 offset by salary savings following the business reviews £32,000 The forecast has been amended to reflect future redundancy costs and on-going salary savings.
- ② The forecast has been amended to reflect salary savings following the business reviews.
- ③ £41,970 higher income - additional Building Control fee income received. The forecast has been amended to reflect current & future redundancy costs £315,000 and £57,000 agency staff costs. This has been reduced by £138,000 salary savings & £55,000 additional fee income.
- ④ £56,307 lower costs/higher income - salary savings following the business reviews £45,000 plus increased development partnership income £8,000. The forecast has been amended to reflect the anticipated outturn position.

Fund	General
Portfolio	Leader

Service	Full Year		Year to Date		
	Current Budget	Expected Year End Variance	Budget to Date	Actuals Plus Commitments to Date	Significant Variances
Assistant Directors	171,200	234,100	312,894	651,497	338,602 ①
Chairman's Expenses	32,400	0	5,439	1,115	0
Chief Executive's Support Services	44,700	37,800	168,653	194,134	25,481 ②
Core Costs	1,296,900	(40,000)	44,100	45,026	0 ③
Democratic Services	1,190,500	(53,500)	127,161	124,591	0 ④
Director - AS	1,500	0	67,209	75,974	0
Director - TA	1,500	9,000	71,296	76,075	0 ⑤
Electoral Services	338,400	4,600	121,740	123,553	0 ⑥
Enterprise Service Desk Support	90,700	11,200	45,336	55,408	10,072 ⑦
Facilities Management	(372,500)	73,800	57,384	84,653	27,268 ⑧
Legal Services	(44,200)	0	242,486	244,252	0
Office Accommodation	106,400	102,500	472,562	597,933	125,371 ⑨
Grand Total	2,857,500	379,500	1,736,261	2,274,211	537,951

Notes

* Services annotated with an asterisk are either wholly or in part recharged to other services. The figures for these services are the net cost after recharges have been made.

- ① £338,602 higher costs - redundancy costs £208,000, increased salary costs following the business reviews £98,000 and consultancy costs £32,000. The forecast has been amended to reflect these and future salary savings
- ② £25,481 higher costs - increased salary costs £14,000 and consultancy fees £8,000. The forecast has been amended to reflect the anticipated outturn position.
- ③ The forecast has been amended to reflect savings in external audit fees
- ④ The forecast has been amended to reflect salary savings following the business reviews.
- ⑤ The forecast has been amended to reflect increased salary costs following the business reviews.
- ⑥ The forecast has been amended to reflect increased salary costs following the business reviews.
- ⑦ £10,072 higher costs - increased salary costs as a result of the business reviews £6,000 plus agency staff costs £4,000. The forecast has been amended to reflect the anticipated outturn.
- ⑧ £27,268 higher costs - redundancy costs £31,000 and increased salary costs £5,000 offset by increased income £11,000. The forecast has been amended to reflect these plus future redundancy costs.
- ⑨ £125,371 increased costs - increased repairs & maintenance contract costs. The forecast has been amended to reflect the anticipated outturn position.

Fund	General
Portfolio	Resources, Governance & Compliance

Service	Full Year		Year to Date		
	Current Budget	Expected Year End Variance	Budget to Date	Actuals Plus Commitments to Date	Significant Variances
Contract & Procurement Services	144,000	(26,400)	58,902	32,205	(26,697) ①
Democratic Services	484,200	0	245,353	237,109	0
Finance & Payroll Services	1,915,100	313,600	1,328,520	1,495,188	166,668 ②
Governance	(12,800)	(19,900)	141,091	116,096	(24,995) ③
Housing Benefits	920,700	1,120,700	34,524	620,371	585,848 ④
Insurances	32,400	0	(11,117)	(11,117)	0
Personnel Services	1,700	186,400	98,549	196,455	97,906 ⑤
Rating & Recovery Services	(30,400)	(13,500)	66,570	59,519	0 ⑥
Standby Services	10,000	0	5,008	4,668	0
Training	(4,400)	32,600	63,696	94,763	31,067 ⑦
Grand Total	3,460,500	1,593,500	2,031,096	2,845,258	814,162

Notes

* Services annotated with an asterisk are either wholly or in part recharged to other services. The figures for these services are the net cost after recharges have been made.

- ① £26,697 lower costs - salary savings from vacant posts following the business reviews. The forecast has been amended to reflect these savings.
- ② £166,668 higher costs - redundancy costs £62,000, temporary staffing costs £131,000 and increased software costs £8,000 offset by salary savings following the business reviews £33,000. The forecast has been amended to reflect the anticipated outturn position.
- ③ £24,995 lower costs - salary savings from vacant posts following the business reviews £30,000 offset by increased consultancy costs. The forecast has been amended to reflect the anticipated outturn position.
- ④ £585,848 higher costs - increased salary costs following the business reviews £150,000, agency staff costs £335,000, redundancy costs £185,000 offset by additional cost income £30,000 & DCLG grant £60,000. The forecast has been amended to reflect these plus future redundancy, agency & employee costs.
- ⑤ £97,906 higher costs - redundancy costs £9,000, agency staff costs £43,000 and salary costs following the business reviews £30,000 plus recruitment costs £15,000. The forecast has been amended to reflect these plus future agency and salary costs.
- ⑥ The forecast has been amended to reflect salary savings following the business reviews.
- ⑦ £31,067 higher costs - redundancy costs following the business reviews. The forecast has been amended to reflect this.

Fund	General
Special	Yes

Service	CC Description	Full Year		Year to Date		
		Current Budget	Expected Year End Variance	Budget to Date	Actuals Plus Commitments to Date	Significant Variances
Community Centres	Administration	74,800	0	25,586	25,715	0
	Alfred Rose	49,800	0	16,997	17,550	0
	Bedgrove	53,000	(7,200)	16,277	9,723	0
	Haydon Hill	14,600	0	5,900	5,640	0
	Prebendal Farm	42,000	0	15,556	16,231	0
	Quarrendon and Meadowcroft	60,000	0	25,996	25,755	0
	Southcourt	46,400	(6,100)	17,605	13,880	0
Community Centres Total		340,600	(13,300)	123,917	114,493	0 ①
Open Space	Alfred Rose Park	41,500	0	19,650	18,860	0
	Bedgrove Park	63,200	0	31,594	32,737	0
	Edinburgh Playing Fields	50,500	0	21,748	20,462	0
	Fairford Leys	83,700	0	30,644	28,855	0
	Meadowcroft Playing Fields	65,800	0	30,498	24,745	0
	Parks Administration	265,900	0	67,096	60,412	0
	Vale Park	15,200	0	14,566	15,487	0
Walton Court Sports Ground	44,500	0	17,814	13,586	0	
Parks, Pitches & Open Space Total		630,300	0	233,610	215,143	(18,467)
Market	Market	(1,700)	5,900	(150)	(2,085)	0
Market Total		(1,700)	5,900	(150)	(2,085)	0 ②
Grand Total		969,200	(7,400)	357,377	327,552	(29,826)

Notes

Service totals include charges for use of capital, but these are deducted before calculation of council tax.

① The forecast has been amended to reflect salary savings following the business reviews

② The forecast has been amended to reflect increased business rates.

GENERAL FUND REVENUE RESERVES AND PROVISIONS

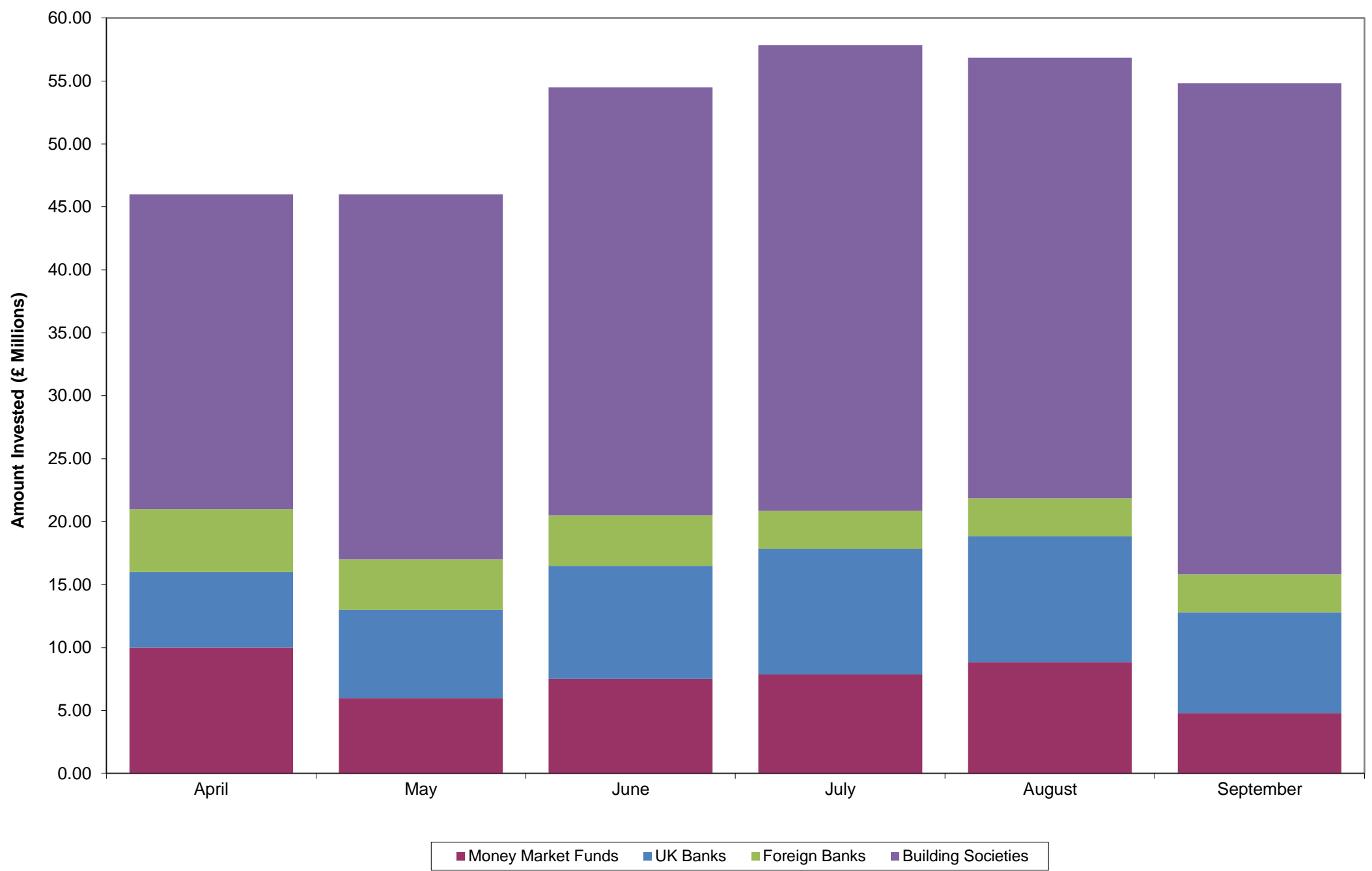
The table shows the current level of provisions and reserves held by the Council at the beginning of the year, the movements in the year and the closing balance at 30th September 2017.

GENERAL FUND REVENUE RESERVES AND PROVISIONS	OPENING BALANCE 01/04/2017 £'000	PLANNED INCOME £'000	PLANNED SPEND £'000	EXPECTED CLOSING BALANCE 31/03/18 £'000
PROVISIONS				
NNDR Appeals	(797)	0	0	(797)
Refundable Bonds	(187)	0	0	(187)
BAD DEBT PROVISIONS				
Housing Benefits Overpayments	(2,065)	0	0	(2,065)
Local Taxation	(480)	0	0	(480)
Other	(78)	0	0	(78)
On Street Parking	(74)	0	0	(74)
Haywoods Way	(41)	0	0	(41)
	(3,722)	0	0	(3,722)
RESERVES				
New Homes Bonus	(16,497)	(286)	0	(16,783)
Amenity Areas	(2,920)	(111)	0	(3,031)
Interest Equalisation Reserve	(2,897)	0	80	(2,817)
Planning Related	(2,010)	0	1,208	(802)
Business Rates	(2,001)	0	0	(2,001)
Property Sinking	(1,812)	(110)	0	(1,922)
New Technology	(1,569)	(297)	909	(957)
Repairs & Renewals (& CCTV)	(1,098)	0	0	(1,098)
Superannuation	(1,006)	0	277	(729)
Fairford Leys Riverine Corridor	(870)	(19)	0	(889)
LABGI	(857)	0	0	(857)
Aylesbury Special Expenses	(552)	0	0	(552)
Insurance	(541)	0	0	(541)
Property Strategy	(540)	0	0	(540)
Benefit Subsidy	(433)	0	0	(433)
Licensing	(411)	0	51	(360)
Leisure Activities	(259)	0	103	(156)
District Council Elections	(244)	0	0	(244)
Recycling and Composting	(223)	0	0	(223)
Car Parking Related	(207)	0	0	(207)
Historic Buildings	(140)	0	0	(140)
Future Vehicle Costs	(139)	0	0	(139)
Housing Needs & Section 106	(107)	0	0	(107)
Business Support Fund	(102)	0	0	(102)
Rent Guarantee Scheme	(71)	0	0	(71)
Corporate Market Research	(47)	0	0	(47)
Playgrounds	(40)	0	0	(40)
Business Transformation	(29)	0	0	(29)
	(37,622)	(823)	2,628	(35,817)

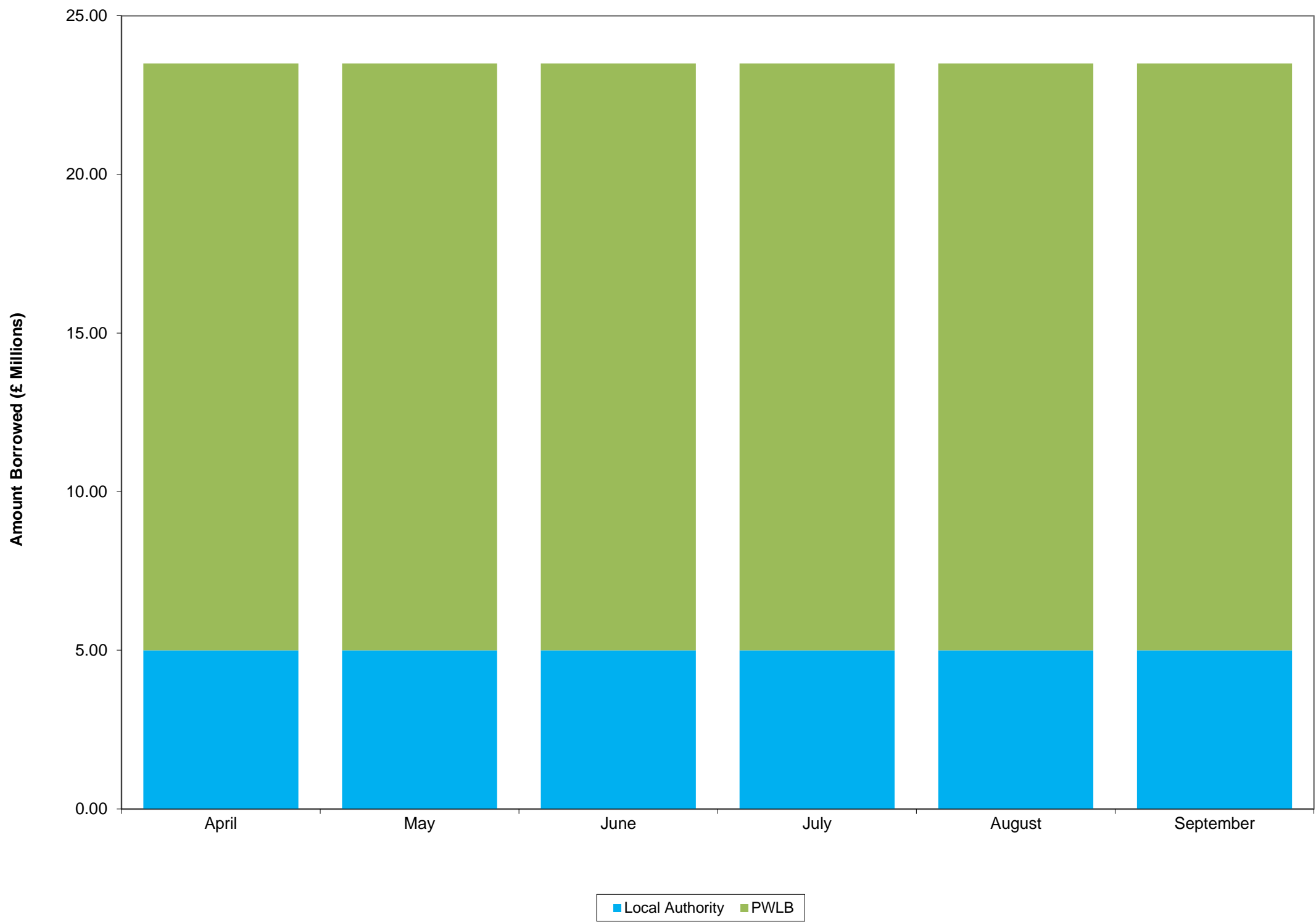
CAPITAL PROGRAMME SPEND TO 30TH SEPTEMBER 2017

	REF	APPROVED SPEND £s	PRIOR YEARS' SPEND £s	EXPECTED SPEND 17/18 £s	ACTUAL SPEND AT 30/09/17 £s
University Campus, Aylesbury Vale	8001	16,550,000	16,311,350	238,650	1,377
Public Realm Waterside North	8004	4,100,000	776,591	3,323,409	576,162
Refuse Vehicles Replacement	8005	4,100,000	214,916	3,885,084	0
Depot Purchase / Refurbishment	8006	11,305,000	5,791,856	5,513,144	201,968
Community Centre Upgrades	8008	150,000	14,698	135,302	0

Investments 2017/18



Borrowings 2017/18



MEMBER FEEDBACK / QUESTION SHEET

ISSUE 2 - 17/18

FEEDBACK

If any members have any questions regarding the digest then please ring one of the Finance team on the numbers below or alternatively use the tear off page to record you comments or questions.

<u>Accountancy</u>	<u>Team</u>	<u>Phone No.</u>
Andrew Small	Director	585507
Nuala Donnelly	Strategic Finance Manager	585273
Sharon Russell-Surtees	Corporate Accountant	585391
Gareth Davies	Finance Business Partner	585276

FEEDBACK

QUESTION

QUESTION

Feedback Sheet Returned by:

COUNCILLOR _____

DATE _____

Please return Feedback / Question sheet to:

Strategic Finance
Aylesbury Vale District Council
The Gateway, Gatehouse Road
Aylesbury
Bucks HP19 8FF