



AYLESBURY VALE DISTRICT COUNCIL

Democratic Services

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28 June 2018

FINANCE AND SERVICES SCRUTINY COMMITTEE

A meeting of the Finance and Services Scrutiny Committee will be held at **6.30 pm** on **Monday 9 July 2018** in **The Olympic Room - Aylesbury Vale District Council**, when your attendance is requested.

Membership: Councillor M Rand (Chairman); Councillors B Everitt (Vice-Chairman), J Bloom, J Chilver, S Lambert, R Newcombe, M Smith, M Stamp, R Stuchbury, A Waite 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. ELECTION OF CHAIRMAN

4. ELECTION OF VICE CHAIRMAN

5. MINUTES (Pages 3 - 8)

To approve as a correct record the Minutes of the meeting held on 4 April, 2018, copy attached as an appendix.

6. DECLARATION OF INTEREST

Members to declare any interests.

7. LEISURE CENTRES MANAGEMENT CONTRACT - ANNUAL REVIEW 2017/18 (Pages 9 - 20)

To consider the attached report. (Representatives from Everyone Active, the Council's leisure management contractor) will be attending the meeting to support the presentation of this item and answer questions).

Contact Officer: Paul Marston-Weston (01296) 585116

8. KINGSBURY AND MARKET SQUARE IMPROVEMENT SCHEMES (Pages 21 - 28)

To consider the attached report.

Contact Officer: Teresa Lane (01296) 585006

9. TREASURY MANAGEMENT 2017-18 YEAR END REPORT (Pages 29 - 32)

To consider the attached report.

Contact Officer: Nuala Donnelly (01296) 585164

10. QUARTERLY FINANCE AND PERFORMANCE REPORTING (Pages 33 - 62)

To consider the attached report.

Contact Officers: Nuala Donnelly (01296) 585164 / Tamsin Ireland (01296) 585004

11. WORK PROGRAMME

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

15 October 2018

Silverstone Heritage Experience - update

17 December 2018

Budget Planning 2019-20

Quarterly Finance and Performance Reporting

14 January 2019

Budget Planning 2019-20

Capital Programme Review

Public Sector Equality Duty

Treasury Management Strategy

FINANCE AND SERVICES SCRUTINY COMMITTEE

4 APRIL 2018

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

IN ATTENDANCE: Councillors H Mordue.

APOLOGIES: Councillors S Lambert, M Smith, M Stamp and R Stuchbury.

1. MINUTES

RESOLVED –

That the minutes of the meeting held on 5 February, 2018, be approved as a correct record.

2. CONTRACT MANAGEMENT / PROCUREMENT UPDATE

The Committee received a report updating Members on the approach taken by the Business Support and Enablement sector to manage procurement activities and contract management across the organisation.

A business review had been undertaken during the Commercial AVDC Programme in 2016/17 to identify opportunities to deliver best practice in procurement and make recommendations for potential efficiencies across both the procurement and contract management functions for the council. The analysis had categorised all contracts by risk, value and opportunity, and identified strategic and tactical contracts that could deliver better quality services and/or cost efficiencies.

Additionally, the review had made recommendations to:

- recruit a procurement and contract management specialist team.
- develop a consistent approach to procurement.
- implement a framework for effective contract management.
- develop training and upskill contract owners to ensure contracts were being delivered effectively.
- identify opportunities to reduce/amalgamate spend across the organisation.

Typically with measures such as these in place around 2.5% - 5% of efficiencies and savings could be delivered over the life of all contracts (roughly 5 years).

In August 2017 a centrally led expert team had been created to govern the process. It had been recognised that low value / low risk contracts did not necessarily need to be led by this team. However the team would monitor and act as quality assurance to deliver the identified efficiencies.

The new Corporate Contracts and Procurement team had been created with four members. Aligned with the investments and evolution of Connected Knowledge, the team was managed by Rafael Lima as the IT Procurement Specialist who supported all IT functions. Members welcomed him to this, his first meeting. The roles of procurement specialist, contract management specialist and procurement apprentice had also been created to support all other categories.

The area's objectives were to enhance benefit/value from external service providers, achieve the budget commitment for contract savings, manage risks and ensure

compliance with legislation and internal policies. A recent example of this was the Guide to the General Data Protection Regulation (GDPR) requirements, where all, even low value contracts, were being amended to ensure they complied with GDPR.

The new Contract Management practice was to proactively review contracts that were up for renewal by reviewing the scope with internal stakeholders and re-negotiating terms, ensuring exit and termination of contracts were managed, and that any unnecessary expenditure and risks were mitigated.

Difficult supplier-contract relationships where best value was not being delivered were being closely monitored in a new Monthly Performance Review process. The collaborative approach invited both AVDC and the supplier to take actions on areas such as communication, fulfilment of contract and cost. This approach had led to improvements to internet connection (MLL) and the Finance System (Technology One). At this stage in the evolution of the team, the Monthly Contract Reviews were targeting contracts above £60K with participation of Contract Owners/Budget Holders to drive improvements in the service.

The Tender Exercise process was being standardised to improve the reporting and outline the team's performance, a savings methodology that was also aligned with Strategic Finance. For example, approximately £43,000 savings would be achieved with the 2018 budget through the tender exercise for facilities cleaning and maintenance.

The current specific focus was to improve cost-benefits obtained through tender exercises, amending existing contracts for GDPR compliance and embedding procurement practices and procedures across the Council. The Council's Contracts Procedure Rules stated that procurement involvement was legitimately optional for values below £30,000. In these early stages the procurement team was focussing on renewals and tender exercises above this threshold. The lower value categories were being analysed and spend was being monitored monthly to identify opportunities to reduce costs or align into a contract.

In February 2018, "Topic Taster" sessions had been delivered to managers to create awareness and a revised toolkit had been launched with standard templates and up-to-dated information on Connect. Training sessions would be delivered in April/May 2018 to instruct on best practices of purchases, review of procedure, negotiation and contracting. Finally, a closer engagement with the Commercial Strategy team had identified new ideas on how procurement could cultivate partnerships for added value/income opportunities. Further projects in progress included to implement contracts with built-in pay back terms and outsourced consultants acting on behalf of AVDC.

Members sought further information and were informed:-

- Contracts were being reviewed/analysed on a monthly basis in order to understand exactly what the Council's spend amounted to. Some positive results had already been identified from this process, for example in some cases it had been established that the Council was paying for services as an "extra" but they were in fact included within the contract provisions. In some cases even the contractor was not aware of this. This was an initial step in understanding all the contracts the Council had.
- As indicated above, close attention was being paid to staff training in order for service managers to obtain the greatest advantage from the particular contract. These sessions, among other things, covered how to engage with contractors and suppliers and to recognise the advantages in some cases of combining

contracts. A senior managers group had been established and this was also being used as a conduit for training and discussion of issues around contract procurement.

- It was not intended to implement new software on an ad hoc basis but to analyse and assess properly the need and type of IT that might be useful in contract management before committing to any expenditure in this area. Any review of IT requirements would await completion of the staff training programme.

RESOLVED –

That the approach being taken the Council to manage procurement activities and contract management be endorsed.

3. QUARTERLY FINANCE AND PERFORMANCE REPORT

The Committee received the Financial Digest for the period up to the end of December, 2017. The financial information was based on the actual income and expenditure for the 9 months April to December, 2017. An overspend of £2.323m had been identified as at the end of December, 2017. The forecast for the end of the financial year was a predicted overspend of £487,400 against budget, after the application of reserves. The financial position was consistent with that used in budget planning for 2018/19 and future years.

Members had previously discussed the content and format of the Financial Digest and it was noted that work was continuing in this respect. The report now before the Committee was the first iteration of alternative reporting arrangements and Members indicated that this was an improvement over the previous reporting mechanism. The report contained a number of tables which it was agreed were more helpful to Members' understanding of the financial performance of the Council. The report could be viewed in full on the Council's web site at:

<http://democracy.aylesburyvaldc.gov.uk/documents/g2321/Public%20reports%20pack%2004th-Apr-2018%2018.30%20Finance%20and%20Services%20Scrutiny%20Committee.pdf?T=10>

The year to date expenditure of £64.596m represented an overspend against the year to date budget of £3.217. Total income recovery was £48.333m which was £0.894m above budgeted levels. The year to date position by portfolio was submitted, with service detail being included within the Financial Digest itself.

The financial position was largely being driven by above budgeted levels of staff costs in relation to business transformation. Over the past 12 months, the Council had undergone a series of business reviews to better position itself as a commercial organisation. The reorganisation had realised significant savings in staff costs running into future years and had been a central plank in the Council being able to set a balanced budget for 2018/19.

Whilst in the 9 months to the end of December, £0.943m of salary savings had been achieved as a result of the business reviews, it had been necessary to engage temporary staff in some areas where there was a national shortage of suitably qualified personnel. For 9 months of the financial year, temporary staffing costs had been £2.309m above budgeted levels. However, as the year progressed, it was anticipated that these vacancies would be filled on a full time basis, thus reducing considerably the reliance on agency staff. Redundancy costs of £1.667m had been included to date.

For non pay budgets there was an adverse variance against the year to date budget of £0.18m which related spend on premises and properties, utility costs and also included transport costs and other non pay costs related to service delivery.

As at the end of December, 2017, income recovery was £0.894 above budgeted levels. The over recovery included additional income from rents and lettings, grants and income from planning and garden waste.

The outturn position at the end of the last financial year was forecast to be £2.169m adverse against budget. This included £1.739m of redundancy costs although these would be funded from reserves. The Council anticipated however a payback of costs incurred through staff savings over the next few years. The forecast overspend, after the use of reserves was therefore forecast to be £487,400. Members appreciated that 2017/2018 had been an exceptional year, given the comprehensive restructuring that had taken place. The Committee report presented a high level summary of the key issues impacting on each portfolio. The report also covered budget profiling, reserves and provisions, capital spending, risks and mitigations and investment and borrowing.

As mentioned at the beginning of this Minute, members felt that the reporting format was an improvement over that previously submitted for the Committee's consideration and appreciated that this was still a work in progress, with further improvements being made in presentation having regard to individual Member comments.

Members sought further information and were advised as follows:-

- It was accepted that it was difficult to determine whether individual sector spending was within forecasts as the overall position was somewhat obscured by the redundancy costs/agency staff. It was indicated that hopefully the position would become clearer from this financial year onwards but these views would be borne in mind in future reports.
- It was noted that there was a typographical error in the general spend table on page 27 of the Financial Digest. The figure of £487,000 was an overspend rather than an underspend.
- Officers advised that every endeavour was being made to reduce the degree of reliance on agency staff and that this would occur naturally as vacant posts were filled. There were still some difficulties in recruiting to specialist professions such as IT and planning, but this was being addressed. It was confirmed that the Council had a robust contractual arrangement with the company who supplied agency staff and that the costs associated with this were very competitive. An important issue for the Council was the fact that it was imperative to maintain day to day service provision during a significant period of organisational change, which in itself was designed to make the Council much more competitive going into the future. This had necessitated the appointment of temporary staff. The appointment of specialist staff sometimes involved the payment of a premium. It was commented that the Audit Committee had reduced the risk level in relation to the use of agency staff, but the picture now presented suggested that this action might perhaps have been premature. However, Members were assured that agency staff levels were being carefully monitored at sector level and there was an expectation that there would be a significant reduction across the coming financial year.
- It was indicated that reserves currently stood around £1.9m but with contributions at the year end and during the course of the new financial year, this

was likely to increase to around £2m which was considered to be the prudential figure.

- An explanation was given of the position concerning some areas of the Council where it was difficult to recruit to lower pay grades. The Vale was an area of high employment and there was significant competition at this pay level. In particular action had been taken to make pay grades at the Council's depot much more competitive and consistent with the wider market.
- Members also sought some clarification around the phasing of the housing benefits budgets and officers agreed to look at this in relation to future reports.
- Members asked for and were assured that the next report would offer a clearer explanation of the figures associated with car parking and in relation to budget profiling of community centre costs. In relation to the latter it was indicated that there was still some work needed on the explanation of the profiling of expenditure across the year.
- It was confirmed that there were no perceived significant risks around the Council's Capital Programme.

RESOLVED –

That the Financial Digest be noted.

4. WORK PROGRAMME

Members were advised that as requested previously, work was in progress to better align meetings to future financial reporting dates.

The Following items were scheduled to be considered at the meetings indicated:-

9 July, 2018 – Everyone Active had agreed to attend to report on the leisure centres management contract.

15 October, 2018 – Quarterly finance and Performance report.

17 December, 2018 – Budget scrutiny, quarterly finance and performance report.

14 January, 2019 – Budget scrutiny and Equality Duty report.

8 April, 2019 – Nothing programmed as yet.

RESOLVED –

That the work programme be noted.

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LEISURE MANAGEMENT CONTRACT – ANNUAL REVIEW 2017/18

1 Purpose

- 1.1 To update the Committee concerning the key outcomes and outputs achieved by the Leisure Management Contract in 2017/18 and to highlight key performance information.
- 1.2 To provide an overview of the key suggested actions for 2018/19. Comments received will be discussed with the Cabinet Member for Civic Amenities ahead of changes being made to the planned proposals.
- 1.3 Mark Leahy (Regional Contract Manager, Everyone Active), Chris Williams (Contract Manager, Everyone Active) and David Tenny (General Manager, Aqua Vale Swim and Fitness Centre, Everyone Active) will be attending the meeting to support the presentation of this item and answer questions.

2 Recommendations/for decision

Finance and Services Scrutiny Committee are requested to:

- 2.1 Note the key outcomes and outputs achieved by the Leisure Management Contract in 2017/18,
- 2.2 Highlight any matters for further consideration by the Contracts Performance and Partnerships Manager in consultation with the Cabinet Member for Civic Amenities.

3 Executive summary (if longer than 2 pages)

- 3.1 Sports and Leisure Management (SLM) who operate under their brand name “Everyone Active” (EA) commenced the current leisure management contract on 1 April 2013 for 10 years with a mutual option to extend for a further 5 years. This report looks at Year 5 of the current contract.
- 3.2 EA were formed in 1987 and now manages approximately 150 centres around the UK on behalf of 45 Local Authorities and are a leading organisation in the leisure industry, receiving many accolades and awards over the years.
- 3.3 The current Leisure Management Contract realised betterment to AVDC of circa £620,000 per annum, £120,000 saving was achieved by no management fee being paid to the leisure centre operator as per the previous contract and £500,000 income was generated by EA paying the Council for the opportunity to manage the centres on AVDC’s behalf. The management fee payable to the Council for the period 2017/18 was £522,503 as this rises in line with CPI annual increases.
- 3.4 AVDC provides a monitoring role as part of the contract arrangements and conducts monthly monitoring by holding Contract performance meetings and inspections. This is stepped up if there are areas of concern or an increase in complaints.
- 3.5 The regular performance meetings examine a range of performance indicators which include information similar to that contained within Appendix A.

- 3.6 The council undertook an extensive £2.7m modernisation project of Swan Pool and Leisure Centre between February 2015 and February 2016 which has delivered new and improved facilities and increased levels of customer satisfaction and usage. The last major modernisation project at Aqua Vale Swimming and Fitness Centre was completed in 2012 at a cost of £6.7m.
- 3.7 Concerns were raised in late 2016 over the quality of cleanliness at Aqua Vale and additional meetings and monitoring visits were stepped up. EA has attended Scrutiny Meetings in April and November 2017 to respond to members concerns and detailed proposed actions to improve matters. 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 previous Scrutiny Committee meetings.
- 3.8 There is of course always room for further improvement and EA remain committed to raising standards of cleanliness going forward. Furthermore, Cllr Julie Ward, Cabinet Member for Civic Amenities has met with EA managers and has toured the centre on a number of occasions to see first hand the conditions and improvements made. Most recently, members of this committee were invited to visit Aqua Vale in June to see the centre and standards being achieved.
- 3.9 Currently, just under £100,000 of S106 funding is being spent to modernise and upgrade the pool side toilets, private showers and accessible changing along with new artificial planting to improve the condition and look of the centre. It is hoped a further phase of improvements will take place later in the year to continue to increase customer satisfaction and increase usage. A list of improvements undertaken last year and planned for this financial year is shown in Appendix A in sections 8 and 9.

4 Detailed information

- 4.1 The detailed performance information of the Aqua Vale Swimming and Fitness Centre and Swan Pool and Leisure Centre is included in Appendix A. The information included within this report provides a baseline for future reports and focuses around the Leisure Management Contract outcomes and outputs for 2017/18.
- 4.2 A new General Manager, David Tenny has been appointed at Aqua Vale and he started in May 2018. David is keen to continue to improve the quality of cleaning and customer service that has been apparent under the previous General Manager Joseph Warren, who relocated away from the area.
- 4.3 Cleanliness and cleaning standards remain a focus for Cllr Julie Ward and the Client Manager. Any complaints are followed up and discussed with the EA Contract Manager. The cleaning contract was taken back in house by EA last year who now have complete control of the staff, processes and performance. There are understandably, some occasions when standards do fall short but EA are quick to resolve these as soon as possible.
- 4.4 Vandalism and wilful damage whilst not excessive, is apparent from time to time. Notably, each year, for the past three years, the front elevation glazing has been deliberately smashed causing approximately £10,000 of uninsured damage. The culprit was identified and charged but no compensation has been possible.
- 4.5 Also bicycle thefts do occur fairly regularly in spite of owner's security and CCTV coverage. These bicycle racks are located at the front of the building but there seems little that can be done even though Thames Valley Police have been informed and consulted.

5 Financial considerations

- 5.1 There are no additional resource implications for AVDC resulting from the operational actions and recommendations highlighted within this report. The investments and improvements to be made to the centres are to be funded by EA, included in AVDC current budgets or from S106 funds. However the benefits gained will provide further facility improvements, improved customer satisfaction and enhance the leisure experience offered.

6 Reasons for Recommendation

- 6.1 The recommendations reflect the importance of this Contract and the need to ensure that continuous improvements in performance are secured for the benefit of residents and leisure centre customers across the Vale.

7 Resource implications

The key resource implications relate to officer time in relation to monitoring and managing the performance of contracts.

Contact Officer

Paul Marston- Weston, Contracts Performance and Partnership
Manager telephone 01296 585116

Appendix A

1. Footfall				
Facility	2014/15 (Yr2)	Year 2 Total	2015/16 (Yr3)	Year 3 Total
Aqua Vale	664,457	1,034,889	580,012	899,645
Swan Pool	390,432		319,633	
Facility	2016/17 (Yr4)	Year 4 Total	2017/18 (Yr5)	Year 5 Total
Aqua Vale	523,252	882,193	577,604	1,006,168
Swan Pool	358,941		428,564	
Comments;				
2017/18 shows a significant increase in the usage at Swan Pool mainly due to the increase in the Fitness memberships and the Swim Scheme.				
Aqua Vale has grown with the improvements made throughout the site and an increase in the Fitness and Swim memberships				

2. Overall Performance Summary - Aqua Vale				
Description	Year 2 2014/15	Year 3 2015/16	Year 4 2016/17	Year 5 2017/18
Comments	64	34	5	10
Compliments	70	23	11	31
Complaints	151	90	88	87
Accidents- Staff	10	9	12	12
Accidents- Public	368	343	315	291
Accident rate per 10,000	6.15	5.81	6.02	5.03
RIDDOR- Public	6	1	0	0
RIDDOR – Staff	0	1	0	0
Incidents	1	0	1	1
Incidents involving ASB	1	0	1	1
Comments; 2017/18 has seen a year on year decrease in the number of complaints although efforts to actively seek more feedback have been introduced by providing many more options including the Everyone Active App, QR codes around the building and online along with more traditional feedback routes. Accidents per 10,000 visits and RIDDOR reportable incidents at Aqua Vale have stayed very static over the last year.				

3. Overall Performance Summary – Swan Pool

Description	Year 2 2014/15	Year 3 2015/16	Year 4 2016/17	Year 5 2017/18
Comments	79	51	23	5
Compliments	13	14	19	10
Complaints	120	81	88	59
Accidents- Staff	4	3	3	1
Accidents- Public	117	101	106	102
Accident rate per 10,000	3.45	3.12	2.95	2.38
RIDDOR- Public	0	1	0	0
RIDDOR – Staff	0	0	0	0
Incidents	0	0	1	0
Incidents involving ASB	0	0	0	0

Comments;

2017/18 has seen a year on year decrease in the number of complaints despite the efforts to actively seek more feedback have been introduced by providing many more options including the Everyone Active App, QR codes around the building and online along with more traditional feedback routes..

Accidents per 10,000 visits and RIDDOR reportable incidents at Swan Pool have stayed very static over the last year.

4. Overall Comments, Compliments and Complaints Trends

	Aqua Vale	Totals	Swan Pool	Total
Comments	Improved programme	2	Improved programme	3
	Improved customer Info	2	Improved customer Info	1
	Improved facilities	3	Improved facilities	0
	Service suggestions	1	Service suggestions	1
	Request for specifics	1	Request for specifics	0
	Other	1	Other	0
Compliments	Staff	13	Staff	5
	Facility as a whole	6	Facility as a whole	1
	Programme content	0	Programme content	1
	Value for money	0	Value for money	0
	Cleanliness	6	Cleanliness	0
	Specific Activities	0	Specific Activities	1
	Other	9	Other	2

	Aqua Vale	Totals	Swan Pool	Totals
Complaints	Premises / Parking	2	Premises / Parking	1
	Equipment defects	16	Equipment defects	5
	Pool water temp / air defects	15	Pool water temp / air defects	9
	Health and safety	2	Health and safety	0
	Customer care/service	17	Customer care/service	14
	Cleanliness / housekeeping	18	Cleanliness / housekeeping	10
	Lifeguarding / supervision	1	Lifeguarding / supervision	1
	Equipment availability	0	Equipment availability	0
	Availability of consumables	2	Availability of consumables	1
	Programme	4	Programme	7
	Specific Activities	5	Specific Activities	5
	Pricing	0	Pricing	2
	Other	5	Other	2
	Total	87	Total	57

5. User/ Non User Consultation Programme – April 2017 – March 2018 (AV= Aqua Vale and SP = Swan Pool)						
Facility	Consultation type	Led By	Date	Purpose/ Objective	Everyone Active Representative	Completed/ comments
AV & SP	User Forum	Everyone Active	Quarterly	User Forums are a two way communication tool with customers of the centre to promote thoughts, provide feedback, advise of changes and announce future aspirations.	EA Contract Manager or General Manager lead the meeting, with representation from AVDC when possible	The User Forums are held every three months and are received in a positive manner. Minutes of the meeting are circulated to forum members, posted on internal notice boards and are available for any other customers on request.
AV & SP	Swim Clubs	Everyone Active along side Aylesbury & District & Maxwell Swim Clubs	Meet to plan events and galas. Sometimes clubs also attend customer user forums	Communication	EA Contract/General Manager	Positive meeting to improve communications and planning.
AV & SP	Bucks School Swimming Forum	Everyone Active	6 Monthly	Swimming Development	EA Swim Manager	Identifies improvement opportunities for school swimming & participation in the Vale, and recruitment opportunities.
AV & SP	Outreach events to local businesses & organisations in the Vale	Everyone Active	Monthly	Encourage Health & Fitness and general awareness.	Everyone Active Aylesbury Membership and Fitness teams.	Positive with improved activity & patronage to sites
AV & SP	Review of fitness class programme	Everyone Active	Quarterly	Quality, usage & trend analysis	Contract Fitness Managers & Studio Co-ordinator	Plan any proposed changes to schedules
AV & SP	Site Cleaning Audit	Everyone Active	Monthly	Review cleaning standards and create an action plan for improvement	General Manager / Cleaning Manager	Actions completed prior to follow up visits
SP	Buckingham School	Everyone Active	Ad hoc	To maintain relationships between neighbouring parties	Contract Manager	On-going dialogue is maintained to keep positive relationships
SP	Buckingham Squash Club	Everyone Active	Ad hoc	To maintain positive relationship with the club and look at how we can improve the squash usage	Contract Manager	On-going dialogue to develop squash at the centre

6. Quality Awards/Successes

Aylesbury Vale Leisure Management Contract

Both sites have achieved accreditation in the ISO 14001 (Environmental Management) and ISO 18001 (Health & Safety Practice). In Year 5 the Company accreditation has been successfully renewed for both quality awards.

On the 13th May Aqua Vale hosted its annual Swim School Gala that allowed children that are on the swim scheme at Swan Pool and Aqua Vale to compete in a friendly Swim Gala but under competition rules. The day had over 80 children attend the gala. The best swimmers from this go forward to represent the Aylesbury Contract in Everyone Actives Regional Gala to swim against swimmers from the whole South East Region

Everyone Active get regular news stories into the press where possible as well as paid adverts in local media such as the Aylesbury Vale Magazine to promote the facilities on offer ,

Both sites have been fundraising for the company charity JDRF and have raised over £1000 with a range of events throughout the year including charity football games and events for customers to take part.

The contract continues to run its volunteer scheme for aspiring swimming instructors and last year we had 4 at Aqua Vale and 3 at Swan Pool that completed their level 1 and level 2 swimming teaching qualification. This is an investment of £10k in the training of local people in formal qualifications and many of them now work for the centres as swim teachers or with the local swimming club as coaches

The team in Aylesbury have been recognised with a number of team members selected to attend the Everyone Active management academies, Tim Melvin and Freddie Tomlins were selected to attend the Emerging General Manager Course and this means Aylesbury are the only contract with two team members in the Company wide scheme, Hayley Mundy, Hannah Jones, Oliver Britten and Aaron Rogers have also been selected to attend the Emerging Head of Department Course

In November Everyone Active launched its new Website and App that has a range of new features and functions that will make it easier for customers to book online for sessions at both the centres as well as giving a range of other information on a day to day basis

Both Centres have undertaken external benchmarking visits by the NBS (National Benchmarking Service) in partnership with Nottingham University and Leisure Focus Solutions to identify the strengths and weaknesses of the centre. We hope to have the report back in July 2018

Aqua Vale

The team at Aqua Vale have supported a number of local events with team members taking part in events as well as promoting the events and sending members of the team down to promote the facilities to the local community.

Events that they have taken part in include Race for Life, Play in the Park and Live in the Park,

In April, Aqua Vale hosted its annual Swimathon on a Friday and Saturday to encourage customers to take part in a range of distances to raise money for Cancer Research UK and Marie Curie. The events continue to be well supported by customers and team members.

Aqua Vale has hosted a number of Galas throughout the year from internal galas to major county events such as Oxon and North Bucks County Championship. The site continues to work with all stakeholders of these events to ensure they are as successful as possible

On the 16th September Aqua Vale hosted an open day to promote the upgrades and improvements to the Gym, The day included sessions in the gym as well as Free Group Exercise Classes and Spinning Classes

Aqua Vale undertook Quest Accreditation in May 2018 and achieved a very good score with modules that received particular praise in the report were Team and Skill Development, Cleaning and Housekeeping and Swimming Lessons.

As part of the report a mystery visit is conducted and some comments from the report included

- *We loved our visit to the centre and my daughter is keen to go back in the Easter holidays with friends, we had great fun together.*
- *The leisure pool had lots of interesting features and the slides were open all the time with no extra cost.*
- *The Receptionist who served us was one of the friendliest and enthusiastic I have ever seen.*
- *The Fitness Instructor was exceptionally good, he took time to show me around the gym and talked with enthusiasm and asked me questions.*
- *I found the staff on the phone helpful, Albert knew all the party*

The Food and Beverage team at Aqua Vale have been nominated in the Everyone Active South East

Region Annual awards, the have been shortlisted as one of the 3 best in the company
Aqua Vale undertook the UK Active Code of Practise audit on Thursday 20 th July. This is an external audit by Right Directions which is conducted with only a few days' notice. Aqua Vale passed the audit with 100% compliance. It is primarily based on health and safety and training but also contains elements of disability awareness.
After discussions with Parkwood healthcare it has agreed that Aqua Vale would Launch a GP referral scheme and be a recommended venue for those that enquired about it with them throughout the local area
Swan Pool
Everyone Active agreed to sponsor the Buckingham Junior squash team and provided them with new kit for the season
Swan Pool has worked with a number of local groups and organisations such as Buckingham Young Carers and Brackley Rugby Club to offer free facility use to them for fundraising opportunities or so they can distribute free passes to people that might not otherwise be able to use the facilities
Swan Pool undertook Quest Accreditation in April 2018 and achieved a very good score with modules that received particular praise in the report being Team and Skill Development, Swimming Lessons, Environmental
Swan Pool has been well represented in the Everyone Active South East annual awards with Swan Pool being nominated for Small site of the year, the Front of House Team being nominated and Heidi Young was nominated for the Retail Manager of the year.
High Sports no longer operate the Rock Box and this has been taken in house as it was felt that more could be done to promote the area and encourage the local community to use the facility. The day to day operations are now completed by centre management team and a number of new initiatives have been introduced to try to increase participation
Swan Pool has a strong number of apprentices at the centre with currently 1 x Fitness Motivator Apprentice qualified to level 2 and now undertaking level 3 Gym Instructor qualification, 1 x Front of House Apprentice and 1 x Operations Apprentice. At the end of the apprenticeships it is hoped that all will join the centre team full time
Swan Pool has continued to train up new lifeguards with courses that have been run in house at the centre with 32 new lifeguards qualified in the last year and many are now working for Everyone Active
Everyone Active runs a Talented Athlete Programme that allows aspiring talented athletes to receive support from the centres in the form of free memberships and training facilities as well as some receiving financial sponsorship to help them achieve their goals. Swan Pool currently has 3 athletes on the scheme including Kayleigh Presswell an aspiring Hammer Thrower who has received £250 to help towards equipment costs
Swan Pool has had extensive work done on the plant room which has included 2 x replacement Boilers and 2 x Calorifier heating unit replacements

7. Memberships					
Membership Sales	Centre	End of Year Actual	End of Year Target	Swim Scheme End of Year Actual	Swim Scheme End of year Target
	Aqua Vale	2043	2126	1276	1373
	Swan Pool	1852	1950	1269	1121
Aqua Vale Membership targets were not achieved at Aqua Vale mainly due to increased competition with budget gyms in the local area. Swim Lesson targets were not achieved mainly due to a lack of qualified teachers in the area and limited pool time that is available Swan Pool Membership targets at Swan Pool were not achieved and we anticipate that going forward due to increased competition in the area that maintaining the membership base will difficult going into next year Swim Lesson targets were significantly over achieved due to the introduction of a number of new lessons but we still feel that the scheme has room to grow if more teachers were available					

8. Investments Items – 2017/18

Centre	Description	Value	Source
Aqua Vale	Replace plant actuators	£3,000	Everyone Active
	Coil for Absorption chiller	£17,000	Everyone Active
	CCTV Upgrade	£7,000	Everyone Active
	CCTV Upgrade	£7,000	AVDC
	Gym Floor Upgrade	£9,000	Everyone Active
	New Gym Equipment	£8,000	Everyone Active
	Air Conditioning in the Spin Studio	£10,000	Everyone Active
	Repairs to Glazing due to Vandalism	£15,000	Everyone Active
	Installation of steel shutter for retail cupboard	£2,000	Everyone Active
	Fire Alarm Remedial Actions	£20,000	Everyone Active
	Emergency Lighting remedial works	£12,000	Everyone Active
	Upgraded Entrance Signage	£4,000	Everyone Active
	Outdoor Pool Bubble Blower motor	£2,000	Everyone Active
	Lazy River Motor replacement	£4,300	Everyone Active
	Massage Jet Pump replacement	£2,000	Everyone Active
	Finger Spray and Water Geyser Pump	£3,500	Everyone Active
	Intruder Alarm remedial Works	£3,000	Everyone Active
	Retail Stand upgrade	£2,000	Everyone Active
	Poolside seating Repairs	£5,000	Everyone Active
	New row of poolside seating	£9,000	AVDC
	New Scrubbing Machines	£5,000	Everyone Active
	New Radios	£1,500	Everyone Active
	New Starting Blocks for competitions	£40,000	Aylesbury Vale Swimming Club and Maxwell Swimming Club
	Total	£191,300	
Swan Pool	Squash Court Area Flooring replacement	£2,000	AVDC/ Everyone Active
	Squash Court Lighting upgrade to LEDs	£12,000	Everyone Active
	Squash Area and Courts redecoration	£2,800	Everyone Active
	Calorifier Replacement	£24,000	Everyone Active/AVDC
	Boiler Replacement	£54,000	Everyone Active/AVDC
	Fire Door Replacement	£6,000	Everyone Active
	Bulk Storage Chemical Bunding	£14,000	Everyone Active
	New Phone System	£6,000	Everyone Active
	New PAC Dosing system	£5,000	Everyone Active
	Replacement Air Handling Unit	£8,000	Everyone Active
	Additional Spin Bikes	£3,000	Everyone Active
	New Radios	£800	Everyone Active
	New WIFI Installed	£2000	Everyone Active
	Total	£139,600	
Total Value		£330,900	

9. Investments Items (Proposed) – 2018/19			
Centre	Description	Value	Source
Aqua Vale	Wet side Toilet, Private Showers and Accessible Change refurbishment	£80,000	AVDC S106 contributions
	Phase 2 Toilets, Shower areas and Changing area refurbishments	£120,000	AVDC S106 contributions
	Boiler Replacement	£180,000	Everyone Active/AVDC
	Poolside grating replacement	£8,000	Everyone Active
	Poolside Foliage and greenery replacement	£15,000	AVDC S106 contributions
	Pool View Drowning Detection System Installation	£50,000	Everyone Active
Swan Pool	Pool Cover Reel Replacement	£6,000	Everyone Active
	Virtual Group Cycling Installation	£6,000	Everyone Active
Total Value		£465,000	

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IMPROVEMENT SCHEMES FOR KINGSBURY AND MARKET SQUARE, AYLESBURY

1 Purpose

- 1.1 This report sets out challenges facing Kingsbury and Market Square and outlines the plans to bring forward improvement schemes for both spaces and the associated costs.

2 Recommendations

- | | |
|-----|---|
| 2.1 | Members of the Scrutiny Committee are invited to review the report so that their comments can be considered by the Cabinet at its meeting on 10 July. |
|-----|---|

3 Supporting information

- 4.1 The Aylesbury Town Centre Plan (www.aylesburytowncentreplan) was published in 2014 which set out:
- The challenges facing the town.
 - The regeneration achievements to date
 - A vision and unique selling point
 - Guiding principles for future regeneration of the town centre
 - A range of actions to improve the town centre generally as well as actions specific to the different area of the centre

The Town Centre Plan has now been reflected in the Draft Vale of Aylesbury Plan.

- 4.2 In respect of the challenges, the impact of internet shopping via multi-channels was already recognised and reflected in the Town's Vision

Aylesbury will:

...be a high profile, sub-regional centre for entertainment and the arts, which has added a distinctive edge to its market town heritage.

...be a distinctive, 'best in class', modern market town, which is attractive, safe, sustainable and accessible.

--- provide a quality day and evening environment in terms of leisure, retail and food and drink, which attracts and brings together people of all ages and communities from within its enviable catchment area.

- 4.3 There is no definitive view on how much impact the internet is having or will ultimately have on traditional retail, but it is abundantly clear that the demand for physical retail space is changing with 16 shops a day closing in 2017 and almost every operator including Marks & Spencer's and John Lewis

Partnerships are committed to undertaking portfolio reviews. Others such as House of Fraser, are already part way through that process and it is well known that the Aylesbury branch will close at some point.

- 4.4 Whilst some of this is offset by big box operators such as B&Q and Screwfix opening smaller, high street formats, users of town centres are undoubtedly looking to their towns (particularly those the size of Aylesbury), to provide a more social experience. National spend on casual dining and the increase in the number of restaurants and cafes has been phenomenal and whilst the dining out market has also seen a softening in recent months, spend generally in this area continues to grow, with shopping being only part of the reason to visit. Aylesbury is no exception to this trend and has since a number of new cafes and restaurants open in recent years, with more opening as part of The Exchange development.
- 4.5 A theme central to the entire Town Centre Plan, is the recognition that Aylesbury needed to improve the quality of its environment and public space to help create the experience people were looking for whether living, visiting or working. Whilst it is difficult to quantify a direct financial return on investment from public realm improvement, there is strong supporting evidence which shows that it can deliver the following intrinsic and non-economic benefits:
- Helps attract investment from the private sector as the town's reputation and profile rises. (AVDC can benefit from the business rate uplift this delivers).
 - Improves the wellbeing of existing residents and users of the town centre.
 - Increases footfall as the town becomes the preferred choice of place to visit. This helps generate spend in the local economy and enables existing businesses to thrive. Some of these in Aylesbury are AVDC owned or where the council has a vested interest in eg Aylesbury Waterside Theatre. Increased footfall helps enhance this investment).
 - Creates an environment where civic pride helps reduce anti-social behaviour.
 - Can support job growth
- 4.6 In Aylesbury good progress has been made on delivering a range of public space improvements identified in the Plan. These include:
- Creatively using the former water scheme in Kingsbury for colourful planters
 - Achieving a parking order for Kingsbury to enable enforcement of illegal parking on the central area
 - Using different spaces for events eg Aylesbury on Sea (an Aylesbury Town Council event), WhizzFizz, Christmas light switch-on etc
 - Developing the new Exchange public square alongside an improvement scheme for Long Lion
 - Launch of the first waterside festival in September 2018 using the public space by the theatre and canal for the festivities
 - New planters in the High Street (in part to help prevent unauthorised use by cars)

- An ever expanding street entertainment and events programme
- A fantastic Aylesbury in Bloom programme (led by Aylesbury Town Council)

- 4.7 However, whilst these small but incremental improvements are important, two of the town's largest public spaces – Kingsbury and Market Square, have operational and aesthetic challenges which need for significant schemes to come forward.

Kingsbury - background and context

- 4.8 Kingsbury is a distinct area of the town and a gateway to the historic Old Town. The land known as Kingsbury was given to the people of Aylesbury by Charles I and was originally called "Kings Borough" ie the land of the King. It was the secondary square of Aylesbury and originally used as a base for carters who were employed to deliver goods purchased at the market to outlying villages. As Aylesbury has developed and grown, use of Kingsbury has changed and whilst it still retains many fine buildings, it has struggled in recent times to attract the footfall of its former years and to find its own identity.
- 4.9 In 2004, a Government funded scheme to improve the public space was delivered to help Kingsbury attract private investment in the commercial units and make it more integral to the retail circuit. Whilst these improvements were welcome, they have not brought about the transformation hoped for. Instead, the on-going decline in footfall has led to new challenges and an increase in anti-social behaviour ranging from parking on the central area to public drinking outside the agreed areas. Much effort has also been made by AVDC, and its partners to address these issues, but the overall feedback is that more significant investment is needed to enable Kingsbury to thrive and become a greater asset to the town.

The Aylesbury Town Centre Action Plan and Kingsbury

- 4.10 The Action Plan for Kingsbury (taken from the Town Centre Plan is attached as Appendix 1). The mini vision for the area is to

"Create a more attractive environment for residents, visitors and businesses and improve it as the gateway to the old town."

- 4.11 A number of the actions listed have already been completed or are underway, but one of the key outstanding actions is to

"Form a stakeholder group to identify options for improving the physical environment, looking at seating, lighting, surfaces etc so that better use of the open space can be made all year round."

- 4.12 Some preliminary work has already been undertaken by the Town Centre Manager to gauge interest by the business community in a scheme being brought forward. This engagement has been on the basis that whilst AVDC (working potentially with BCC who own the highway around the central area which is failing in parts), may be able to deliver enhancements to the public space, the land and buildings also need to be considered to achieve the best outcome for this relatively small area. This means that the investment and commitment from landlord and tenants will be needed as well.

- 4.13 There are some 40 landlords and tenants in Kingsbury – some remote and with the primary objective of ensuring their unit is occupied regardless of the greater vision we are seeking to achieve for the area. However, some landlords and tenants are local to Aylesbury and are enthusiastic about being part of the plans. The potential to transform Kingsbury through a joint approach is significant and any stakeholder engagement will also extend to other key partners such as the Aylesbury Town Council, Thames Valley Police and the Aylesbury Old Town Residents' Association.
- 4.15 Some initial thought has been given as to what the future look and feel of Kingsbury could be taking into account the need to reduce the reliance on retail and how Kingsbury could complement other areas of the town centre. An initial concept based on bringing the Roald Dahl theme from the Museum in the adjacent area, to Kingsbury (both land and buildings) has been suggested and well received. However, as part of the development of the concept, significant more work would need to be undertaken with stakeholders to ensure that the vision was shared and jointly owned.

Aylesbury Market Square – background and context

- 4.16 The Market Square with its landmark clock is Aylesbury's most established public space. Originally the Square was much bigger but over time has reduced as development has taken place on the periphery. Over the centuries, the Market Square has been a central space for people to meet, socialise, and trade. Around the historic cobbled square there are many fine old buildings including the original Grade II County Hall (built in 1725), the Crown Court and the Corn Exchange (built in 1864).
- 4.17 The Market Square is still a very popular space and today is home to four markets a week – the Vintage & Craft Bazaar, general, Foodie Friday, special markets, concerts, Christmas light switch-on, the Christmas carol concert, WhizzFizz and more.
- 4.18 However, despite its popularity, the Square has constraint. The key ones can be summarised as:
- Accessibility. The cobbles are an essential part of the Squares heritage, giving it a distinctive look and feel. However, they are also very uneven and deter many people, particularly if they have a disability, from using the Market Square and enjoying the activities on offer. (A survey undertaken by the Market's Team identified that one of the reasons why people did not use the markets, was the concern about walking safely or easily across the cobbles. People who said this was ranged from women wearing shoes with heels, older people, people with pushchairs and people with a disability.
 - Poor infrastructure. As the town's main event/activity space, The Square has limited on-site infrastructure such as electricity supply points for generators etc, lighting and water. This has become a constraint for regular event such as Foodie Friday which is growing in popularity, but stalls can only be located on the sections of the Square where there is pop-up electricity supply. In winter months, the lack of lighting becomes a additional issue and is hard to address with health and safety regulations limiting how and where overhead cabling can be successfully rigged.

These two constraints collectively prevent all of the space from being used and for more a wider range of activities.

The Aylesbury Town Centre Plan – Market Square

- 4.19 The Action Plan for Market Square (taken from the Town Centre Plan is attached as Appendix 2). The mini vision for the area is to:

“Make more of the area’s presence as a key retail, catering and leisure hub”

- 4.20 As with Kingsbury, a number of the actions are already underway or complete. For example, significant investment has taken place to deliver the action about improving the markets. New stalls, and the development of the Vintage & Craft Bazaar, and the Foodie Friday markets, have all helped to revitalise the popularity of the town’s historic market tradition. But one the key actions calls for a review of the public realm to

“Create amore attractive and usable environment for shopping, eating, drinking and leisure (including large scale events and socialising).”

The Action Plan also states that the review should include:

- *Better links between areas*
- *Vehicle, pedestrian and events use*
- *Public space (including layout, surfaces, street furniture, signage, lighting and electricity supply)*

- 4.21 Unlike Kingsbury, there is no plan at this stage to introduce a theme to Market Square unless the stakeholder engagement identifies one. The brief is in essence set out in paragraph 4.18 above but within the clear context of retaining the Square’s heritage look and feel..

5 Indicative costs of the improvements

- 5.1 Developing the concept to implementation of a scheme has a number of phases which will be applicable to both spaces. The key phases are:
- i) Inception, concept preparation and stakeholder engagement
 - ii) Design development to planning
 - iii) Tender and construction pack
 - iv) Delivery and project management
- 5.2 Each phase carries costs which includes to associated costs of specialist advice. Most are common to both spaces although with Kingsbury there will be an additional requirement to develop a Design Guide for the buildings.
- 5.3 Both spaces would be considered together. This will ensure a cohesive approach to the improvements and may also deliver some economies of scale in terms of commissioning the various elements of work.
- 5.4 The fee and capital costs of both schemes can only be indicative at this stage but for the purpose of this report, they have been identified as:

Collective fee costs for Kingsbury and Market Square: £180k

Capital costs of delivery – Kingsbury: £2m
Capital costs of delivery – Market Square: £2m
Contingency: £320k

Total: £4.5m

6. Sources of funding

6.1 Three funding sources have been identified:

- Existing Section 106 funding allocated to Aylesbury town centre but not to any specific scheme: £1m
- Heritage Lottery Funding Townscape Grants: £2m (potential funding source)
- New Homes Bonus: £1.5m

At this stage there can be no guarantee that the bid for Heritage Lottery Funding will be completely or partially successful. If there is any gap in funding from the Lottery, the proposal is that additional New Homes Bonus will be used.

7. Timescale

7.1 Phases i) to iii) are likely to take until late 2019 to complete enabling procurement for the delivery in early 2019 with construction starting on site in spring 2019. Depending on the nature of the finally approved schemes, it is probable that work will be phased rather than carried out at the same time.

8. Resource implications

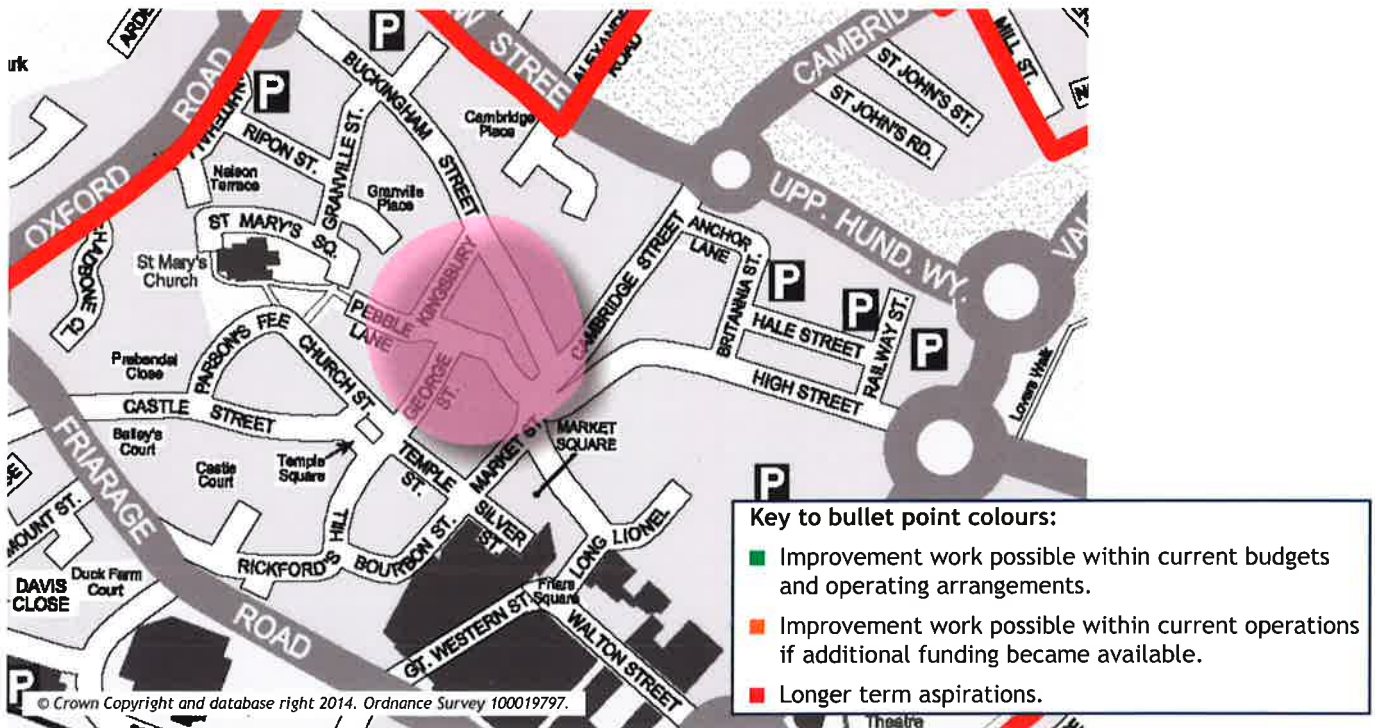
- 8.1 The resource implications are set out in section 5. The overall programme will be managed by the Commercial Property & Regeneration Sector.
- 8.2 The council is currently holding in excess of £3.5m of unallocated New Homes Bonus from its allocation for 2018/19 and therefore there is sufficient funds available to fund this scheme if approved.

Contact Officer
Background Documents

Teresa Lane 01296 585006
Aylesbury Town Centre Improvement Plan
Heritage Lottery Funding: Townscape Grants Briefing Note

Action Plan

Kingsbury (including George Street & Pebble Lane)



Create a more attractive environment for residents, visitors and businesses and improve it as the gateway to the Old Town.

Actions:

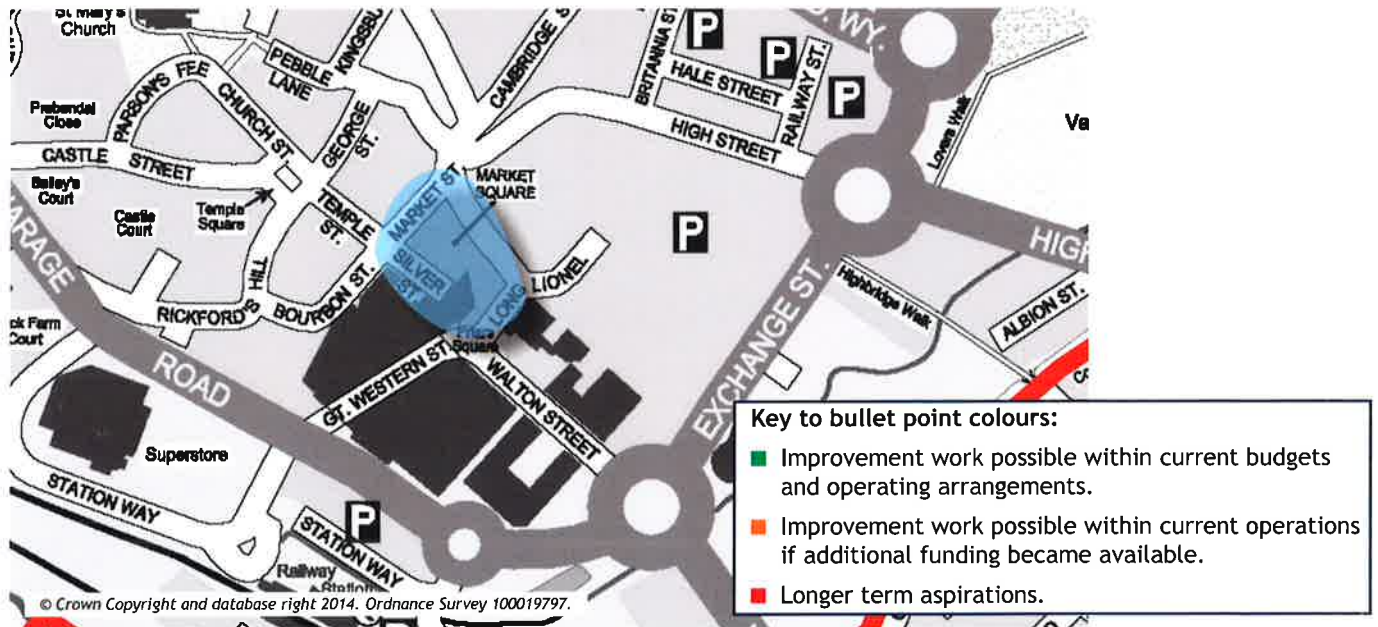
- Form a stakeholder group to identify options for improving the physical environment, looking at seating, lighting, surfaces etc so that better use of the open space can be made all year round.
- Deliver these improvements, in a phased way if necessary.
- Investigate if it's possible to enforce a 'saturation policy' for betting shops and off-licences.
- Support, however possible, plans by the Local Government Association to lobby government for new powers to prevent clusters of betting shops overwhelming town centres.
- Improve and promote Kingsbury as the gateway to the Old Town, eg through the signage strategy for the town.



These actions will be carried out in line with our strategic aims and work such as the Public Realm Study, Retail Study and Economic Development Strategy.

Action Plan

Market Square, Walton Street and Friars Square



Make more of the area's presence as a key retail, catering and leisure hub.

Actions:

- Create a more attractive and usable environment for shopping, eating, drinking and leisure (including large scale events and socialising), through a public realm review to include:
 - better links between areas.
 - vehicle, pedestrian and events use.
 - public space (including layout, surfaces, street furniture, signage, lighting and electricity supply).
- Improve the retail, food and beverage and leisure offer by:
 - improving the markets.
 - encouraging new retail operators in the Square.
 - holding more large scale events.
 - updating planning guidance to ensure it reflects the aim of making Market Square the hub of the town centre.
- Stop parking on the Market Square in the evenings and at other inappropriate times.
- Enable and support, where appropriate, improvement plans of landlords in this area of town to ensure a co-ordinated and complementary approach to future development.
- Review the treatment and use of Walton Street, to improve the environment and encourage better links between Walton Street and other town centre locations such as Waterside North, Friars Square and Market Square (see Waterside North action plan).
- Improve access to and visibility of the King's Head heritage site.

These actions will be carried out in line with our strategic aims and work such as the Public Realm Study, Retail Study and Economic Development Strategy.

TREASURY MANAGEMENT 2017-18 YEAR END REPORT

1 Purpose

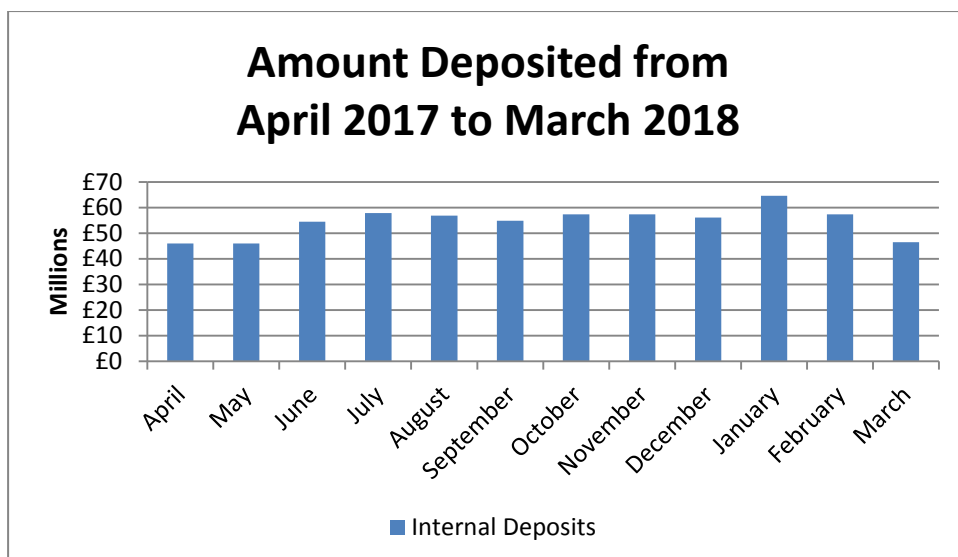
- 1.1 The Authority's Treasury Management Strategy requires that an annual report be brought to Council after each year end. This report sets out the performance of the Treasury Management section for the 2017/18 financial year.
- 1.2 The report also provides an update for the 2018-19 financial year.

2 Recommendations/for decision

- 2.1 To note the performance against the Treasury Management Strategy for 2017/18.

3 Review of 2017/18 Treasury Management

- 3.1 The objectives for the Treasury Management team for 2017/18 were laid out in the Treasury Management Strategy agreed by Council in February 2017.
- 3.2 The main activities continue to be:
 - Foremost, to maintain, the security of the Council's deposits by only depositing with trusted financial institutions and limiting the size and length of deposit with each organisation.
 - To directly manage a range of deposits in order to provide sufficient flexibility to meet day to day operational needs
 - To only undertake new long term borrowing where the business case justifies it.
- 3.3 Actual performance was in line with the plan.
 - The Council placed deposits in a decreasing market by spreading its deposits thinly across many trusted institutions in accordance with its policy.
 - The authority did not undertake any new long term borrowing.
 - The in-house team achieved interest rates above the 7 day LIBOR rate.
- 3.4 The average monthly balances deposited by the in house team generated by the in-house team are set out in the bar chart below:



- 3.5 The table below details average weighed rate of return received over the financial year compared to the LIBOR rates available.

Period	AVDC Weighted Average Rate of Return (%)	7 Day LIBID	3 Mth LIBID
Q1 2017	0.543	0.114	0.100
Q2 2017	0.458	0.112	0.180
Q3 2017	0.485	0.112	0.210
Q4 2017	0.512	0.275	0.348
Q1 2018	0.606	0.360	0.441

- 3.6 Over the financial year, the rate of return had increased, and credit risk reduced.
- 3.7 For March 2018, the weighted average rate of return for the Council was 0.61% (on investment of £45.4m) This compares to Benchmarking data where, across 227 Authorities, Weighted average rate of return was 0.61%, on investment average of £67.1m. (Source of data: Link Asset Services)
- 3.8 The table below shows the Council performance against capital and treasury indicators, as indicated by the Council Balance sheet , as at 31st March 2018.

2016/17	Capital Financing and Borrowing (£000s)	2017/18
34,485	Capital Financing Requirement	41,204
34,485	Underlying Borrowing Requirement	41,204
23,410	External Borrowing	23,225
11,075	Under Borrowing	17,979
-19,366	Net Borrowing (exc TFR debt)	-23,167
47,139	Balances available for Investment	51,693
42,776	External Investments	46,392
4,363	Internal Investments	5,301
-6,712	Total Working capital surplus	-12,678

4 In House Treasury Team Performance

- 4.1 When managing the Council's deposits the primary consideration is to protect capital rather than to maximise return. This reflects the fact that the deposited sums are public money and, therefore, any loss of capital should be avoided at all costs.

- 4.2 The Treasury Management team continue to invest money in line with its list of approved (safe) institutions, varying the amounts and length of deposit according to the institution and the cash flow requirements at the time.
- 4.3 Although, a safe list of institutions is maintained, major unexpected events or a sudden loss of confidence in the banking sector cannot always be predicted.
- 4.4 Historically, the majority of the Council's lending has been with Banks and Building Societies but over the last year the Council has increased its range of investment with some of the major UK banks in order spread the risk of its portfolio. The Council has also started to lend to other Local Authorities to reduce exposure to smaller un-rated building societies. The lending list is monitored throughout the year to take account of any changes within the sector i.e. building society mergers / conversions to banks. During 2017/18 there were no mergers that affected the Council's lending list.
- 4.5 With interest rates still at low levels, the actual amount of deposit income generated was £275,086. This was £15,086 higher than planned. This was due to the high level of money available for deposit from unspent reserves and balances held to meet capital programme obligations.
- 4.6 With the prevailing low rates the likelihood of an increase in the interest generated remains low.
- 4.7 In November 2017, the Bank of England raised Bank Rate to 0.5% from 0.25%. Market intelligence on forecast rates are informed by the political and economic markets. There was no change to the rate in June 2018, although there is some indication that the interest rate may increase in August by 0.25%

5 Money Market Funds

- 5.1 The council continues to operate two Money Market Funds to give the in-house team easy access to surplus funds.
- 5.2 MMF interest rates have broadly increased in line with the Bank of England base rate. Returns for money market funds remain below those of fixed term deposits but they offer greater security being triple A rated. Although, the returns have reduced the MMFs are required to manage the daily cash flow as they offer daily access without any loss of interest.

6 New Borrowing

- 6.1 No new borrowing was taken out during the year.
- 6.2 Any borrowing that the council undertakes must be within the Authority's Authorised Limit and Operational Boundary, which are set at the beginning of each year.
- 6.3 It is a requirement of the code that any deviations from these limits, approved or otherwise, are reported to Council.

7. Fund Manager Performance

- 7.1 The council does not use fund managers to aid its investment decisions.

8 Treasury Management in 2018-19

- 8.1 The Treasury Management Strategy was presented to Council in February 2018.

- 8.2 The key messages were:
- Investments – the primary governing principle will remain security over return and the criteria for selecting counterparties reflect this.
 - Borrowing – overall, this will remain fairly constant and the Council will remain under-borrowed against its borrowing requirement due to the higher cost of carrying debt.
 - Governance – strategies will be reviewed by the Audit Committee with continuous monitoring. A Mid-Year report will be completed in due course.
- 8.3 An update on the Treasury Management for 2018-19 will be prepared mid-year for review by Members.

9. Scrutiny

- 9.1 Finance and Services Scrutiny Committee receive the Treasury Management Strategy prior to Council.

10. Reasons for Recommendation

- 10.1 Under the terms of the Statutory Code of Practice for Treasury Management, the Council is required to receive an annual report on its Treasury Management performance as well as a mid term report on the current year. This report represents the fulfilment of that requirement.

11. Resource implications

- 11.1 The authority continues to operate an Interest Equalisation Reserve to smooth out fluctuations in interest rates.
- 11.2 As a result of the increase in the level of sums managed by the Council during 2017/18 and despite the reduced interest rates available, the interest generated, although low compared to previous year, exceeded expectations.
- 11.3 As at March 2018, the balance of the interest equalisation reserve stands at £2.022 million.
- 11.4 The phased use of the balance on the Interest Equalisation Reserve forms part of the annual budget setting exercise. Following the last budget setting exercise, it was agreed that the current balance on the reserve was overly prudent, as there are expected increases in interest rates in the medium term. In 2017/18, £875,000 of the balance was released from the reserve and used to meet other corporate liabilities.
- 11.5 The Medium Term Financial Plan also recognises the Council's use of capital and other balances in delivering its plans and the impact that this will have on interest earnings. The plan is, therefore, gradually reducing the Council's reliance on interest earnings over time, so as to manage the remaining balance on the interest equalisation reserve.

QUARTERLY FINANCIAL DIGEST : APRIL 2017- MARCH 2018

1 Purpose

- 1.1 This report presents the Financial Digest for the period to 31 March 2018. This represents the final outturn position for the Council for the financial year 2017-2018.
- 1.2 At the time of writing the report, the Final Accounts for the financial year 2017-2018 have been submitted to external auditors, but are still subject to audit.

2 Recommendations

- | | |
|-----|--|
| 2.1 | 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 March 2018 for member's consideration.
- 3.2 The financial digest is attached as Appendix 1.
- 3.3 The financial information is based on the actual income and expenditure for the 12 months of the financial year, April to March 2018.
- 3.4 As at the end of March 2018, an overspend against budgets (after the use of reserves) of £453,507 is reported. This is £33,893 better than the forecast anticipated in December 2017.
- 3.5 The slight improvement to the financial outturn leaves the General Fund working balances at a marginally higher level than predicted. The closing balance on the General Fund for 2017-18 is reported as £1.977m
- 3.6 The report provides further detail on the financial position.
- 3.7 The financial outturn position is also consistent with that used in budget planning for 2018/19.
- 3.8 Members will note that the draft annual accounts were presented to the Audit Committee meeting on 26th June 2018. The accounts were completed by the deadline of 31st May 2018. Final approval of the accounts is due by 31 July 2018.
- 3.9 The year end position within the statutory accounts contains transactions which are required by the accounting regulations.
- 3.10 The statutory accounts only present actual expenditure and income, without reference to budgeted levels. Therefore, whilst the accounts present the definitive position on the Authority by way of its financial resources, it does not inform the reader as to whether this was a planned or expected position.
- 3.11 The Quarterly Financial Digest is the primary reporting tool for in-year financial management. The digest provides management information and is designed to explain significant financial events which occurred during the year by comparing them with the expected or budgeted equivalent figures.
- 3.12 Members have previously discussed a number of options to review the content of the financial digest report.
- 3.13 Work continues to both address the timeliness of reporting and also the content of the Digest.

- 3.14 As agreed with Members previously, an iterative approach to improved financial reporting will be tested and addressed in the forthcoming financial year.
- 3.15 The financial outturn for 2017-18 will also provide a basis of comparison for management reporting for 2018-19. As requested by Members, this will allow for year to year comparison of spend, and also trend analysis.

4 Income and Expenditure

- 4.1 The table below details the total income and expenditure position for the organisation for the period to the end of March 2018.

Income and Expenditure	2017/18 Annual Plan £000s	2017/18 Actual £000s	Variance £000s
Income	(132,670)	(135,317)	(2,647)
Expenditure	132,670	135,770	3,100
Total Net Position	0	454	454

- 4.2 The table shows a total income recovery of £135.317m which is £2.647m above budgeted levels.
- 4.3 The table shows a total expenditure of £135.770m, which represents an overspend against the annual budget of £3.100m.
- 4.4 These costs largely relate to the significant restructuring exercise undertaken in 2017/18 as part of the process of delivering a financially sustainable organisation for the period of the medium term financial plan. The financial benefit of the re-organisation has realised significant savings in staff costs in the future years and has been central to the Council setting a balanced budget for 4 years in January 2018.
- 4.5 Work continues to provide Members with additional granularity of detail on income and expenditure, and to ensure systems support the information requirements.
- 4.6 The table below details detail of the top 20 types of income for the Council for 2017/18 (this represents >85% of the total income)

Income : By Type All figures £000s	2017/18 Annual Plan	2017/18 Actual income	Variance to plan
DWP Grant-Housing Benefit Administration	(44,098)	(44,104)	
Income from Business Rates	(20,358)	(20,798)	(440)
AVDC Council Tax Requirement	(10,243)	(10,243)	0
DCLG Grant	(8,313)	(8,314)	(1)
Collection Fund Precept Income	(5,339)	(5,339)	0
Notional Interest	(3,336)	(3,336)	0
Rents-Vatable	(2,236)	(2,437)	(201)
Deposits	(2,339)	(2,339)	0
Short Term Parking	(2,409)	(2,328)	81
Investment Interest	(2,190)	(2,234)	(44)
Contribution from Reserves-Planning	(1,855)	(1,855)	0
Recharged to Environmental Health	(1,777)	(1,777)	0
General Cash Income	(96)	(1,746)	(1,650)
Planning Fees Applications	(1,765)	(1,705)	61
Contribution from Reserves-Information Technology	(1,668)	(1,668)	0
Recharged to Contract Services	(1,326)	(1,326)	0
Recharged to Corporate Management	(1,194)	(1,194)	0
Cost Income	(1,138)	(1,144)	(6)
Recharged to Democratic Processes	(1,117)	(1,117)	0
Contribution from Reserves-New Homes Bonus	(1,063)	(1,063)	(0)

- 4.7 The table below details detail of the top 20 types of expenditure for the Council for 2017/18 (this represents >99% of the total expenditure)

Expenditure : By Type All figures £000s	2017/18 Annual Plan	2017/18 Actual Spend	Variance to plan
Rent Allowances	44,596	45,003	407
Collection Fund Tariff	15,502	15,502	0
Basic Salary	13,961	13,174	-787
Asset Carrying Value	10,005	10,005	0
Contribution to Reserves-NHB	6,975	6,954	-21
Interest Payable	6,176	6,171	-5
Parish Precepts	5,339	5,339	0
Agency Staff	1,750	4,486	2,736
Contribution to Capital Receipts Reserve	4,003	4,003	0
Contribution to Reserves-Pensions	3,786	3,786	0
Employers Superannuation	3,532	3,390	-142
Asset Rental Charge	3,096	3,096	0
IAS19 Adjustments	3,055	3,055	0
Consultancy Fees	1,539	2,060	521
Horticultural & Sweeping Contract	1,898	1,997	99
Cost of Prudential Borrowing	1,702	1,702	0
Redundancy	0	1,604	1,604
Recharge for Office Accommodation	1,552	1,552	0
Collection Fund Levy	1,351	1,351	0
Recharge for Health Administration Services	1,347	1,347	0

- 4.8 The final financial outturn, by portfolio, is detailed in the table below and further detail by service is provided in the Appendix.

Portfolio (all figures in £000s)	Current Budget	Actuals Spend/ Income	Significant Variances
Civic Amenities	6,114	5,560	(554)
Commercialisation & Business Transform	3,089	3,614	525
Communities	4,767	4,807	40
Economic Development & Regeneration	367	154	(214)
Environment & Waste	7,789	7,779	(11)
Growth Strategy	4,410	4,812	402
Leader	5,622	6,386	763
Resources, Governance & Compliance	2,654	5,060	2,406
Total Portfolio Expenditure	34,814	38,171	3,358
Total Financing Items	(34,814)	(37,718)	(2,904)
Total	0	454	454

- 4.9 The financial position is largely a factor of above budgeted levels of staff costs in relation to the Council reorganisation. The financial benefit of the reorganisation has realised significant savings in staff costs in the future years and has been central to the Council setting a balanced budget for 4 years in January 2018.
- 4.10 For the financial year, £1.222m of salary savings were recognised as a result of business reviews and vacancies. Some of these vacant posts were however filled by temporary staff (agency and consultants) at a premium cost. For the financial year, temporary staffing costs are reported as being £3.137m above budgeted levels.
- 4.11 Temporary staffing arrangements were necessary to support service delivery and to manage the transitional arrangements of the staff changes. These costs were largely non-recurrent for the financial year.
- 4.12 Further staff cost pressures to date include redundancy cost of £1.725m
- 4.13 All opportunities to realise in-year savings through efficiencies are actioned to ensure financial benefit. In year, there have been significant savings arising from the introduction of the new waste fleet in that running costs have been reduced significantly.
- 4.14 Further detail on expenditure and income, for each of the Portfolios, is provided in the narrative included later in the report.
- 4.15 The Financial Digest details the financial outturn by Portfolio. Members will be aware that financial performance is also reported at sector level to support the management structure. The final outturn position, by sector, is detailed in the table below. This view of the financial position reflects the management structure of the Organisation, and is included for information.

Sector (All figures £000s)	Current Budget	Actuals to Date	Significant Variances
Business Delivery, Support & Enablement	7,883	8,274	391
Chief Executive Services	257	303	46
Commercial & Business Strategy	4,230	5,150	920
Commercial Property	8,500	8,433	(67)
Community Fulfilment	7,839	7,616	(222)
Customer Fulfilment	6,105	8,395	2,289
Total Sector Expenditure	34,814	38,171	3,358

5 Forecast Outturn

- 5.1 Whist overall the variance for the Council has remained largely unchanged from the forecast outturn position reported at the end of December 2017, there have been some changes in the outturn at a granular level.
- 5.2 The table below details the changes from the forecast made at December 2017. In preparing forecasts, best estimates of income and expenditure are made in line with known expectations and intelligence on emerging issues in liaison with budget managers. Producing forecasts for 2017-18 was difficult given the particularly transitional changes happening across the Organisation in the financial year.

Portfolio (all figures in £000s)	Current Budget	Actuals Spend/ Income	Significant Variances	Expected Variances	Significant Variances Between Forecast and Actual Outturn
Civic Amenities	6,114	5,560	(554)	(621)	67
Commercialisation & Business Transform	3,089	3,614	525	446	79
Communities	4,767	4,807	40	45	(5)
Economic Development & Regeneration	367	154	(214)	(106)	(107)
Environment & Waste	7,789	7,779	(11)	(254)	243
Growth Strategy	4,410	4,812	402	236	166
Leader	5,622	6,386	763	595	169
Resources, Governance & Compliance	2,654	5,060	2,406	1,829	577
Total Portfolio Expenditure	34,814	38,171	3,358	2,170	1,188
Total Financing Items	(34,814)	(37,718)	(2,904)	(1,682)	(1,222)
Total	0	454	454	487	(34)

- 5.3 The forecast variance, at portfolio level, was worse than the year end position by £1.188m.
- 5.4 The financial forecast, completed at the end of December 2017, was supported by information from budget holders, and with the best intelligence available on financial information. Inevitably, organisational changes can lead to variation in spending patterns from the forecast set. Where this happens, action is required and taken to address variations across both portfolios and also within corporate budgets.
- 5.5 The report details the main changes from the December forecast to the 2017-18 outturn. Overall, whilst there have been changes at Portfolio level, these have been managed by changes to corporate budgets. The final outturn position for the year position was £34k better than forecast.

- 5.6 These changes to forecast include:
- housing payments made in error as a result of system changes. This could not have been foreseen when completing the forecast at December 2017;
 - changes in forecast income for car parking income and lettings, the forecast fell short of expectations.
 - lower than forecast income from trade waste disposal fees and recycling credits. It had previously been indicated that income from recycling would reduce but this has happened earlier than anticipated;
 - the impact of the staff changes across the organisation have been difficult to assess with precise accuracy. For operational issues, some changes didn't happen as quickly as forecast, and additional unanticipated costs were incurred in the last quarter; and
- 5.7 There were also a number of changes in relation to the financing items, the overall impact of which was to offset the position reported at portfolio level. This included lower borrowing costs and higher than expected income from business rates.
- 5.8 Accurate and timely forecasting is a vital function to support the financial management agenda.
- 5.9 We are working in a dynamic financial environment. To ensure forecasting is as accurate as possible, members of the finance team are engaging on a regular basis with budget holders to ensure that any emerging issues in relation to finance and related activities are flagged as early as possible to allow corrective action as required.

6 Financial Performance by Portfolio

- 6.1 The 2017/18 financial performance comprises portfolio overspends of £3.358m, offset by underspends in Corporate Costs of £2.904m
- 6.2 The table below details the forecast outturn for each Portfolio

Portfolio (all figures in £000s)	Current Budget	Actuals Spend/ Income	Significant Variances
Civic Amenities	6,114	5,560	(554)
Commercialisation & Business Transform	3,089	3,614	525
Communities	4,767	4,807	40
Economic Development & Regeneration	367	154	(214)
Environment & Waste	7,789	7,779	(11)
Growth Strategy	4,410	4,812	402
Leader	5,622	6,386	763
Resources, Governance & Compliance	2,654	5,060	2,406
Total Portfolio Expenditure	34,814	38,171	3,358
Total Financing Items	(34,814)	(37,718)	(2,904)
Total	0	454	454

- 6.3 The Council has established financial management procedures in place to monitor budgets and mitigate any forecast over spending. This has been successful in acting as an early warning of any budget variations. During 2017/18, rigorous management and monitoring of budgets and savings were implemented to ensure the sustainability of budgets against the background of the significant and exceptional staff transformation programme.
- 6.4 Revenue and capital budget monitoring information is reported to Finance Services and Scrutiny Committee and Cabinet throughout the year and specific areas of concern are presented. This process facilitates a level of challenge, including a review of any potential impacts on budgets.
- 6.5 Through effective financial management, the Council delivered savings and achieved additional income, which helped to meet spending pressures, particularly on pay spend.
- 6.6 The table below sets out the variances from the budget, analysed by Portfolio. The table analyses the key variances under the headings of operational efficiencies, additional Income, reduced Income and operational requirements.

Portfolio (all figures in £000s)	Staff Savings	Staff: Agency and Consultancy	Redundancy /exit costs	Operational efficiencies	Additional Income	Reduced income	Operational requirements	Other	Total
Civic Amenities	-137	26	42	-528		132	-71	-18	-554
Commercialisation & Bus Transformation	-3	392	146	-103			101	-8	525
Communities	-167	81	120	-65		50	50	-29	40
Economic Development & Regeneration	-335	316	79	-84	-225	20	35	-21	-214
Environment & Waste	-680	660	230	-294	-126	64	134	1	-11
Growth Strategy	-199	173	409	-18				37	403
Leader	73	199	259	-45		40	150	88	764
Resources, Governance & Compliance	225	1,290	439	-83	-89		200	423	2,406
Total Portfolio Expenditure	-1,222	3,137	1,725	-1,220	-440	306	599	474	3,358
Total Financing Items			-1,725		-1,109			-70	-2,904
Total	-1,222	3,137	0	-1,220	-1,549	306	599	404	454

- 6.7 The table demonstrates that despite known pressures on staff costs, it was possible to achieve additional efficiencies and income to offset these exceptional costs for 2017/18.
- 6.8 In managing budgets, managers are encouraged to ensure they remain within the planned budget, but also to ensure cost pressures are minimised and opportunities for additional income are maximised.

7 Budget profiling

- 7.1 Budget profiling is not an issue when reporting for the complete financial years as all resources are committed.
- 7.2 In year budgets are profiled to reflect when spend will be incurred/ income received.
- 7.3 It is noted that Members have previously indicated issues with understanding fully the impact on profiling on the overall financial position. It is intended that

this will be addressed in future financial management reports to increase transparency and clarity of the budget position.

8 Reserves and Provisions

- 8.1 Detail of the earmarked reserves and provisions held by the Council are detailed on page 14 of the digest. The closing balance for the financial year is £33.382m. This represents an increase of £760,000 over the balance held at the end of the previous financial year. These reserves are held against specific risks and commitments.

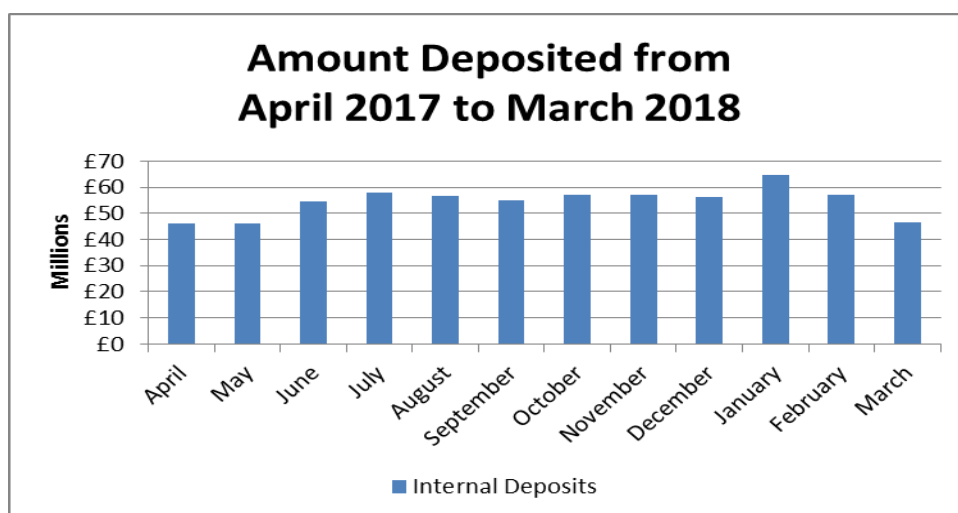
9 Capital Spend

- 9.1 As well as the revenue budget the digest, on page 15 also reports on the level of capital spend to 31st March 2018.
- 9.2 A total capital spend of £8.505m was incurred in 2017-18
- 9.3 Capital expenditure was financed by revenue contributions and capital receipts. It was anticipated during the year that a significant element of the programme would be funded from prudential borrowing.
- 9.4 The Council has taken a prudent approach to financing the capital programme by deploying revenue reserves and cash balances instead of using external borrowing where possible as this produces a lower net cost.
- 9.5 The Committee are asked to note the following issues in relation to the Capital programme
- The capital programme for 2017-18 included spend and credits in relation to retention payments for completed schemes, including Aqua Vale and Waitrose.
 - The capital works in relation to University Campus, Aylesbury Vale have now largely been completed. The residual carry forward of funding into 2018/19 represents funds allocated for residual and any required remedial works.
 - Waterside North Phase 1 (The Exchange scheme) commenced in January 2017 and consists of four restaurants, with 47 one and two bedroom apartments above and a new public square should be completed by autumn 2018. The spend for Phase 1 is now almost completed.
 - The capital programme included £4.1m for the purchase of a new Refuse and Recycling fleet all of which were in place at the end of the financial year. These are all the latest and most efficient vehicles and enable the Council to address the effects of increasing demands from growth in the district for at least the next 3 years. The increased spend above budget included spend on Telematics for the vehicles.
 - At its meeting on the 26th October 2016 Council agreed to a scheme to develop the existing waste and recycling depot site at Pembroke Road. The total scheme cost is £9.2 million, of which £1.9 million will only be required if there was sufficient evidence of the demand and take up for the expanded vehicle testing facilities. This capital scheme continues into 2018/19

- The capital spend for 2017-18 included a small spend on community centres. The residual allocation is likely to be spent on Community Centre renewal funded by the receipts from the sale of Elmhurst Community Centre some years ago, and also some play area renewal work.

10 Investment and Borrowing

- 10.1 On pages 16-17 there is information on the level of investments and borrowings during the financial year. No new borrowing has been taken out during the year and so the current level remains at £23.5m.
- 10.2 The council had £46.40m invested at the end of March 2018, in a combination of banks, building societies and money market funds.
- 10.3 The average monthly balances deposited by the in house team generated by the in-house team are set out in the bar chart below:



- 10.4 With interest rates still at low levels, the actual amount of deposit income generated was £275,086. This was £15,086 higher than planned. This was due to the high level of money available for deposit from unspent reserves and balances held to meet capital programme obligations.
- 10.5 Members of Finance and Services Scrutiny will note the Treasury Management paper being presented to the meeting. The paper provides further detail on the Treasury Management Outturn report for 2017-18

11 Budget Management 2018-19

- 11.1 The financial environment is challenging and the focus of the Council remains to delivering financial stability.
- 11.2 2017/18 was an exceptional year in terms of the Council transformation.
- 11.3 The last year has been a time of transition as staff changes have been made in line with the cultural change environment. Having largely completed this, 2018/19 represents a time for consolidation as revised staffing establishments will be in place. The dependency on high cost agency staff will be targeted to reduce risk of in-year overspends.

- 11.4 A part of routine financial management arrangements, budget holders' are being asked to review all of their areas of responsibility to assess areas where spend can be minimised and income opportunities optimised. Budget managers are 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.
- 11.5 Escalation processes will be in place, during 2018-19, to monitor performance in year against the agreed plan.
- 11.6 The key financial management messages for the Organisation, based on the forecast outturn for 2017-18 and the financial plan for 2018-19 will be highlighted as being:
- Reduce agency spend and dependency on temporary staffing solutions
 - Identify where things could be done more efficiently, and at reduced cost
 - Maximise all opportunities to increase income to the Council
 - Reduce spend on non-pay items where possible

12 Resource Implications

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

13 Response to Key Aims and Objectives

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

Contact Officer

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Background Documents

Appendix : Financial Digest March 2018



QUARTERLY FINANCIAL DIGEST

MARCH 2018

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Main points of note contained within March's digest

The Main Message

- The Council spent £453,507 more on the provision of services during 2017/18 than allowed for in the budget.
- Compared against the net budget of £17.5 million, this represents an overspend of 2.6%
- Over the past 12 months, the Council has undergone a series of business reviews in order to position itself as a more commercial organisation.
- Across the Authority we realised £992,700 of salary savings as a result of these business reviews and other unforeseen vacancies.
- These vacant posts were filled by temporary staff (agency and consultants) which cost £2,736,700 in excess of budget.
- Our reliance on temporary staff is reducing as these vacancies are being filled.
- During the year the Authority made redundancy payments of £1,725,500. These costs are included within the portfolio spend and are funded from contributions from reserves.
- The total contribution from General Fund working balances is £896,286 in accordance with authority given by Council to fund the Commercial AVDC Change Programme and HS2.

The Main Issues

The main reasons for the under and over spending have been reported in previous digests, but are repeated below:

	Actual £	Outturn £	Predicted Outturn £	
Top 5 Over Budget				
Housing Benefits	1,521,998		1,257,400	Agency staff and redundancy costs
Parks, Pitches & Open Space	162,783		73,900	Loss of income due to closure of all-weather pitch, increased staffing and horticulture costs
Office Accommodation	111,320		91,400	Office refurbishments and increased utilities and buildings costs
Facilities Management	66,025		69,800	Redundancy and salary costs
Industrial Estates and Town Centre Props	59,913		105,300	Agency and consultancy costs offset by salary savings
Top 5 Under Budget				
Car Park Management	(454,120)		(554,200)	Savings in business rates and car park refunds
Economic Development	(117,137)		(57,900)	Salary and project savings
Democratic Services	(79,649)		(68,800)	Salary savings
Environmental Services	(68,892)		16,200	Agency and consultancy costs offset by salary savings
Non Operational Property	(49,285)		(52,500)	Increased rental and land licence income

GENERAL FUND SUMMARY AS AT 31ST MARCH 2018

GENERAL FUND STATEMENT OF BALANCES	ACTUAL OUTTURN 2016/17 £'000	ORIGINAL BUDGET 2017/18 £'000	ACTUAL OUTTURN 2017/18 £'000
Brought Forward 1st April	(3,975)	(3,646)	(2,873)
Planned Contribution to Balances	91	0	0
Less General (Under)/Overspend Assumption	(168)	0	453
Contribution to the HS2 Fund	10	0	3
Web & E-Commerce Project	424	0	0
Commercial AVDC Change Programme	745	0	440
Net Contribution from Balances	1,102	0	896
Working Balance Carried Forward	(2,873)	(3,646)	(1,977)

Fund	(All)				
	(All)				
Portfolio	Current Budget	Actuals Spend/ Income	Significant Variances	Expected Variances	Significant Variances Between Forecast and Actual Outturn
Civic Amenities	6,114,300	5,560,210	(554,090)	(626,400)	72,310
Commercialisation & Business Transformation	3,088,800	3,613,665	524,865	445,600	79,265
Communities	4,767,300	4,807,019	39,719	45,000	0
Economic Development & Regeneration	367,400	153,820	(213,580)	(111,700)	(101,880)
Environment & Waste	7,789,400	7,778,689	(10,711)	(253,700)	242,989
Growth Strategy	4,410,100	4,812,331	402,231	222,700	179,531
Leader	5,622,300	6,385,718	763,418	532,800	230,618
Resources, Governance & Compliance	2,654,200	5,059,945	2,405,745	1,829,100	576,645
Total Portfolio Expenditure	34,813,800	38,171,397	3,357,597	2,083,400	1,274,197
Net Interest Payable	474,500	296,874			
Contribution To Reserves	12,034,000	12,002,704			
Contribution From Reserves	(11,340,000)	(13,065,739)			
Contingency Items	7,100	(139,042)			
Asset Management	(10,466,100)	(10,466,114)			
Financing Items	(1,464,200)	(1,130,738)			
District Expenditure	24,059,100	25,669,342			
Aylesbury Special Expenses	(817,700)	(817,700)			
Contribution from Special Expenses Balances	(38,000)	(84,799)			
Net District Expenditure	23,203,400	24,766,843			
Government Grant	(12,546,000)	(13,655,936)			
Collection Fund	(10,657,400)	(10,657,400)			
Overspend	0	453,507			

Please Note: Figures in brackets are underspending/additional income

Fund	General		
Portfolio	Civic Amenities		
Service	Current Budget	Actual Spend/ (Income)	Significant Variances
Car Park Management	(300,800)	(754,920)	(454,120)
Community Centres	560,700	535,348	(25,352)
Leisure Centres	325,700	298,633	(27,067)
Market	6,300	11,266	0
Public Burial Fees	3,000	1,246	0
Public Conveniences	107,400	111,000	0
Theatre & Leisure Centre Management	144,500	107,361	(37,139)
Town Centre Manager	160,200	165,046	0
Waterside Theatre	5,107,300	5,085,231	(22,069)
Grand Total	6,114,300	5,560,210	(554,090)

Expected Variances	Significant Variances Between Forecast and Actual Outturn	
(554,200)	100,080	①
(15,100)	(10,252)	②
(27,300)	0	③
2,000	0	
0	0	
(800)	0	
(37,000)	0	④
21,100	(16,254)	
(15,100)	0	⑤
(626,400)	72,310	

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 £454,120 lower costs/lower income - savings in business rates of £248,000, salaries following the service reviews £85,000, £280,000 car park refunds Waitrose and utilities £15,000 offset by reduced Season Ticket income £67,000, P&D income £65,000 and redundancy costs £42,000. The forecast was amended to reflect the full year impact of these plus potential income at Friarscroft from Chiltern Rail.
- ② £25,352 lower costs - £18,000 salary savings following the service reviews & £7,000 utilities savings . The forecast was amended to reflect the anticipated outturn position.
- ③ £27,067 lower costs/higher income - savings in building insurance costs £13,000 plus increased contract income £14,000. The forecast was amended to reflect the anticipated outturn position.
- ④ £37,139 lower costs - salary savings from vacant posts. The forecast was amended to reflect the anticipated full year saving from these vacancies.
- ⑤ £22,069 lower costs - savings in building insurance costs £10,000, £7,000 window cleaning savings and air & water quality surveys £5,000. The forecast was amended to reflect these savings.

Fund	General
Portfolio	Commercialisation & Business Transformation

Service	Current Budget	Actual Spend/ (Income)	Significant Variances	Expected Variances	Significant Variances Between Forecast and Actual Outturn	
Business Strategy	57,700	295,397	237,697	233,100	0	①
Car Pooling Scheme	114,300	91,429	(22,871)	(30,000)	0	②
Communications & Marketing	114,900	126,575	11,675	85,900	(74,225)	③
Digital Services	638,100	710,634	72,534	81,600	0	④
Desk	(49,700)	85,471	135,171	52,400	82,771	⑤
Project Management Office	2,213,500	2,304,158	90,658	47,500	43,158	⑥
Vale Lottery	0	0	0	(24,900)	24,900	
Grand Total	3,088,800	3,613,665	524,865	445,600	79,265	

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 £237,697 higher costs - costs relating to the Commercial Solutions initiative, which should be offset from future income streams. The forecast was amended to cover these costs for this financial year.
- ② £22,871 lower costs - lower vehicle leasing costs £27,000, vehicle insurance costs £8,000 and fuel costs £3,000 reduced by £15,000 additional hire costs. The forecast was amended to reflect the anticipated outturn position.
- ③ £11,675 higher costs - redundancy costs £96,000 and agency staff costs £32,000 offset by salary savings £35,000 following the service review, £50,000 R&D savings, £9,000 roadshows, £17,000 community initiatives & £5,000 running expense savings. The forecast was amended to reflect the redundancy & service review outturn position.
- ④ £72,534 higher costs - temporary staff costs £165,000 offset by salary savings £93,000 following the service reviews. The forecast was amended to reflect the anticipated outturn position.
- ⑤ £135,171 higher costs - redundancy costs £39,000, agency staff costs £136,000, £60,000 hardware, software & licence costs offset by salary savings £100,000 following the service reviews. The forecast was amended to reflect the redundancy & agency staff costs.
- ⑥ £90,658 higher costs - redundancy costs £10,000, increased staff costs £39,000 following the service reviews, GDPR consultancy costs £26,000 and £15,000 hardware costs. The forecast was amended to reflect the anticipated redundancy & agency staff outturn position.

Fund	General
Portfolio	Communities

Service	Current Budget	Actual Spend/ (Income)	Significant Variances
Communities	769,400	781,482	12,082
Community Safety	425,500	445,640	20,140
Concessionary Travel	40,600	12,776	(27,824)
Grants	1,481,400	1,444,090	(37,310)
Housing Pathways	390,900	276,271	(114,629)
Housing Services	330,500	382,977	52,477
Parks, Pitches & Open Space	1,301,000	1,463,783	162,783
Grand Total	4,739,300	4,807,019	67,719

Expected Variances	Significant Variances Between Forecast and Actual Outturn	
(28,300)	40,382	①
34,700	(14,560)	②
(30,000)	0	③
28,600	(65,910)	④
(65,700)	(48,929)	⑤
31,800	20,677	⑥
73,900	88,883	⑦
45,000	22,719	

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 £12,082 higher costs - Paralympic Flame Festival costs £30,000, redundancy costs £21,000 reduced by salary savings following the service reviews £37,000. The forecast was amended to reflect the anticipated outturn position.
- ② £20,140 higher costs - higher CCTV costs. The forecast was amended to reflect these additional costs.
- ③ £27,824 lower costs - savings in taxi token costs. The forecast was amended to reflect these savings.
- ④ £37,310 lower costs - reduced grant costs from allocated New Homes Bonus . The forecast was amended to reflect additional infrastructure contract costs
- ⑤ £114,629 lower costs - salary savings following the service reviews £117,000, £41,000 running expenses savings offset by agency costs £35,000 and redundancy costs £8,000. The forecast was amended to reflect these and future ongoing savings.
- ⑥ £52,477 higher costs - redundancy costs £45,000 & agency staff costs £54,000, offset by salary savings following the service reviews £24,000, project funding £8,000 and £13,000 savings Griffin Lane management fee. The forecast was amended to reflect the expected full year impact.
- ⑦ £162,783 higher costs - redundancy costs £45,000, increased Tree works costs £30,000, increased horticulture contract costs £10,000, shortfall football pitch hire £30,000 and lost income due to closure of the all weather pitch £50,000. The forecast was amended to reflect the redundancy & increased horticultural costs.

Fund	General
Portfolio	Economic Development & Regeneration

Service	Current Budget	Actual Spend/ (Income)	Significant Variances	Expected Variances	Significant Variances Between Forecast and Actual Outturn
Bus Station	153,500	137,968	(15,532)	(900)	(14,632) ①
Commercial Property	(1,648,100)	(1,793,568)	(145,468)	(133,900)	(11,568) ②
Economic Development	303,200	186,063	(117,137)	(57,900)	(59,237) ③
Industrial Estates and Town Centre Props	502,600	562,513	59,913	105,300	(45,387) ④
Land Charges	15,000	2,999	(12,001)	(5,600)	0 ⑤
Non Operational Property	822,700	773,415	(49,285)	(52,500)	0 ⑥
Sustainability	149,400	193,318	43,918	43,500	0 ⑦
Town Centre Open Spaces	69,100	91,112	22,012	(9,700)	31,712 ⑧
Grand Total	367,400	153,820	(213,580)	(111,700)	(101,880)

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 £15,532 lower costs/higher income -£6,000 savings from running expenses and £9,000 additional rental income. The forecast was been amended to reflect increased expenses
- ② £145,468 higher income/higher costs - increased rental income at Pembroke Road £150,000 and High Street of £58,000 offset by lower service charges at High Street £47,000 and revenue costs relating to Exchange Street North £16,000. The forecast was amended to reflect the anticipated outturn position.
- ③ £117,137 lower costs - £48,000 salary savings following the service reviews and £69,000 Economic Development Project savings. The forecast was amended to reflect these savings
- ④ £59,913 higher costs - agency staff costs £178,000 and consultancy costs £55,000 offset by £158,000 savings in salary costs following the service reviews and £15,000 running expenses savings from Industrial Estates. The forecast was amended to reflect agency and consultancy costs .
- ⑤ £12,001 lower costs/lower income - agency staff costs £24,000 and redundancy costs £12,000 offset by £26,000 salary savings following the service reviews & £20,000 reduced Land Charges fees to Bucks CC. The forecast was amended to reflect agency, redundancy costs & reduced fee income.
- ⑥ £49,285 higher income - increased rental and land licence income. The forecast was amended to reflect the anticipated outturn position.
- ⑦ £43,918 higher costs - redundancy costs £68,000 and specialist advice £30,000, offset by salary savings following the business reviews £57,000. The forecast was amended to reflect these
- ⑧ £22,012 higher costs - £35,000 additional Horticultural cleaning costs reduced by £11,000 savings in utility costs at Kingsbury. The forecast was amended to reflect utility savings

Fund	General
Portfolio	Environment & Waste

Service	Current Budget	Actual Spend/ (Income)	Significant Variances	Expected Variances	Significant Variances Between Forecast and Actual Outturn
Environmental Services	1,210,000	1,141,108	(68,892)	16,200	(85,092) ①
Health & Safety	(3,600)	3,840	0	15,100	0 ②
Land Drainage	52,500	29,881	(22,619)	0	(22,619) ②
Licensing	(211,300)	(200,276)	11,024	0	11,024 ③
Waste & Recycling - Commercial	1,359,900	1,584,649	224,749	21,100	203,649 ④
Waste & Recycling - Non Commercial	5,381,900	5,219,488	(162,412)	(306,100)	143,688 ⑤
Grand Total	7,789,400	7,778,689	(10,711)	(253,700)	242,989

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 £68,892 lower costs - redundancy costs £68,000, agency staff costs £106,000 & lower licencing income £64,000 offset by £156,000 salary savings following the service reviews, £150,000 savings in Essential Repair & Landlord Loan scheme. The forecast was amended to reflect redundancy, agency & staffing full year costs.
- ② £22,619 lower costs - savings in minor works & improvements.
- ③ £11,024 lower income - shortfall in premises licence fees.
- ④ £224,749 higher costs/higher income - £123,000 additional Trade Waste disposal fees, £100,000 redundancy costs following the business reviews, £60,000 security costs at Pembroke Road, £74,000 container purchase costs, £70,000 additional vehicle hire, maintenance & parts costs & £32,000 additional horticultural contract costs. This is reduced by £136,000 salary savings & £100,000 additional Garden Waste income from the increased customer base. The forecast was amended to reflect redundancy, Trade Waste disposal fees, salary savings & additional Garden Waste income.
- ⑤ £162,412 lower costs/higher income - agency staff costs £438,000 and redundancy costs £92,000 offset by salary savings from vacant posts £324,000, £144,000 vehicle savings from the introduction of the new fleet, £198,000 running expense savings & £26,000 increased recycling & bins sales income. The forecast was amended to reflect these on-going savings.

Fund	General
Portfolio	Growth Strategy

Service	Current Budget	Actual Spend/ (Income)	Significant Variances
Forward Plans	1,260,200	1,263,829	0
Heritage	345,000	378,628	33,628
Highway and Amenity Areas	9,200	5,364	0
Planning Services	1,486,300	1,884,589	398,289
Strategy & Partnerships	1,309,400	1,279,920	(29,480)
Grand Total	4,410,100	4,812,331	402,231

Expected Variances	Significant Variances Between Forecast and Actual Outturn
13,100	0
500	33,128 ①
1,400	0
290,600	107,689 ②
(82,900)	53,420 ③
222,700	179,531

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 £33,628 lower costs/lower income - consultancy costs £32,000 & agency staff costs £14,000 offset by £15,000 salary savings following the service reviews. £18,000 savings in Project costs & £20,000 lower running expenses this was offset against £40,000 shortfall of fee income. The forecast was amended to reflect the anticipated outturn position.

② £398,289 higher costs/higher income - redundancy costs £302,000, agency staff costs £110,000 following service reviews reduced by additional Building Control Fee income £14,000. The forecast was amended to reflect the anticipated outturn position.

③ £29,480 lower costs/lower income - salary savings following the service reviews £74,000 plus increased development partnership income £7,000 offset by £48,000 reduced capital income. The forecast was amended to reflect the anticipated outturn position.

Fund	General
Portfolio	Leader

Service	Current Budget	Actual Spend/ (Income)	Significant Variances
Assistant Directors	395,000	927,545	532,545
Chairman's Expenses	32,400	9,244	(23,156)
Chief Executive's Support Services	135,600	190,498	54,898
Core Costs	1,296,900	1,259,775	(37,125)
Democratic Services	1,201,200	1,137,574	(63,626)
Director - AS	41,100	36,872	0
Director - TA	48,200	66,527	18,327
Electoral Services	477,900	498,180	20,280
Enterprise Service Desk Support	127,900	222,159	94,259
Facilities Management	(346,300)	(280,275)	66,025
Legal Services	(29,300)	(35,402)	0
Office Accommodation	2,241,700	2,353,020	111,320
Grand Total	5,622,300	6,385,718	763,418

Expected Variances	Significant Variances Between Forecast and Actual Outturn	
425,700	106,845	①
(7,500)	(15,656)	②
42,200	12,698	③
(44,600)	0	④
(59,000)	0	⑤
(2,400)	0	
13,700	0	⑥
16,800	0	⑦
59,900	34,359	⑧
69,800	0	⑨
(73,200)	67,098	
91,400	19,920	⑩
532,800	230,618	

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 £532,545 higher costs - redundancy costs £208,000, increased salary costs following the business reviews £104,000, agency staff & consultancy costs £205,000 and running expenses of £15,000. The forecast was amended to reflect the anticipated outturn position.
- ② £23,156 lower costs - savings in Chairman's allowances £12,000, savings in ambassador duties £6,000 and car hire costs £5,000. The forecast was amended to reflect savings in ambassador duties £6,000 and car hire costs £5,000.
- ③ £54,898 higher costs/higher income - increased salary costs £30,000, consultancy costs £33,000 & additional running expenses £5,000 offset by increased income £13,000. The forecast was amended to reflect the anticipated outturn position.
- ④ £37,125 lower costs - savings in external audit fees. The forecast was amended to reflect these savings.

- ⑤ £63,626 lower costs - salary savings following the service reviews £61,000, £14,000 savings in Member support costs offset by £12,000 costs associated with Modern.Gov. The forecast was amended to reflect these plus the on-going future salary savings.
- ⑥ £18,327 higher costs - £14,000 additional salary costs and £4,000 additional running expenses following the service review. The forecast was amended to reflect increased salary costs following the service reviews.
- ⑦ £20,280 higher costs - increased salary costs as a result of the service reviews. The forecast was amended to reflect the anticipated outturn.
- ⑧ £94,259 higher costs - £42,000 increased salary costs & £29,000 agency staff costs following the service reviews and £22,000 increased stationery costs. The forecast was amended to reflect these plus future on-going salary costs.
- ⑨ £66,025 increased costs - £51,000 redundancy costs and £14,000 increased salary costs following the service reviews. The forecast was amended to reflect the anticipated outturn position.
- ⑩ £111,320 higher costs - £44,000 office refurbishment costs, £33,000 increased utility costs, £20,000 security costs and £14,000 additional building contract costs. The forecast was amended to reflect the anticipated outturn.

Fund	General				
Portfolio	Resources, Governance & Compliance				
Service	Current Budget	Actual Spend/ (Income)	Significant Variances	Expected Variances	Significant Variances Between Forecast and Actual Outturn
Contract & Procurement Services	183,600	206,274	22,674	21,400	0
Democratic Services	483,600	467,577	(16,023)	(9,800)	0
Finance & Payroll Services	497,800	824,318	326,518	341,700	(15,182)
Governance	45,500	80,956	35,456	(2,000)	37,456
Housing Benefits	1,095,100	2,617,098	1,521,998	1,257,400	264,598
Insurances	32,400	20,016	(12,384)	0	(12,384)
Personnel Services	63,400	306,798	243,398	236,300	0
Rating & Recovery Services	237,200	479,777	242,577	(51,800)	294,377
Standby Services	10,000	9,654	0	0	0
Training	5,600	47,476	41,876	35,900	0
Grand Total	2,654,200	5,059,945	2,405,745	1,829,100	576,645

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 £22,674 higher costs - £10,000 increased salary costs following the service reviews and £12,000 costs of management recruitment. The forecast was amended to reflect this position
- ② £16,023 lower costs - £8,000 savings in members' allowances and £8,000 training costs. The forecast was amended to reflect these savings.
- ③ £326,518 higher costs - £234,000 agency staff and consultancy costs, £96,000 redundancy costs, software costs £50,000 and recruitment costs £25,000 offset by £54,000 salary savings following the service reviews, £17,000 additional Payroll Consortium income & £8,000 savings in running expenses. The forecast was amended to reflect the anticipated outturn position.
- ④ £35,456 higher costs - £50,000 internal audit fees, increased consultancy fees £26,000 and £11,000 software maintenance costs reduced by £52,000 salary savings. The forecast was amended to reflect the anticipated outturn position.
- ⑤ £1,521,998 higher costs/higher income - £302,000 redundancy costs, £865,000 agency staff costs, £221,000 salary costs following the service reviews plus £121,000 additional software maintenance costs, £12,000 recruitment costs and £407,000 Housing Benefits overpayments offset by £317,000 higher cost income & £89,000 additional grant income.
- ⑥ £12,384 lower costs - savings in external premium charges.
- ⑦ £243,398 higher costs - £84,000 increased salary costs following the service reviews, £159,000 agency and consultancy costs, £9,000 redundancy costs and £11,000 software costs reduced by £20,000 running expense costs across a number of cost centres. The forecast was amended to reflect these costs.
- ⑧ £242,577 higher costs - £325,000 cost income change in accounting policy reduced by £83,000 savings in costs of debt collection recovery.
- ⑨ £41,876 higher costs - £33,000 redundancy costs & £20,000 increased training costs following service reviews reduced by £10,000 salary savings. The forecast was amended to reflect the anticipated outturn position.

Fund	General
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Service	CC Description	Current Budget	Actual Spend/ (Income)	Significant Variances	Expected Variances	Significant Variances Between Forecast and Actual Outturn
Community Centres	Administration	90,900	90,301	0	(100)	0
	Alfred Rose	74,100	73,820	0	6,600	0
	Bedgrove	63,900	45,076	(18,824)	(14,600)	0
	Haydon Hill	16,500	16,778	0	(100)	0
	Prebendal Farm	58,800	56,390	0	1,200	0
	Quarrendon and Meadowcroft	85,400	92,683	0	(500)	0
	Southcourt	76,100	62,723	(13,377)	(10,500)	0
Community Centres Total		465,700	437,770	(27,930)	(18,000)	0
Open Space	Alfred Rose Park	38,000	35,393	0	(100)	0
	Bedgrove Park	64,300	59,605	0	400	0
	Edinburgh Playing Fields	46,000	44,765	0	0	0
	Fairford Leys	72,700	60,855	(11,845)	400	(12,245)
	Meadowcroft Playing Fields	60,800	42,160	(18,640)	(300)	(18,340)
	Parks Administration	277,900	316,746	38,846	200	38,646
	Vale Park	11,000	31,458	20,458	0	20,458
	Walton Court Sports Ground	37,000	28,868	0	100	0
Parks, Pitches & Open Space Total		607,700	619,850	12,150	700	11,450
Market	Market	6,300	11,266	0	2,000	0
		6,300	11,266	0	2,000	0
Grand Total		1,079,700	1,068,886	(10,814)	(15,300)	0

Notes

Service totals include charges for use of capital, but these are deducted before calculation of Council Tax

- ① £27,930 lower costs - salary savings following the service reviews. The forecast was amended to reflect the anticipated outturn position.
- ② £12,150 lower income - shortfall in all-weather pitch & football pitch income.

GENERAL FUND REVENUE RESERVES AND PROVISIONS

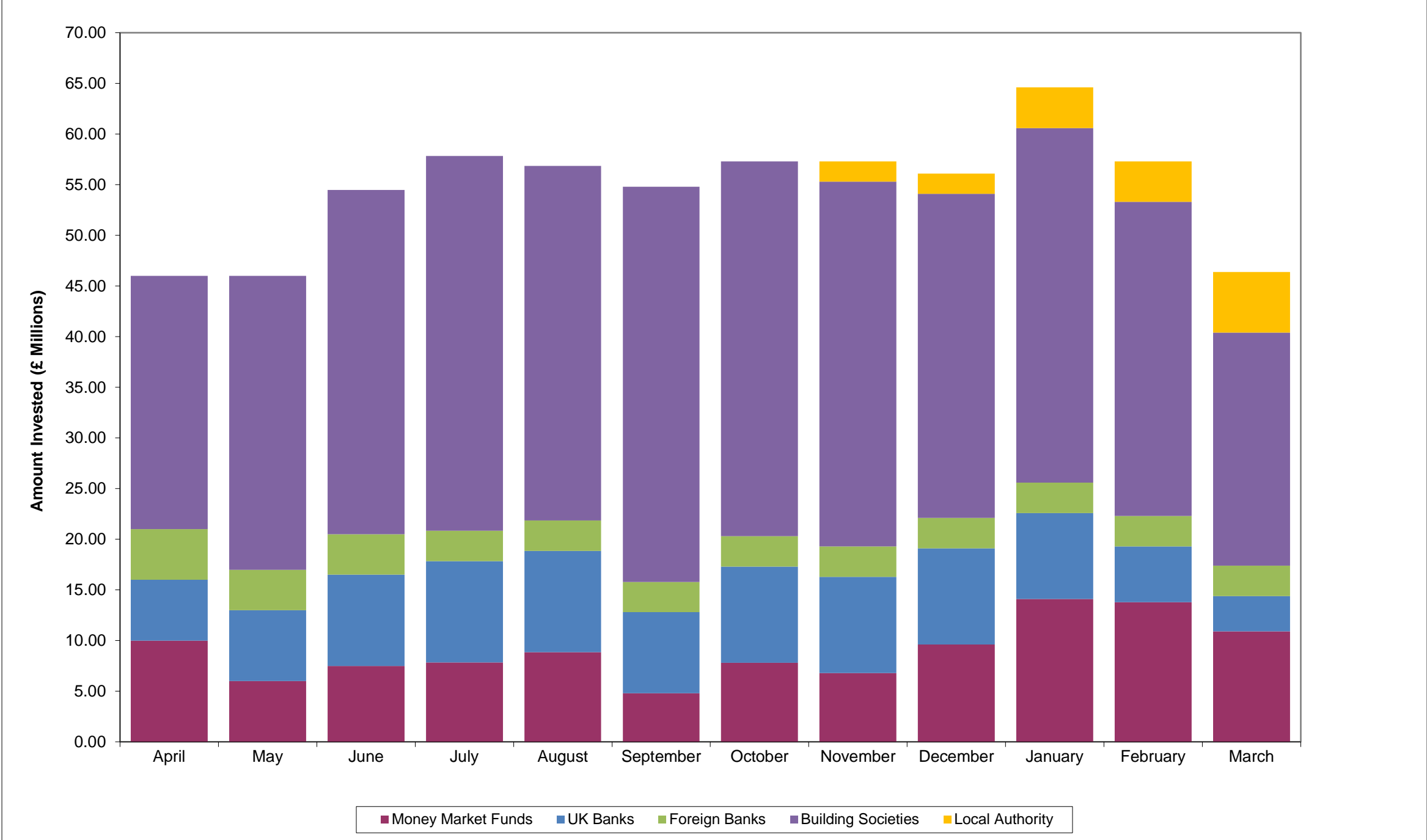
The table shows the current level of provisions and reserves held by the Council at the beginning of the year, the movements in the year and the closing balance at 31st March 2018.

GENERAL FUND REVENUE RESERVES AND PROVISIONS	OPENING BALANCE 01/04/2017 £'000	INCOME TO 31/03/2018 £'000	SPEND TO 31/03/2018 £'000	CLOSING BALANCE 31/03/18 £'000
PROVISIONS				
NNDR Appeals	(797)	(865)	0	(1,662)
Refundable Bonds	(187)	0	0	(187)
BAD DEBT PROVISIONS				
Housing Benefits Overpayments	(2,065)	0	1	(2,064)
Local Taxation	(544)	0	56	(488)
Other	(78)	0	14	(64)
On Street Parking	(74)	(32)	27	(79)
Haywoods Way	(41)	0	0	(41)
	(3,786)	(897)	98	(4,585)
RESERVES				
New homes bonus - Waterside North	0	(8,798)	0	(8,798)
Amenity Areas	(2,920)	(177)	0	(3,097)
New homes bonus - parishes	(1,816)	(1,585)	1,063	(2,338)
New homes bonus - affordable housing	0	(2,158)	0	(2,158)
Interest Equalisation Reserve	(2,897)	0	875	(2,022)
New homes bonus - Silverstone heritage	0	(2,000)	0	(2,000)
Property Sinking	(1,812)	0	0	(1,812)
New homes bonus - high speed broadband	0	(1,536)	0	(1,536)
Business Rates	(2,001)	0	850	(1,151)
Repairs & Renewals (& CCTV)	(1,042)	(183)	136	(1,089)
Fairford Leys Riverine Corridor	(870)	(8)	0	(878)
LABGI	(857)	0	0	(857)
Superannuation	(1,006)	0	277	(729)
Planning Related	(2,010)	(400)	1,851	(559)
Insurance	(541)	0	0	(541)
Property Strategy	(540)	0	0	(540)
Licensing	(411)	(118)	0	(529)
Aylesbury Special Expenses	(552)	0	85	(467)
New homes bonus - east/west rail link	0	(350)	0	(350)
Recycling and Composting	(223)	(69)	0	(292)
New homes bonus - depot refurbishment	0	(209)	0	(209)
Car Parking Related	(207)	0	0	(207)
New Technology	(1,569)	0	1,370	(199)
District Council Elections	(244)	(67)	147	(164)
Leisure Activities	(259)	0	103	(156)
Historic Buildings	(140)	0	5	(135)
Housing Needs & Section 106	(107)	0	0	(107)
Business Support Fund	(102)	0	0	(102)
Future Vehicle Costs	(139)	0	55	(84)
Rent Guarantee Scheme	(71)	0	0	(71)
CCTV for Community Centres	(56)	0	0	(56)
Corporate Market Research	(47)	0	0	(47)
Playgrounds	(40)	0	0	(40)
Benefit Subsidy	(433)	0	400	(33)
Business Transformation	(29)	0	0	(29)
New homes bonus - uncommitted	(9,681)	0	9,681	0
	(32,622)	(17,658)	16,898	(33,382)

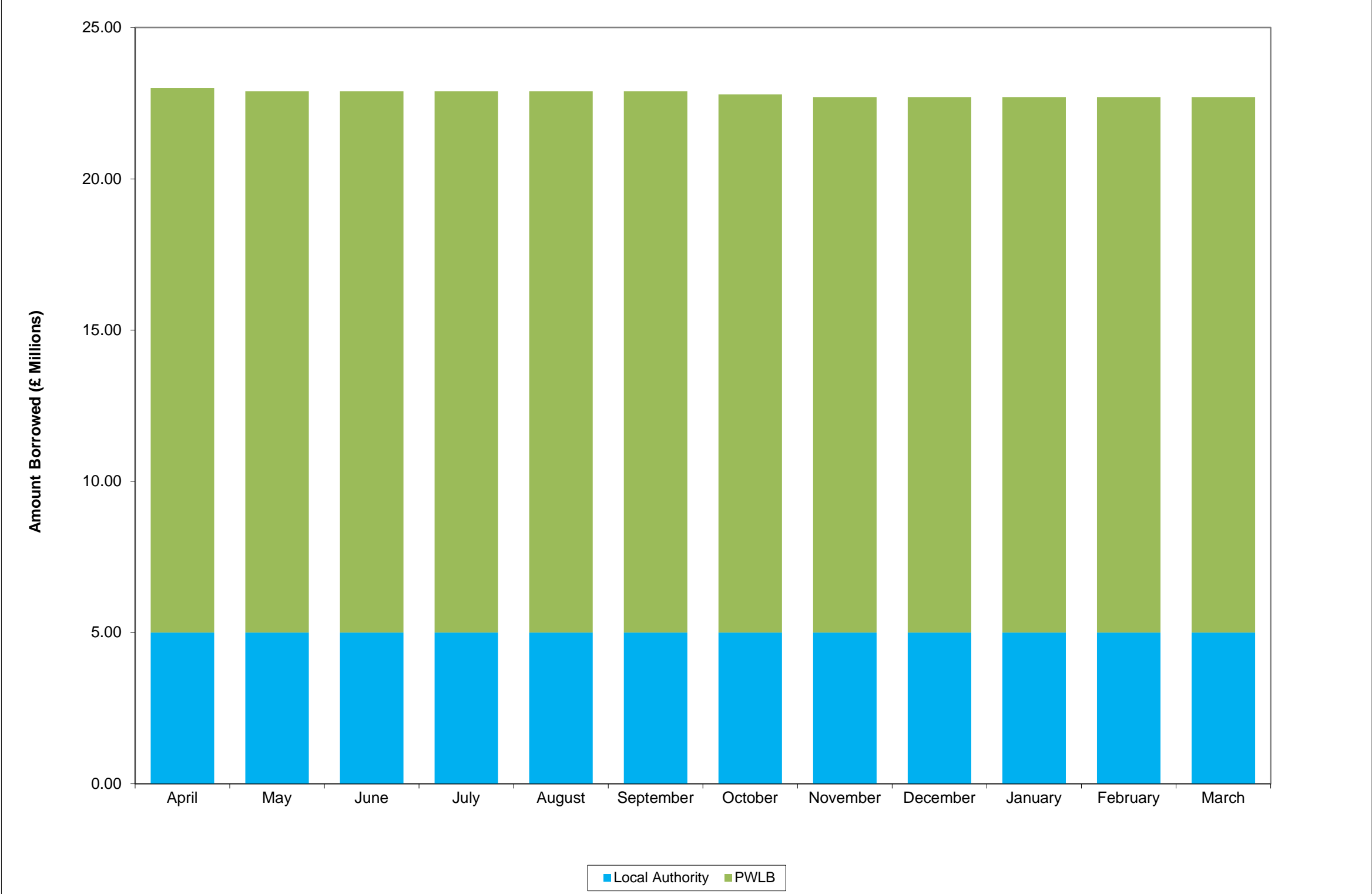
CAPITAL PROGRAMME SPEND TO 31ST MARCH 2018

	REF	APPROVED SPEND £s	PRIOR YEARS' SPEND £s	ACTUAL SPEND 17/18 £s	CARRIED FORWARD TO FUTURE YEARS £s
Aqua Vale Retention Payment		0	0	84,018	0
Waitrose Retention Adjustment		0	0	(31,679)	0
Swan Pool Refurbishments	8000	0	0	31,130	0
University Campus, Aylesbury Vale	8001	16,550,000	16,114,406	0	435,594
Waterside North Phase 1	8004	4,100,000	0	3,925,865	174,135
Refuse Vehicles Replacement	8005	4,100,000	214,916	4,083,293	(198,209)
Depot Refurbishment	8006	11,305,000	2,110,243	408,698	8,786,059
Community Centre Upgrades	8008	150,000	0	3,530	146,470
TOTALS		36,205,000	18,439,565	8,504,855	9,344,049

Rate of Return and Investment Level 2017/18



Borrowings and Interest Rates 2017/18



Commentary on the Treasury Management Function

Borrowing

No new borrowing has been taken out over the last quarter.

Borrowing Portfolio

	Period - Years	Maturity	Amount	Rate
London Borough of Newham	5	16/05/18	£5,000,000	1.51%
PWLB	15	08/10/28	£5,000,000	3.97%
PWLB	36	07/05/50	£13,500,000	4.17%

Investments

The level of investments at the end of the quarter was £46,400,000 compared to £41,500,000 at the same point last year.

At the beginning of the quarter investments totalled £56,100,000 and this reduction over the period reflects the anticipated seasonal reduction in Revenue receipts. This quarter, 20 investments were repaid and 14 new deals taken.

During the quarter, two new Counterparties were taken on.

Both were Local Authorities, Blaenau Gwent County Borough Council and Telford & Wrekin Borough Council.

The number of counter parties being used over the quarter is shown below:

	January	February	March
Money Market Funds	2	2	2
UK Banks	6	5	5
Foreign Banks	1	1	1
Local Authorities	2	2	3
Building Societies	13	13	12

Interest rates

Following the Bank of England base rate rise to 0.50% in November 2017, two further increases have been forecast for 2018 with the first anticipated to be in May. This speculation has led to a gradual increase in the rate of return achieved on new deals, however this will only be a temporary upturn in yield unless the forecast increases are realised.

Money Market Funds (MMFs) have seen a similar upturn in their rate of return which currently averages at around 0.38%. MMFs will continue to be used as they offer instant access to our funds as well as the security of Triple A ratings.

Over the last quarter Aylesbury Vale received the following average rates for Fixed Term Deposits:

	January	February	March
0-3 Months	n/a	n/a	n/a
4-6 Months	0.48%	0.48%	0.69%
7-9 Months	n/a	0.73%	0.74%
10-12 Months	0.88%	0.80%	n/a

n/a = no investments were made for this period.

MEMBER FEEDBACK / QUESTION SHEET
ISSUE 4 - 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	Finance Manager	585164
Sharon Russell-Surtees	Corporate Accountant	585391
Gareth Davies	Finance Business Partner	585276
Patricia Burden	Finance Business Partner	585406

FEEDBACK

QUESTION

QUESTION

Feedback Sheet Returned by:

COUNCILLOR _____

DATE _____

Please return Feedback / Question sheet to:
Finance Section
Aylesbury Vale District Council
The Gateway, Gatehouse Road
Aylesbury
Bucks HP19 8FF