



AYLESBURY VALE DISTRICT COUNCIL

Democratic Services

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4 October 2018

FINANCE AND SERVICES SCRUTINY COMMITTEE

A meeting of the Finance and Services Scrutiny Committee will be held at **6.30 pm** on **Monday 15 October 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 and A Waite

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

AGENDA

1. APOLOGIES

2. TEMPORARY CHANGES TO MEMBERSHIP

Any changes will be reported at the meeting.

3. MINUTES (Pages 3 - 16)

To approve as a correct record the Minutes of the meeting held on 9 July, 2018, copy attached as an appendix.

4. DECLARATION OF INTEREST

Members to declare any interests.

5. SILVERSTONE HERITAGE EXPERIENCE (Pages 17 - 18)

To consider the attached report.

Note: Sally Reynolds (CEO, Silverstone Heritage) and Stuart Pringle (Sporting Director, Silverstone Circuits) will be attending the meeting to update Members and to answer questions.

Contact Officer: Andrew Small (01296) 585507

6. QUARTERLY FINANCE DIGEST: APRIL TO JUNE 2018 (Pages 19 - 40)

To consider the attached report.

Contact Officer: Nuala Donnelly (01296) 585164

7. WORK PROGRAMME

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

17 December 2018

Budget Planning 2019-20

Quarterly Finance Digest: April – September 2018

14 January 2019

Budget Planning 2019-20

Capital Programme Review

Public Sector Equality Duty

Treasury Management Strategy

8 April 2019

No items as yet

FINANCE AND SERVICES SCRUTINY COMMITTEE

9 JULY 2018

PRESENT: Councillor M Rand (Chairman); Councillors B Everitt (Vice-Chairman), J Chilver, S Lambert, R Newcombe, M Smith, M Stamp, R Stuchbury, A Waite and M Winn. Councillors A Macpherson and J Ward attended also.

APOLOGY: Councillor J Bloom

1. ELECTION OF CHAIRMAN

RESOLVED –

That Councillor Rand be elected Chairman of the Committee for the ensuing year.

2. ELECTION OF VICE CHAIRMAN

RESOLVED –

That Councillor Everitt be elected Vice Chairman of the Committee for the ensuing year.

3. MINUTES

RESOLVED –

That the minutes of the meeting held on 4 April, 2018, be approved as a correct record.

4. LEISURE CENTRES MANAGEMENT CONTRACT - ANNUAL REVIEW 2017/18

The Committee received a report on the key outcome and outputs achieved by the Leisure Management Contract in 2017/18 and which also provided key performance information and an overview of the key suggested actions for 2018/19. The Cabinet Member for Civic Amenities attended the meeting and responded to Members' questions as part of the discussions.

Representatives from Everyone Active, who were responsible for the leisure management contract for Aqua Vale Swim and Fitness Centre and at the Swan Pool and Leisure Centre attended the meeting to support the presentation to Members and to answer questions. The current contract had commenced on 1 April 2013 for 10 years with a mutual option to extend for a further 5 years. This report looked at Year 5 of the contract.

Members were informed that the 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 it rose in line with CPI annual increases.

AVDC provided a monitoring role as part of the contract arrangements and conducted monthly monitoring by holding Contract performance meetings and inspections. This was stepped up if there were areas of concern or an increase in complaints. The regular performance meetings examined a range of performance indicators which included information similar to that contained within Appendix A to the Committee report.

The information provided a baseline for future reports and for measuring contract outcomes and outputs.

The council had undertaken an extensive £2.7m modernisation project of Swan Pool and Leisure Centre between February 2015 and February 2016 which had 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 had been completed in 2012 at a cost of £6.7m.

Concerns had been raised in late 2016 over the quality of cleanliness at Aqua Vale and additional meetings and monitoring visits had been stepped up. EA had 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 had been done by EA to address Members' concerns.

The Cabinet Member for Civic Amenities had met with EA managers and toured the Aqua Vale on a number of occasions to see first hand the conditions and improvements made. Most recently, members of the scrutiny committee had been invited to visit Aqua Vale in June to see the centre and standards.

Currently, just under £100,000 of S106 funding was 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 that a further phase of improvements would 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 was detailed Appendix A in sections 8 and 9.

Members were informed that a new General Manager had started at Aqua Vale in May 2018, who was keen to continue to improve the quality of cleaning and customer service that had been apparent under the previous General Manager.

Cleanliness and cleaning standards remained a focus for the Cabinet Member and the Client Manager. Any complaints were followed up and discussed with the EA Contract Manager. The cleaning contract had been taken back in-house by EA last year and they now had complete control of the staff, processes and performance. There had been occasions when standards had fallen short but EA had been quick to resolve these

Whilst not excessive, there were instances of vandalism and wilful damage from time to time. Notably, each year, for the past three years, the front elevation glazing had been deliberately smashed causing approximately £10,000 of uninsured damage. The culprit had been identified and charged but no compensation had been possible. Despite owner's security and CCTV, there was an ongoing issue with bicycle thefts from the racks located at the front of the building. Thames Valley Police have been informed and consulted on this problem.

A number of the Committee had visited Aqua Vale Swim and Fitness Centre recently and were complimentary of the facility.

Members sought additional information and were informed:-

- (i) that EA had good relationships with both the secondary school and the Royal Latin School in Buckingham. It was possible that the Royal Latin School would be putting in their own facilities that would reduce their use of some of the facilities at the Swan Pool. This situation was being monitored and would be taken into account for the future.

- (ii) that creative options had been explored to improve the car parking situation including on the refunding of the car parking charge to customers. One proposal had been considered and rejected by the Council as it would have reduced the income received by AVDC by £20,000 p.a. It would be made more obvious to customers that they could get the car parking refund at either the entrance or in the café, which could reduce queuing at the entrance.
- (iii) that an email had been sent to BCC in relation to a membership deal for staff.
- (iv) on the efforts that were being made to reduce bicycle thefts from the cycle racks and the annual instances of vandalism. There had also been some issues with travellers at Aqua Vale which had required police attendance. These issues had been resolved quickly.
- (v) it was explained that the clientele were slightly different at Swan Pool (community based activities) compared to Aqua Vale (casual users). It was explained that various levels of staff received different types of training relevant to their jobs. This included training to deal with difficult customers.
- (vi) that while there were only a small number of complaints at the Centres, these were still taken very seriously. EA held monthly meetings with AVDC's Contract Performance, Funding and Partnerships Development Manager and the Cabinet Member to discuss individual complaints in detail. A breakdown of complaints into different types and whether they had been upheld would be included with future reporting to the Committee.
- (vii) that the leisure centres management contract was working well across both centres. The continued work to modernise and upgrade the pool side toilets, private showers and accessible changing along with new artificial planting was also improving the condition and look of Aqua Vale.

RESOLVED –

- (1) That the representatives from EA be thanked for attending the meeting and for the positive progress that continued to be made in managing the Council's leisure centres.
- (2) That EA be invited to provide a further update report to the scrutiny committee in 12 months time regarding the Leisure Centres management contract.

5. KINGSBURY AND MARKET SQUARE IMPROVEMENT SCHEMES

The Committee received a report setting out the challenges facing Kingsbury and Market Square, Aylesbury and which outlined the plans to bring forward improvement schemes for both spaces, as well as the associated costs. This regeneration of the Aylesbury town centre was reflected in the Aylesbury Town Centre Plan (published in 2014) and in the draft Vale of Aylesbury Local Plan.

It was abundantly clear that the demand for physical retail space was changing across the UK almost every operator including Marks & Spencer's and John Lewis partnerships were committed to undertaking portfolio reviews. Others such as House of Fraser, were already part way through that process and it was well known that the Aylesbury branch would close at some point. Whilst some of this change was offset by big box operators such as B&Q and Screwfix opening smaller, high street formats, users of town centres were 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 had been phenomenal and whilst the dining out

market had also seen a softening in recent months, spend generally in this area continued to grow, with shopping being only part of the reason to visit. Aylesbury was no exception to this trend and had seen a number of new cafes and restaurants open in recent years, with more opening as part of The Exchange development.

A theme central to the entire Town Centre Plan, was 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 was difficult to quantify a direct financial return on investment from public realm improvement, there was strong supporting evidence which showed that it could deliver both intrinsic and non-economic benefit, and these were set out in the Committee report.

While good progress had been made on delivering a range of public space improvements including decorative colourful planters and agreeing a parking order for Kingsbury to enable enforcement of illegal parking on the central area, a range of street entertainment and events in Market Square (such as Aylesbury on Sea, Whizzfizz and the Christmas lights switch on), there were still operational and aesthetic challenges which required significant schemes to come forward.

Kingsbury

The background and context of Kingsbury was detailed in the report. Use of Kingsbury had changed and whilst it still retained many fine buildings it had struggled in recent times to attract the footfall of its former years and to find its own identity. In 2004, a Government funded scheme to improve the public space had attract private investment in the commercial units and made it more integral to the retail circuit. However, this had not brought about the hoped for transformation. The on-going decline in footfall had 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 had also been made by AVDC and its partners to address these issues, but the overall feedback was that more significant investment was needed to enable Kingsbury to thrive and become a greater asset to the town.

The Action Plan for Kingsbury was attached as Appendix 1, which had a mini vision for the area to “create a more attractive environment for residents, visitors and businesses and improve it as the gateway to the old town.” A number of the actions listed had already been completed. However, one of the key outstanding actions was 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.”

Some preliminary work had already been undertaken by the Town Centre Manager to gauge interest by the business community in a scheme being brought forward. This engagement had been on the basis that whilst AVDC (working potentially with BCC who own the highway around the central area which was failing in parts), might 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 meant that the investment and commitment from the 40 landlord and tenants in Kingsbury would be needed as well.

The potential to transform Kingsbury through a joint approach was significant and any stakeholder engagement would also extend to other key partners such as the Aylesbury Town Council, Thames Valley Police and the Aylesbury Old Town Residents' Association. Some initial thought had 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 ensure that Kingsbury complemented 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) had 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

The background and context of Market Square was detailed in the report. Market Square was still a very popular space and was 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. However, despite its popularity, the square was constrained by key issues including accessibility (cobble square) and poor infrastructure which collectively prevented all of the space from being used for a wider range of activities.

The Action Plan for Market Square was attached as Appendix 2, which had a mini vision for the area to ““make more of the area’s presence as a key retail, catering and leisure hub”

As with Kingsbury, a number of the actions were already underway or complete. For example, significant investment had 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, had all helped to revitalise the popularity of the town’s historic market tradition. However, the one key actions required was for a review of the public realm to ““create a more attractive and usable environment for shopping, eating, drinking and leisure (including large scale events and socialising).

The Action Plan also stated that the review should include looking at better links between areas; vehicle, pedestrian and events use, and the public space (including layout, surfaces, street furniture, signage, lighting and electricity supply).

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

Indicative costs of the improvements

Members were informed that developing the concept to implementation of a scheme had a number of phases which would be applicable to both spaces. The key phases were:

- inception, concept preparation and stakeholder engagement.
- design development to planning.
- tender and construction pack
- delivery and project management.

Each phase carried costs which included to associated costs of specialist advice. Most were common to both spaces although with Kingsbury there would be an additional requirement to develop a design guide for the buildings. Both spaces would be considered together. This would ensure a cohesive approach to the improvements and possibly also deliver some economies of scale in terms of commissioning the various elements of work.

The fee and capital costs of both schemes were only indicative at this stage. However for the purpose of this report they had been identified as:

Collective fee costs for Kingsbury and Market Square: £180,000

Capital costs of delivery – Kingsbury: £2m
Capital costs of delivery – Market Square: £2m
Contingency: £320,000
Total: £4.5m

This would be funded from 3 sources:

- 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 was no guarantee that the bid for Heritage Lottery funding would be completely or partially successful. It was proposed that any gap in funding from the lottery would be met by additional new homes bonus monies.

It was anticipated that phases (i) to (iii) would 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 was probable that work would be phased rather than carried out at the same time.

Members views were sought on the improvements schemes and the following comments were provided:-

- (i) the need to ensure that proper Business Plans had been put in place and agreed with stakeholders before committing to spend money. The Scrutiny Committee asked that the Business Plans come back to scrutiny before there were firm commitments made to spend money.
- (ii) that just because Council might agree capital expenditure of up to £4.5m on the 2 schemes, it didn't mean that all of this money needed to be spent to improve the squares. Business Plans needed to be properly costed, including maintenance/running costs for the future and have measurable KPIs.
- (iii) the need to ensure that the schemes fitted in with the wider visions / aspirations for the Town Centre and of partners and allowed for flexibility to react to what else is going on.
- (iv) Aylesbury was the county town with a long heritage which should be capitalised on in promoting the town as a destination. Could it also be branded as the 'Gateway to the Chilterns'? It should also be possible to make the most of the town's past as a live music venue.
- (v) the need to be clear that Kingsbury was looking at a Roald Dahl inspired theme, rather than Roald Dahl theme.
- (vi) while accepting that the current markets in Market Square were restricted by the supporting infrastructure and cobbles, the set up was lacklustre and needed to be livened up, and to attract more stalls. Aylesbury was increasingly becoming a commuter town so some of the themed markets held during the week could be switched to weekends.
- (vii) look at the feasibility of a saturation policy regarding betting shops in the Town Centre.
- (viii) Illegal parking at Kingsbury remained an issue (Members were informed that all enforcement had now been handed over to BCC).
- (ix) Other issues raised that the plans needed to consider included transportation infrastructure (including use of bicycles), town centre accessibility, looking at the linkages between the town / The Exchange / the canal basin / old town (this had featured in the Crest Nicholson plans a number of years ago), car parking

(including parking charges, especially on Sundays), signage (new finger posts and monoliths would be erected soon), Bowie statue signage, analysing shopping and retail issues in the town centre, more trees and greenery, a water feature (fountain) in Market Square, make the current statues the centrepieces of the 2 squares, making the best use of the theatre, more music / literary festivals, making best use of the former Courthouse, and having an area in the town centre where business meetings could be held (current options were a coffee shop or pub).

RESOLVED –

That while the Scrutiny Committee was supportive of improvement schemes going forward for Market Square and Kingsbury, Aylesbury, Cabinet was requested to consider the feedback from scrutiny at points (i) to (ix) above in making recommendations to Council, in particular on the need to ensure that there was proper scrutiny of the Business Plans before there were any firm commitments made to spend money.

6. TREASURY MANAGEMENT 2017-18 YEAR END REPORT

The Committee received a report on the Authority's Treasury Management Strategy and its performance for the 2017/18 financial year.. An annual report was required to be brought to Council after each year end.

The main objectives for the Treasury Management team for 2017/18 were laid out in the Treasury Management Strategy agreed by Council in February 2017, which were:-

- 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.

The actual performance was in line with the plan which had ensured that the Council placed deposits in a decreasing market by spreading its deposits thinly across many trusted institutions in accordance with its policy. No new long term borrowings had been undertaken during the period, while the in-house team achieved interest rates above the 7 day LIBOR rate.

The Committee report charted the average monthly balances deposited by the in-house team, and detailed the average weighted 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 Month LIBID
Q1 2017	0.543	0.114	0.100
Q2 2017	0.458	0.112	0.180
Q3 2017	0.485	1.112	0.210
Q4 2017	0.512	0.275	0.348
Q1 2018	0.606	0.360	0.441

Over the financial year, the rate of return had increased, and credit risk reduced. 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)

Members were also provided with information showing the Council's performance against capital and treasury indicators, as indicated by the Council's Balance Sheet, as at 31 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

When managing the Council's deposits the primary consideration was to protect capital rather than to maximise return as the deposited sums were public money and, therefore, any loss of capital should be avoided at all costs. The Treasury Management team continued 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. Although, a safe list of institutions was maintained, major unexpected events or a sudden loss of confidence in the banking sector could not always be predicted.

Historically, the majority of the Council's lending had been with Banks and Building Societies but over the last year the Council had increased its range of investment with some of the major UK banks in order spread the risk of its portfolio. The Council had also started to lend to other Local Authorities to reduce exposure to smaller un-rated building societies. The lending list was 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 had not been any mergers that affected the Council's lending list.

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. With the prevailing low rates the likelihood of an increase in the interest generated remains low.

In November 2017, the Bank of England had raised Bank Rate to 0.5% from 0.25%. Market intelligence on forecast rates were informed by the political and economic markets. There was no change to the rate in June 2018, although there was some indication that the interest rate might increase in August by 0.25%

Money Market Funds

The council continued to operate two Money Market Funds to give the in-house team easy access to surplus funds. MMF interest rates had 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 had reduced the MMFs were required to manage the daily cash flow as they offer daily access without any loss of interest.

New Borrowing

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

The council does not use fund managers to aid its investment decisions. An update on the Treasury Management for 2018-19 will be prepared mid-year for review by Members.

Members requested further information and were informed that the transactions fees paid by the Council through spreading deposits thinly across many trusted institutions were negligible. Going forward, the Council was likely to move to using fewer institutions, mainly through a reduction in the number of building societies used.

RESOLVED –

- (1) That the Council's Treasury Management team be congratulated for their performance during the year, which had achieved an average weighed rate of return which were better than the LIBOR rates.
- (2) That the Council's performance against the Treasury Management Strategy for 2017/18 be noted.

7. QUARTERLY FINANCE AND PERFORMANCE REPORTING

The Committee received the Quarterly Financial Digest for the period to 31 March 2018, which represented the final outturn position for the Council for the financial year 2017-18. The digest was attached as Appendix 1 to the Committee report, and was based on the actual income and expenditure for the 12 month period from April 2017 to March 2018. The Council's financial statements for this period would be subject to external audit.

As at the end of March 2018, an overspend against budgets (after the use of reserves) of £453,507 was reported which was slight better than the forecast anticipated in December 2017. The slight improvement to the financial outturn left the General Fund working balances at a marginally higher level than predicted, with a closing balance on the General Fund for 2017-18 of £1.977m. This was also consistent with the financial outturn position used in budget planning for 2018/19.

Members were informed that the draft annual accounts had been completed by 31 May and presented to the Audit Committee meeting on 26th June 2018. Final approval of the accounts was due by 31 July 2018.

While the accounts present the definitive position on the Authority by way of its financial resources, it did not inform the reader as to whether this was a planned or expected position. The Quarterly Financial Digest was the primary reporting tool for in-year financial management and provided management information. It was designed to explain significant financial events which occurred during the year by comparing them with the expected or budgeted equivalent figures. Members referred to the Digest whilst considering the Committee report.

Income and Expenditure

The total income and expenditure position for the period to the end of March 2018 showed a total expenditure of £135.770m, which represents an overspend against the annual budget of £3.1m. 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 would help to realise significant savings in staff costs in the future years and had been central to the Council setting a balanced budget for 4 years in January 2018.

For the financial year, £1.222m of salary savings had been 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 were reported as being £3.137m above budgeted levels.

Further staff cost pressures to date include redundancy cost of £1.725m. 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.

Work continues to provide Members with additional information and details on income and expenditure, and to ensure systems support the information requirements. The Committee report included details on:

- the top 20 types of income for 2017/18 (which represented more than 85% of the total income).
- the top 20 types of expenditure for 2017/18 (which represented more than 99% of the total expenditure).
- the final financial outturn, by portfolio, with further details of services provided in the Digest.

Forecast Outturn

Whilst overall the variance for the Council had remained largely unchanged from the forecast outturn position reported at the end of December 2017, there have been some changes which were reported. Producing forecasts for 2017-18 had been difficult given the particularly transitional changes happening across the Organisation in the financial year.

The forecast variance, at portfolio level, was worse than the year end position by £1.188m. The report detailed the main changes from the December forecast to the 2017-18 outturn, which included:-

- 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

There had also been 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.

The finance team engaged on a regular basis with budget holders to ensure that any emerging issues in relation to finance and related activities were flagged as early as possible to allow corrective action as required and to ensure forecasting was as accurate as possible.

Financial Performance by Portfolio

The 2017/18 financial performance comprised portfolio overspends of £3.358m, offset by underspends in Corporate Costs of £2.904m. The Council had established financial management procedures in place to monitor budgets and mitigate any forecast overspending. This had been successful in acting as an early warning of any budget variations. Revenue and capital budget monitoring information was reported to the Scrutiny Committee and Cabinet throughout the year and specific areas of concern were highlighted. This process facilitated a level of challenge, including a review of any potential impacts on budgets.

Portfolio information was provided setting out variances from the budget and which demonstrated that despite known pressures on staff costs, it had been possible to achieve additional efficiencies and income to offset these exception costs for 2017/18. In managing budgets, managers were encouraged to remain within the planned budget, whilst ensuring cost pressures were minimised and opportunities for additional income were maximised.

Reserves and Provisions

Detail of the earmarked reserves and provisions held by the Council were detailed on page 14 of the Digest. The closing balance for the financial year was £33.382m. This represented an increase of £760,000 over the balance held at the end of the previous financial year. Reserves were held against specific risks and commitments.

Capital Spend

A total capital spend of £8.505m had been incurred in 2017-18. 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.

The Council had 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. The following issues in relation to the capital programme were highlighted:-

- The capital programme for 2017-18 had 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 represented funds allocated for residual and any required remedial works.
- Waterside North Phase 1 (The Exchange scheme) had commenced in January 2017 and consists of four restaurants, with 47 one and two bedroom apartments above and a new public square that was due to be completed by autumn 2018. The spend for Phase 1 was 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

were all the latest and most efficient vehicles and enabled 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 26 October 2016, the Council had agreed to a scheme to develop the existing waste and recycling depot site at Pembroke Road. The total scheme cost was £9.2 million, of which £1.9 million would only be required if there was sufficient evidence of the demand and take up for the expanded vehicle testing facilities. This capital scheme continued into 2018/19.
- The capital spend for 2017-18 included a small spend on community centres. The residual allocation was likely to be spent on Community Centre renewal funded by the receipts from the sale of Elmhurst Community Centre some years ago, and also on some play area renewal work.

Investment and Borrowing

Information on the Treasury Management Outturn for 2017-18 was detailed in the report, and had been considered as a separate agenda item at the scrutiny committee.

Members sought additional information and were informed:-

- (i) that the overall financial position for 2017/18 was due to staffing costs in relation to the Council's reorganisation, being a combination of salary savings from business reviews and vacancies, offset by some vacant posts having to be filled temporarily by agency staff and consultants, and further staff cost pressures including redundancy costs of £1.725m. The reliance on agency staff and consultants was reducing all the time as people were recruited to the vacant posts.
- (ii) that the delay in an announcement regarding modernising local government in Buckinghamshire had not negatively impacted on the recruitment of staff.
- (iii) Report paragraph 4.7 (Expenditure table) – that the Rent allowances overpayment in year was not recoverable.
- (iv) Report paragraph 4.7 (Expenditure table) – that the figures for Basic Salary did not include on-costs (National Insurance and superannuation costs)

RESOLVED –

That the contents of the Digest and the final outturn position for the Council for the financial year 2017-18 be noted.

8. WORK PROGRAMME

The Committee considered their work programme for the period up until April 2019.

The agenda items for future meetings would be:-

- (i) 15 October 2018 – Silverstone Heritage Experience – update, Quarterly Finance and Performance report (April to June 2018)
- (ii) 17 December 2018 – Budget Planning 2019-20 and the Quarterly Finance and Performance reporting.

- (iii) 14 January 2019 – Budget Planning 2019-20, Capital Programme Review, Public Sector Equality Duty and the Treasury Management Strategy.

An agenda item on the Kingsbury Market Square Improvement Schemes would also need to be timetabled in due course.

RESOLVED –

That the work programme be agreed, as discussed at the meeting.

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SILVERSTONE HERITAGE EXPERIENCE

1 Purpose

- 1.1 To update the Committee on the Silverstone Heritage Experience.

2 Recommendations/for decision

- | | |
|-----|--|
| 2.1 | The Scrutiny Committee are asked to note the progress made by the Silverstone Heritage Experience on attracting sponsorship, the planned opening date and the construction budget. |
|-----|--|

3 Background

- 3.1 On 14 September, 2016, Council agreed unanimously to provide loan funding of £2 million as part of a total £8 million package of loan support provided by the 4 county and district authorities and 2 LEPS which cover the Silverstone circuit in order to enable the Silverstone Heritage Experience to be constructed.
- 3.2 The combined facility of £8 million was required to secure Heritage Lottery Funding of £9.1 million.
- 3.3 It was intended that the loan support would only be required in full or in part if the anticipated private sector funding could not be attracted.
- 3.4 Sally Reynolds, CEO of Silverstone Heritage and Stuart Pringle, Sporting Director of Silverstone Circuits will attend the meeting to update Members on scheme progress, including the progress on attracting sponsorship, the planned opening date and the construction budget. They will also discuss the position with regards to the future of F1 at Silverstone, as well as providing an opportunity for Members to ask questions.
- 3.5 The Silverstone Heritage Experience was planned to open in October 2018 on the 70th anniversary of the first Grand Prix being held at Silverstone. The vision being to bring the extensive Heritage of Silverstone and British motor racing to life through the creation of a dynamic, interactive and educational visitor experience including:
- A permanent exhibition, at the entrance to the Circuit that will take visitors on an exciting two hour journey through motor racing at Silverstone set against the wider context of the sport and, in particular, the part that the Circuit, the British Racing Drivers' Club (BRDC) and the region's motor sport industry have played in its development worldwide.
 - A Collections and Research Centre, offering museum and archive-accredited storage for the unique BRDC archive and other important motor sport collections.
 - An extensive education programme focused on STEM learning which aims to address the region's shortage of engineers by inspiring the engineers of the future through its interactive teaching sessions, engineering teaching bursaries and awards programmes. This will help to ensure the region continues to be a focus of high performance engineering with a readily available qualified workforce.

- 3.6 The Silverstone Heritage Experience will serve as a catalyst, stimulating further development at Silverstone, for example, a new hotel and Family Entertainment Centre. Its marketing budget will also ensure that the attraction is promoted to a very large and diverse audience helping to strengthen Silverstone's and the region's standing nationally and internationally.
- 3.7 The scheme was supported by robust feasibility studies and a five year business plan which have showed that the Silverstone Heritage Experience will deliver anticipated visitor numbers of 436,500 in its first full year of operation (2019). Once open, it will be self-funding, generating a healthy annual surplus so it can easily service the loan of £8million paid back over a ten year period. Nearly £11.5m Gross Visit Impact to the local and regional economy is projected for 2019 with an additional 87,000 bed nights generated in the region. The total number of jobs created by the Project is 78.
- 3.8 By virtue of the additional visitors the Project will attract to Silverstone it will help to secure the future of the Silverstone Circuit and its ability to continue to host the British Grand Prix and other national and international events which are crucially important the region's visitor economy (and underpin the high performance engineering sector too). Silverstone remains the only Formula 1 venue in the world to operate without government or third party subsidies.

Contact Officer
Background papers

Andrew Small (01296) 585507
None.

FINANCIAL DIGEST: APRIL 2018- JUNE 2018

1 Purpose

- 1.1 This report presents the Financial Digest for the period to 30th June 2018. This represents the financial position for the first three months of the financial year 2018-19.

2. Recommendations

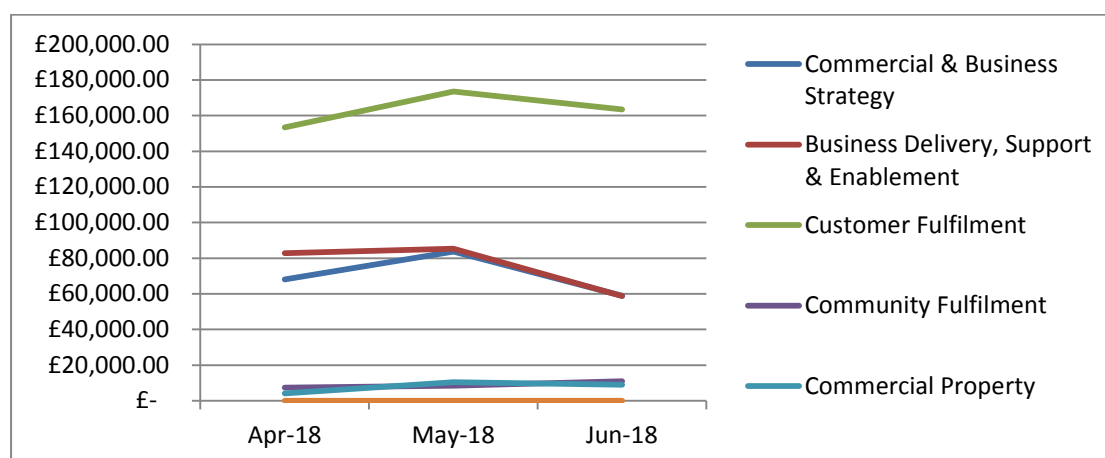
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| 2.1 | Members are requested to consider the digest and its contents. |
|-----|--|

3 Supporting information

- 3.1 This report presents the financial digest for the period to the end of June 2018 for member's consideration.
- 3.2 The financial digest is attached as Appendix 1.
- 3.3 The year to date financial information is based on the actual income and expenditure for the first three months of the financial year. An estimate of the expected financial outturn position for 2018/19 is also provided.
- 3.4 As at the end of June, an overspend against budgets of £120,532 is reported.
- 3.5 A forecast overspend of £321,605 is currently forecast for the period to the end of March 2019 before the use of reserves.
- 3.6 The Medium Term Financial Plan (MTFP) agreed by Council in February 18 assumed a contribution to balances of £240,000 for 2018/19. Based on the forecast financial position, there is now an assumed use of balances of £134,000. The Council holds general working balances as insurance against unexpected financial events.
- 3.7 The forecast level of balances for the financial year is reported as £1.843m. This is marginally below the minimum assessed level of balances of £2.0m
- 3.8 The forecast position does not currently assume any use of reserves to support emerging overspends. Earmarked reserves are held for legitimate reasons and the balances represent a fair assessment of the budgetary pressures that they are held against.
- 3.9 The use of earmarked reserves is an essential part of sound financial planning. The use of reserves will be assessed in year. Any use of reserves will result in a reduction of the forecast overspend and lessen calls on balances.
- 3.10 The timely reporting of the YTD position and forecast outturn to the Organisation has highlighted a number of emerging financial risks. Early escalation of issues has allowed for considered corrective actions to be taken.
- 3.11 Members can be assured that the timely reporting has allowed for mitigating actions to be identified by budget holders and managers across the Council to address the emerging financial position.
- 3.12 The year to date financial position is largely being driven by above budgeted levels of staff costs.

- 3.13 Agency spend is incurred for a number of reasons including
- To support funded project work e.g. Connected Knowledge programme and GDPR.
 - To support service delivery where there are vacancies or activity related pressures.
- 3.14 The use of agency to support vacancies and activity pressures incurs a premium cost and adverse variance to agreed budgets.
- 3.15 The table and graph below detail the year to date spend across the organisation, at Sector level. A total of £978,781 has been incurred for the first three months of the financial year.

	Apr-18	May-18	Jun-18	YTD
Commercial & Business Strategy	£ 68,066.34	£ 83,815.77	£ 59,018.38	£ 210,900.49
Business Delivery, Support & Enablement	£ 82,864.79	£ 85,285.57	£ 58,696.32	£ 226,846.68
Customer Fulfilment	£ 153,404.34	£ 173,577.66	£ 163,391.86	£ 490,373.86
Community Fulfilment	£ 7,470.69	£ 8,495.41	£ 11,003.39	£ 26,969.49
Commercial Property	£ 4,184.19	£ 10,491.59	£ 9,015.22	£ 23,691.00
Chief Executive Services	£ -	£ -	£ -	£ -
Total	£ 315,990.35	£ 361,666.00	£ 301,125.17	£ 978,781.52



- 3.16 For the 3 months to date, agency has been employed in a number of key operational areas to support project work and service delivery. This includes:
- People and Payroll department where agency costs have been incurred to support both vacancies and prolonged periods of sickness absences. This continues to be a concern but support arrangements are in place to support delivery and reduce dependency on agency staff.
 - The Connected Knowledge and GDPR programme: These are work programmes for which funding has been allocated.
 - IT: To cover key vacant posts. Recruitment in this area has historically been difficult but it is anticipated the position will improve in October as appointments have now been made.

- The Depot to employ loaders and also to meet additional costs of new waste rounds. The use of agency in these areas allows for flexibility to meet staffing patterns.
 - Planning Department: This continues as the highest spend area and represents an area of concern for staffing. AVDC is a growth area for planning and receives more applications than most other district councils. Whilst the planners needed to process this high volume of applications have now been recruited they still need to be trained and therefore significant support from agency planners is needed to ensure performance targets continue to be met.
- 3.17 The dependency on high cost agency staff is being targeted to reduce risk of further in-year overspends. For all of the areas identified as using agency, plans are being developed to address spend and mitigating actions being taken. Some vacancies are being filled and proposals are being put forward for most effective delivery models.
- 3.18 Budget managers are provided with detailed agency staffing analysis on a monthly basis to ensure they have information on costs and to facilitate decision making in terms of agency use.
- 3.19 Members will be aware that in 2017/18, the Council incurred significant exceptional staff costs (agency and redundancy costs) to meet the costs of the Council re-organisation. Whilst in the main this was viewed as non-recurrent, the dependency on agency for some areas continues, although reducing.
- 3.20 Despite these known pressures on staff costs, it has been possible to largely offset agency costs with additional efficiencies and income for the first quarter.
- Savings against budget in relation to transitional relief for business rates.
 - Increased income from commercial rents particularly at Pembroke Road
- 3.21 Detail of the reserves and provisions held by the Council are detailed on page 13 of the digest. These reserves are held against specific risks and commitments.
- 3.22 As well as the revenue budget the digest, on page 14, also reports on the level of capital spend to 30th June 2018. Whilst the year to date spend of £1.586m represents only 16% of the total anticipated spend, there is no perceived risk on the delivery of the schemes and it is anticipated that spend will increase in line with plans over the last 9 months of the year.
- 3.23 On page 15 there is information on the level of investments and borrowings during the first three months of the financial year. No new borrowing has been taken out so the current level remains at £18.5m.
- 3.24 The council had £51.0m invested at the end of June, in a combination of banks, building societies and money market funds.

4 Options considered

- 4.1 The financial forecast represents a view of the likely financial outturn for the financial year, given current working assumptions

- 4.2 A forecast overspend of £0.321m is currently forecast for the period to the end of March 2019. Action is being taken to reduce this.
- 4.3 No use of reserves has been assumed at this stage. It is legitimate that reserves be applied to address some budgetary pressures. Reserves are held e.g. for planning related issues and this is currently identified as having exceptional finance pressures in year.
- 4.4 After only 3 months of the financial year, it is difficult to forecast the end of year position with any accuracy. 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.
- 4.5 Timely forecasting is a vital function to support the financial management agenda. In preparing a financial forecast, it is possible to identify and flag any emerging issues in relation to finance and related activities, and early identification of issues allows for timely corrective action to be identified as required.
- 4.6 Monitoring processes are in place, during 2018-19, to measure monitor performance in year against the agreed plan.
- 4.7 As a result of the Quarter 1 financial results, a number of meetings were convened with Assistant Directors and the Director responsible for Finance to review the year to date financial position and financial forecasts.
- 4.8 The meetings allowed for a review of the emerging financial risks and also set out the mitigating actions required to bring the financial position closer to plan.
- 4.9 The key financial management messages for the Organisation, based on the YTD financial position are 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
- 4.10 The financial environment is challenging and the focus of the Council remains to delivering financial stability.
- 4.11 The financial outlook is being reviewed on an on-going basis to both reduce financial risks that may impact adversely on the financial forecast and also to identify opportunities to improve on the current forecast position.

5 Resource Implications

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

6 Response to Key Aims and Objectives

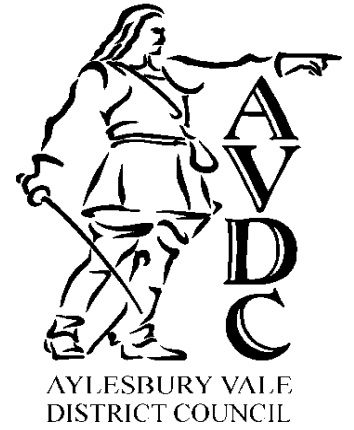
- 6.1 Budget monitoring helps us to ensure resources are deployed in a way that is consistent with our key aims and outcomes.

Contact Officer

Nuala Donnelly 01296 585164

Background Documents

Appendix : Financial Digest June 2018



FINANCIAL DIGEST

JUNE 2018

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Main points of note contained within June's digest

The Main Message

- The Council spent £120,532 more on the provision of services during the first 3 months of 2018/19 than allowed for in the budget.
 - Pay budgets are overspend against budget for the quarter ended June 18. Agency has been employed in a number of key operational areas to support project work and service delivery.
 - Vacant post have been filled by temporary and contract staff and this has resulted in a year to date overspend on employment costs of £600,984
 - Reviews are ongoing with services to target a reduction in spend.
 - A number of factors offset the ytd reported overspend:
 - For the period to date, a savings of £229k has been reported in relation to transitional relief in business rates
 - For the period to date, income above budget has been achieved in relation to a number of properties and services
 - General efficiencies have been achieved in the first quarter as a number of cost centre report underspend
-
- We are currently predicting a full year overspend of £321,605
 - It is forecast that pay budgets will overspend due to agency use
 - The forecast position reflects savings on transitional business rates

The Main Issues

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

	Variance to Date £	Predicted Outturn £	
Top 5 Over Budget			
Planning Services	279,404	500,000	Consultancy & agency staff costs
Waste & Recycling - Commercial	23,534	0	Recruitment & employment costs
Assistant Directors	19,173	0	Consultancy & agency staff costs
Heritage	14,774	0	Agency staff costs
Enterprise Service Desk Support	11,495	0	Agency staff costs
Top 5 Under Budget			
Car Park Management	(179,366)	(228,600)	Savings from transitional relief in business rates
Commercial Property	(24,203)	(10,600)	Reduced service charge income offset by increased rentals
Community Centres	(10,869)	(5,300)	Salary savings & increased income
Legal Services	(9,821)	0	Salary savings
Car Pooling Scheme	(9,446)	0	Vehicle leasing savings

GENERAL FUND SUMMARY AS AT 30TH JUNE 2018

GENERAL FUND STATEMENT OF BALANCES	ACTUAL OUTTURN 2017/18 £'000	ORIGINAL BUDGET 2018/19 £'000	EXPECTED OUTTURN 2018/19 £'000
Brought Forward 1st April	(2,873)	(1,924)	(1,977)
Planned Use of/(Contribution to) Balances	0	(240)	(240)
Less General Overspend Assumption	453	0	322
Contribution to the HS2 Fund	3	0	2
Commercial AVDC Change Project	440	0	0
Commercial Activities	0	50	50
Net Use of Balances	896	(190)	134
Working Balance Carried Forward	(1,977)	(2,114)	(1,843)

Fund	General
-------------	----------------

Portfolio	Full Year		Year to Date		
	Current Budget	Expected Year End Variance	Budget to Date	Actuals to Date	Significant Variances
Civic Amenities	416,700	(270,200)	434,173	216,970	(217,203)
Commercialisation & Business Transformation	1,243,700	(8,200)	405,630	406,688	0
Communities	2,686,400	(2,000)	707,116	696,267	(10,849)
Economic Development & Regeneration	(1,067,500)	(23,800)	(238,365)	(264,516)	(26,151)
Environment & Waste	6,529,300	0	351,357	396,679	45,322
Growth Strategy	346,300	505,000	(116,346)	188,457	304,803
Leader	3,368,200	5,000	954,874	961,232	0
Resources, Governance & Compliance	3,432,800	115,900	837,895	855,089	17,194
Total Portfolio Expenditure	16,955,900	321,700	3,336,334	3,456,866	120,532
Net Interest Payable	(1,189,200)	0			
Contribution To Reserves	2,070,200	0			
Contribution From Reserves	(357,000)	0			
Contingency Items	101,000	0			
Asset Management	(1,048,800)	0			
Financing Items	1,502,000	0			
District Expenditure	18,034,100	321,700			
Less Aylesbury Special Expenses	(841,800)	0			
Contribution (from)/to Special Expenses	(22,900)	0			
Net District Expenditure	17,169,400	321,700			
Government Grant	(6,540,900)	0			
Collection Fund	(10,868,500)	0			
Overspend	(240,000)	321,700			

Please Note: Figures in brackets are underspending/additional income

Fund	General
Portfolio	Civic Amenities

Service	Full Year		Year to Date		
	Current Budget	Expected Year End Variance	Budget to Date	Actuals to Date	Significant Variances
Car Park Management	(843,100)	(228,600)	189,685	10,319	(179,366) ①
Community Centres	436,600	(5,300)	113,440	102,571	(10,869) ②
Leisure Centres	76,600	(35,700)	(108,152)	(113,504)	0 ③
Market	2,600	0	10,600	3,878	0
Public Burial Fees	3,000	0	750	1,131	0
Public Conveniences	113,600	(600)	33,650	31,095	0
Theatre & Leisure Centre Management	78,100	0	20,290	19,303	0
Town Centre Manager	186,700	0	40,940	32,223	0
Waterside Theatre	362,600	0	132,970	129,890	0
Grand Total	416,700	(270,200)	434,173	216,906	(217,267)

- ① £179,366 lower costs - savings from transitional relief in business rates offset by lower income from car parks. The forecast has been amended to reflect the anticipated outturn position.
- ② £10,869 lower costs/higher Income - salary savings plus a number of small underspends on general overheads. The forecast has been amended to reflect increased service charge income expected.
- ③ The forecast has been amended to reflect increased charges, including a CPI % increase in leisure centre lettings.

Budget profiling

Spend does not incur evenly throughout the year. Budgets are profiled to reflect when spend will be incurred/ income received.

Fund	General
Portfolio	Commercialisation & Business Transformation

Service	Full Year		Year to Date		
	Current Budget	Expected Year End Variance	Budget to Date	Actuals Plus Commitments to Date	Significant Variances
Business Strategy	166,700	(8,200)	41,730	53,136	11,406 ①
Car Pooling Scheme	115,200	0	35,690	26,244	0
Communications & Marketing	0	0	1,820	210	0
Digital Services	268,400	0	68,450	72,370	0
IT - Strategic & Enterprise Service Desk	(48,300)	0	50,350	41,743	0
Project Management Office	741,700	0	207,590	212,986	0
Vale Lottery	0	0	0	0	0
Grand Total	1,243,700	(8,200)	405,630	406,688	0

① £11,406 higher costs - higher staffing costs. The forecast has been amended to reflect anticipated profits from new income streams.

Budget profiling

Spend does not incur evenly throughout the year. Budgets are profiled to reflect when spend will be incurred/ income received.

Fund	General
Portfolio	Communities

Service	Full Year	
	Current Budget	Expected Year End Variance
Communities	472,200	(2,000)
Community Safety	394,700	0
Concessionary Travel	40,700	0
Grants	273,400	0
Housing Pathways	44,100	0
Housing Services	554,100	0
Parks, Pitches & Open Space	907,200	0
Grand Total	2,686,400	(2,000)

Year to Date		
Budget to Date	Actuals Plus Commitments to Date	Significant Variances
90,598	81,764	0
53,048	52,613	0
1,830	1,875	0
240,290	242,125	0
8,000	5,526	0
129,400	133,971	0
183,950	178,393	0
707,116	696,267	(10,849)

① The forecast has been amended to reflect underspends in community activities.

Budget profiling

Spend does not incur evenly throughout the year. Budgets are profiled to reflect when spend will be incurred/ income received.

Fund	General
Portfolio	<i>Economic Development & Regeneration</i>

Service	Full Year		Year to Date		
	Current Budget	Expected Year End Variance	Budget to Date	Actuals Plus Commitments to Date	Significant Variances
Bus Station	153,900	(9,800)	47,040	48,642	0 ①
Commercial Property	(1,968,900)	(10,600)	(492,230)	(516,433)	(24,203) ②
Economic Development	246,400	0	62,680	58,223	0
Industrial Estates and Town Centre Props	465,200	(3,400)	156,390	153,097	0
Land Charges	(16,700)	0	(18,710)	(11,357)	0
Non Operational Property	(28,300)	0	(6,630)	(7,159)	0
Sustainability	22,500	0	5,670	3,590	0
Town Centre Open Spaces	58,400	0	7,425	6,881	0
Grand Total	(1,067,500)	(23,800)	(238,365)	(264,516)	(26,151)

① The forecast has been amended to reflect increased rental income.

£24,203 higher income/lower costs - higher rents at Pembroke Road offset by lower service charge income for Waterside properties.

② The forecast has been amended to reflect the full year impact of these, plus the impact of the delayed implementation of the residential assets and lettings service.

Budget profiling

Spend does not incur evenly throughout the year. Budgets are profiled to reflect when spend will be incurred/ income received.

Fund	General
Portfolio	Environment & Waste

Service	Full Year		Year to Date		
	Current Budget	Expected Year End Variance	Budget to Date	Actuals Plus Commitments to Date	Significant Variances
Environmental Services	1,124,300	0	(806,719)	(797,641)	0
Facilities Management	52,500	0	13,140	11,211	0
Health & Safety	0	0	250	4,327	0
Licensing	(149,100)	0	(46,434)	(41,320)	0
Waste & Recycling - Commercial	797,100	0	187,660	211,194	23,534 ①
Waste & Recycling - Non Commercial	4,704,500	0	1,003,460	1,008,908	0
Grand Total	6,529,300	0	351,357	396,679	45,322

① £23,534 higher costs - recruitment and employment costs associated with Depot Site Manager post.

Budget profiling

Spend does not incur evenly throughout the year. Budgets are profiled to reflect when spend will be incurred/ income received.

Fund	General
Portfolio	Growth Strategy

Service	Full Year	
	Current Budget	Expected Year End Variance
Aylesbury Garden Town	0	0
Forward Plans	682,400	5,000
Heritage	506,100	0
Highway and Amenity Areas	7,300	0
HS2	0	0
Planning Services	(1,128,500)	500,000
Strategy & Partnerships	279,000	0
Grand Total	346,300	505,000

Year to Date		
Budget to Date	Actuals Plus Commitments to Date	Significant Variances
0	0	0
174,600	181,973	0 ①
145,150	159,924	14,774 ②
1,830	336	0 ③
0	0	0
(137,796)	141,608	279,404
(300,130)	(295,384)	0
(116,346)	188,457	304,803

① The forecast has been amended to reflect the loss of Built Environment income.

② £14,774 higher costs - agency fees which are currently under review.

③ £279,404 higher costs/lower income - Development Management & Building Control consultancy & agency staff fees currently employed to reduce high number of planning applications. The forecast has been amended to reflect the anticipated outturn position.

Budget profiling

Spend does not incur evenly throughout the year. Budgets are profiled to reflect when spend will be incurred/ income received.

Fund	General
Portfolio	Leader

Service	Full Year		Year to Date		
	Current Budget	Expected Year End Variance	Budget to Date	Actuals Plus Commitments to Date	Significant Variances
Assistant Directors	(50,000)	0	(4,760)	14,413	19,173 ①
Chairman's Expenses	32,400	0	8,160	635	0
Chief Executive's Support Services	28,500	0	23,350	21,184	0
Core Costs	1,438,900	0	353,980	354,170	0
Democratic Services	1,057,100	0	266,503	259,531	0
Director - AS	0	0	800	(318)	0
Director - TA	0	0	890	(355)	0
Electoral Services	381,100	0	58,241	53,055	0
Enterprise Service Desk Support	216,400	0	54,180	65,675	11,495 ②
Facilities Management	42,300	10,000	6,900	8,246	0 ③
Flexitime Scheme	4,200	0	1,050	0	0
Legal Services	(44,200)	0	(46,110)	(55,931)	0
Office Accommodation	261,500	(5,000)	231,690	240,927	0 ④
Grand Total	3,368,200	5,000	954,874	961,232	0

① £19,173 higher costs - consultancy fees & agency staff costs currently under review.

② £11,495 higher costs - agency staff costs currently under review.

③ The forecast has been amended to reflect the loss of Built Environment income.

④ The forecast has been amended to reflect increased service charge income at Gateway.

Budget profiling

Spend does not incur evenly throughout the year. Budgets are profiled to reflect when spend will be incurred/ income received.

Fund	General
Portfolio	Resources, Governance & Compliance

Service	Full Year		Year to Date		
	Current Budget	Expected Year End Variance	Budget to Date	Actuals Plus Commitments to Date	Significant Variances
Contract & Procurement Services	226,900	0	57,480	57,434	0
Democratic Services	497,200	0	123,870	123,452	0
Finance & Payroll Services	1,675,000	10,000	429,090	436,459	0 ①
Governance	0	7,000	(300)	1,131	0 ②
Housing Benefits	1,094,900	0	203,085	208,514	0
Insurances	(67,600)	0	(69,090)	(69,090)	0
Personnel Services	0	63,300	(2,040)	4,327	0 ③
Rating & Recovery Services	(3,800)	0	87,570	85,877	0
Standby Services	10,200	0	2,550	1,546	0
Training	0	35,600	5,680	5,441	0 ④
Grand Total	3,432,800	115,900	837,895	855,089	17,194

① The forecast has been amended to reflect costs of systems required to meet operational needs.

② The forecast has been amended to reflect loss of income.

③ The forecast has been amended to reflect operational pressures to support recruitment and HR processes.

④ The forecast has been amended to reflect operational pressures in relation to Learning and Development. The budgetary arrangements are to be reviewed.

Budget profiling

Spend does not incur evenly throughout the year. Budgets are profiled to reflect when spend will be incurred/ income received.

Fund	General
Special	Yes

Service	CC Description	Full Year		Year to Date		
		Current Budget	Expected Year End Variance	Budget to Date	Actuals Plus Commitments to Date	Significant Variances
Community Centres	Administration	75,200	0	19,090	17,900	0
	Alfred Rose	51,200	0	13,380	12,342	0
	Bedgrove	55,900	(1,100)	13,160	7,133	0
	Haydon Hill	14,600	0	2,970	3,716	0
	Prebendal Farm	42,600	0	11,430	11,407	0
	Quarrendon and Meadowcroft	60,200	(4,200)	21,000	21,384	0
	Southcourt	48,500	0	11,640	9,495	0
Community Centres Total		348,200	(5,300)	92,670	83,376	0
Parks, Pitches & Open Space	Alfred Rose Park	42,400	0	10,160	12,777	0
	Bedgrove Park	64,700	0	16,140	13,384	0
	Edinburgh Playing Fields	51,500	0	11,550	11,793	0
	Fairford Leys	85,300	0	20,510	18,076	0
	Meadowcroft Playing Fields	67,000	0	15,880	13,184	0
	Parks Administration	238,100	0	19,260	17,704	0
	Vale Park	15,900	0	3,960	5,370	0
	Walton Court Sports Ground	45,300	0	10,960	6,555	0
Parks, Pitches & Open Space Total		610,200	0	108,420	98,843	0
Market	Market	2,600	0	10,600	3,878	0
Market Total		2,600	0	10,600	3,878	0
Grand Total		961,000	(5,300)	211,690	186,097	(25,593)

Notes

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

① The forecast has been amended to reflect increased service charge income expected.

GENERAL FUND REVENUE RESERVES AND PROVISIONS

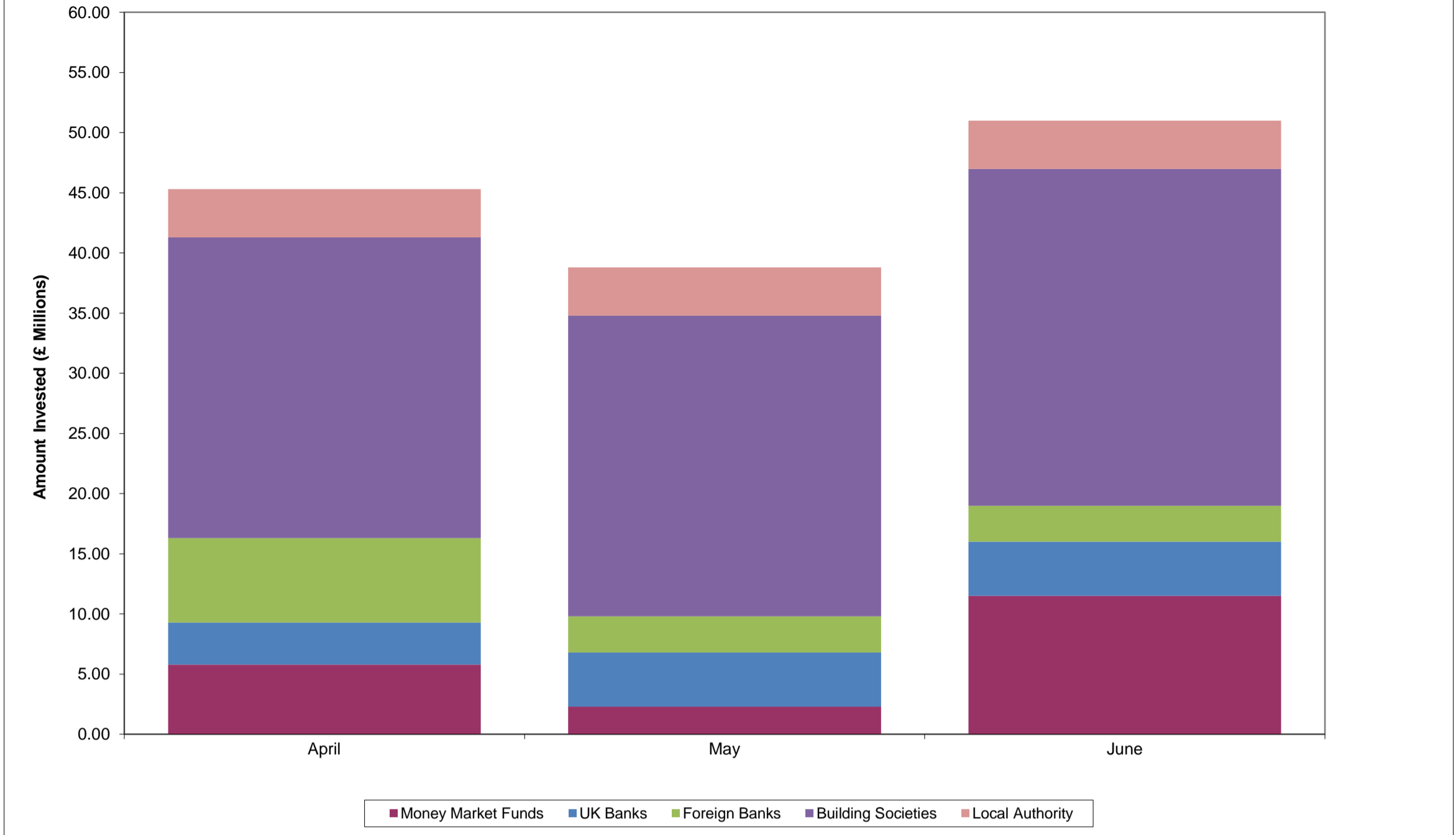
The table shows the current level of provisions and reserves held by the Council at the beginning of the year, the planned movements in the year and the expected closing balance at 31st March 2019.

GENERAL FUND REVENUE RESERVES AND PROVISIONS	OPENING BALANCE 01/04/2018	PLANNED INCOME	PLANNED SPEND	EXPECTED CLOSING BALANCE 31/03/19
	£'000	£'000	£'000	£'000
PROVISIONS				
NNDR Appeals	(1,662)	0	0	(1,662)
Refundable Bonds	(306)	0	0	(306)
BAD DEBT PROVISIONS				
Housing Benefits Overpayments	(1,826)	0	0	(1,826)
Local Taxation	(449)	0	0	(449)
Other	(313)	0	0	(313)
On Street Parking	(79)	0	0	(79)
Haywoods Way	(41)	0	0	(41)
TOTAL PROVISIONS	(4,676)	0	0	(4,676)
RESERVES				
New Homes Bonus - Waterside North	(8,798)	0	0	(8,798)
Amenity Areas	(3,097)	0	0	(3,097)
New Homes Bonus - Parishes	(2,338)	(286)	0	(2,624)
New Homes Bonus - Affordable Housing	(2,158)	0	0	(2,158)
Interest Equalisation Reserve	(2,022)	(111)	80	(2,053)
New Homes Bonus - Silverstone Heritage	(2,000)	0	0	(2,000)
Property Sinking	(1,812)	0	0	(1,812)
Business Rates	(1,768)	(1,060)	0	(2,828)
New Homes Bonus - High Speed Broadband	(1,536)	0	0	(1,536)
Repairs & Renewals (& CCTV)	(1,145)	(297)	0	(1,442)
Fairford Leys Riverine Corridor	(878)	(19)	0	(897)
LABGI	(857)	0	0	(857)
Superannuation	(729)	0	277	(452)
Planning Related	(559)	0	0	(559)
Insurance	(541)	0	0	(541)
Property Strategy	(540)	0	0	(540)
Licensing	(529)	0	0	(529)
Aylesbury Special Expenses	(467)	0	0	(467)
New Homes Bonus - East/West Rail Link	(350)	0	0	(350)
Recycling and Composting	(292)	0	0	(292)
New Homes Bonus - Depot Refurbishment	(209)	0	0	(209)
Car Parking Related	(207)	0	0	(207)
New Technology	(199)	(297)	0	(496)
District Council Elections	(164)	0	0	(164)
Leisure Activities	(156)	0	0	(156)
Historic Buildings	(135)	0	0	(135)
Housing Needs & Section 106	(107)	0	0	(107)
Business Support Fund	(102)	0	0	(102)
Future Vehicle Costs	(84)	0	0	(84)
Rent Guarantee Scheme	(71)	0	0	(71)
Corporate Market Research	(47)	0	0	(47)
Playgrounds	(40)	0	0	(40)
Benefit Subsidy	(33)	0	0	(33)
Business Transformation	(29)	0	0	(29)
TOTAL RESERVES	(33,999)	(2,070)	357	(35,712)

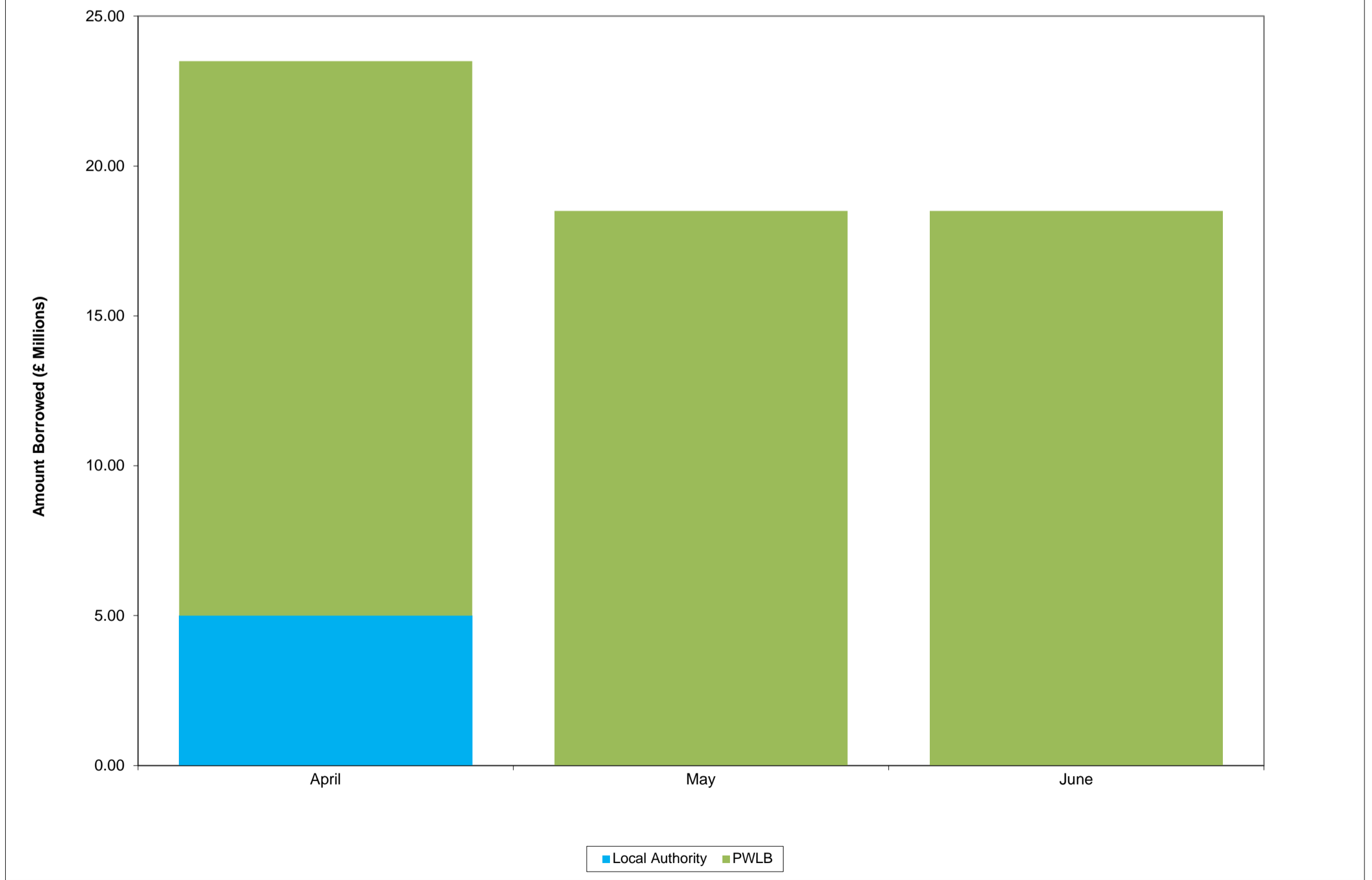
CAPITAL PROGRAMME SPEND TO 30TH JUNE 2018

	REF	APPROVED SPEND £s	PRIOR YEARS' SPEND £s	EXPECTED SPEND 18/19 £s	ACTUAL SPEND AT 30/06/18 £s
University Campus, Aylesbury Vale	8001	16,550,000	16,312,727	237,273	0
Public Realm Waterside North	8004	7,400,000	3,052,456	4,347,544	1,480,663
Refuse Vehicles Replacement	8005	4,100,000	4,089,773	10,227	0
Depot Purchase / Refurbishment	8006	11,305,000	6,199,054	5,105,946	106,209
Community Centre Upgrades	8008	150,000	18,228	131,772	0

Investments 2018/19



Borrowings 2018/19



MEMBER FEEDBACK / QUESTION SHEET

ISSUE 1 - 18/19

FEEDBACK

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

<u>Accountancy</u>	<u>Team</u>	<u>Phone No.</u>
Andrew Small	Director	585507
Nuala Donnelly	Strategic Finance Manager	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:

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