



AYLESBURY VALE DISTRICT COUNCIL

Democratic Services

Please ask for: Craig Saunders; csaunders@aylesburyvaledc.gov.uk;
Switchboard: 01296 585858
Text Relay Prefix your telephone number with 18001

20 June 2019

FINANCE AND SERVICES SCRUTINY COMMITTEE

A meeting of the Finance and Services Scrutiny Committee will be held at **6.30 pm** on **Tuesday 2 July 2019** in **The Paralympic Room, Aylesbury Vale District Council, The Gateway, Gatehouse Road, Aylesbury, HP19 8FF**, when your attendance is requested.

Membership: Councillors N Blake, J Bloom, J Chilver, B Everitt, S Lambert, R Newcombe, M Rand, 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. **ELECTION OF CHAIRMAN**
4. **APPOINTMENT OF VICE CHAIRMAN**
5. **MINUTES** (Pages 3 - 14)

To approve as a correct record the Minutes of the meeting held on 14 January, 2019, copy attached as an appendix.

6. **DECLARATION OF INTEREST**

Members to declare any interests.

7. **LEISURE CENTRES MANAGEMENT CONTRACT - ANNUAL REPORT 2018-19** (Pages 15 - 28)

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: Teresa Lane (01296) 585006



8. QUARTERLY FINANCE DIGEST (Pages 29 - 54)

To consider the attached report.

Contact Officer: Nuala Donnelly (01296) 585164

9. FUTURE WORK PROGRAMME

To consider agenda items for future meetings. Meetings are scheduled as follows:-

- **9 September 2019** – (Quarterly Finance Digest Q1, 2019-20), Treasury Management 2018-19 Year End (report), Debt Management report
- **11 November 2019** – (Quarterly Finance Digest Q2, 2019-20, Treasury Management 2019-20 (Mid Year Review)
- **17 February 2020** – No items as yet

FINANCE AND SERVICES SCRUTINY COMMITTEE

14 JANUARY 2019

PRESENT: Councillor M Rand (Chairman); Councillors B Everitt (Vice-Chairman), J Chilver, A Christensen (In place of M Smith), S Lambert, R Newcombe and G Powell (In place of A Waite)

APOLOGIES: Councillors J Bloom, M Stamp, R Stuchbury and A Waite.

1. MINUTES

RESOLVED –

That the minutes of the meeting held on 17 December, 2018, be approved as a correct record.

2. INITIAL BUDGET PROPOSALS 2019/20

The Scrutiny Committee received a report on the draft budget proposals for 2019/20 that had been considered by Cabinet in December 2018. The full details of the budget information and background concerning the budget proposals were set out in the minutes of that [Cabinet meeting](#).

On 16 January, 2019, Cabinet would be agreeing the final recommendations to be proposed to full Council on the draft budget for 2019/20 which included the Medium Term Financial Plan (MTFP), the proposed level of Council Tax, and proposed fees and charges for 2019/20. In summary, Cabinet would be asked to recommend to Council the budget for 2019/20 and the MTFP including:-

- (a) To take into budget planning the £1.916 million of proposed savings as set out within paragraph 4.6 of the 18 December, 2018 report.
- (b) To take into budget planning the £2.354 million of forecast pressures as set out within paragraphs 5.2 and 5.3 to the same report.
- (c) To increase Council tax by an annual amount equivalent to £5.00 (3.35%) for a Band D property (equivalent to less than 10 pence per week) from 1 April, 2019.
- (d) To the use of £1.48m of New Homes Bonus to meet the costs of the Connected Knowledge Programme in 2019-20.
- (e) To agree the proposed fees and charges as set out in Appendix E to the report.
- (f) For the level of the Band D Special Expenses charge for 2019/20 to remain unchanged (at £45) from the initial budget proposals.

The Scrutiny Committee was asked to indicate any comments / feedback that it wished Cabinet to take into account in recommending the budget to full Council.

The Cabinet report highlighted that there was still uncertainty around a number of issues particularly further reductions in Government Grant, retained business rates and the New Homes Bonus. In the few weeks since the initial proposals had been considered by Cabinet, work had continued to refine the budget assumptions. In practice, little had materially changed at a service level and so the significant elements of the final budget proposals were around the impact of the proposed Government Grant numbers and changes to other centrally funded support.

Members were asked to note the outcome of the provisional local Government settlement for 2019/20 announced on 13 December 2018 and the impact on the final budget proposals. The main factors of the finance settlement were:

- Updated Core Spending Power figures.

- Confirmation of continuing cuts to RSG.
- Removal of Negative RSG.
- Increases to RSDG (+£16m) and NHB (+£18m) Funding.
- £180m released from the BRR levy account.
- Provisional Social Care Allocations of £650m (Budget 2018).
- 15 new 75% Pilot areas announced for 2019/20 (and 7 back to 50%).
- No changes to the Council Tax referenda principles (aside from Police).

Specifically for AVDC:-

- The important numbers of Revenue Support Grant and Baseline Business Rates were virtually the same as those announced for 2019/20 last year within the 4 year settlement. 2019/20 represented the last year of the 4 year settlement.
- AVDC was better off by £690,000 due to the removal of Negative Revenue support grant. This non-recurrent benefit had largely been foreseen and had been earmarked to support growth.
- Buckinghamshire had been awarded Pilot Status for 75% Business Rates Retention in 2019/20. The actual gain from this wouldn't be known until the year end but it was estimated this could be circa £1.6 million for AVDC.
- The Government had heeded sector concerns about the dangers of reducing the benefit from NHB and had decided to leave the thresholds unchanged. AVDC would therefore receive £5.9 million next year under this scheme, approximately £100,000 more than estimated.

The final funding allocation for the 2019/20 settlement will be laid before the House of Commons in February 2019.

Members referred to the Cabinet reports, updated information and appendices whilst considering this matter. They requested further information and were informed:-

- (i) that the agreement to participate in the new 75% business rates retention pilots 2019/20 had been due to agreement across Councils on how additional money would be used and a desire for greater co-operation.
- (ii) with an explanation was provided on the need to make the budget provision of £250,000 made in relation to anticipated reductions to rent and service charge recovery across the Council.
- (iii) with details of the ongoing legal challenge to a significant group of rateable properties within the Vale. It was unlikely that this matter would be considered by the courts before October 2019.

Officers agreed that consideration could be given to including this issue in the Council's Risk Register.

- (iv) that the provisions for car parking changes (Cabinet report paragraphs 6.20 and 6.21) related to changes in Aylesbury only. It would be difficult to make provisions for car parking changes at Wendover, Winslow and Buckingham as this information would not be known until reports came forward later in the year. However, the Council maintained a car parking reserve which could be utilised to fund changes for these locations.
- (v) that while the Government met the cost of Universal Credits benefits paid to people, the Council had some residual administration costs that had to be paid for.

- (vi) that Staff Side and unions were balloting staff on a 2.5% pay settlement for 2019/20. If approved by staff, then the matter would be submitted to full Council for final approval.
- (vii) that the Council believed that the £5m earmarked would be sufficient to meet AVDC's share of transition costs to the new Buckinghamshire Council.
- (viii) that AVDC was a leader amongst Councils in investing in IT and customer interface solutions. As such, the commitment of £1.48m of NHB monies in the budget to meet the costs of the Connected Knowledge Programme in 2019/20 would ensure that completed work was able to be handed over to the new Council in the best possible state.
- (ix) that the increase in the total budget of the Aylesbury Special Expenses of £38,200 was due to an increase in the Council tax base. The level of the Band D Special Expenses charge for 2019/20 was proposed to remain at £45 p.a. Information on expenditure against the Aylesbury Special Expenses was reported quarterly to the scrutiny committee with the Finance Digest.
- (x) that Cabinet had approved a new contract for materials recycling in April 2018. The contract had been awarded following a procurement exercise that had been undertaken jointly with Cherwell District Council.
- (xi) that the Council had a separate reserve provision relating to business rates appeals.
- (xii) that the primary cost associated with resources for the Connected Knowledge Programme (Appendix F) related to staffing costs for projects.
- (xiii) that clarification on the fees and charges for Play Services and Play Around the Parishes (Cabinet report, Appendix E) would be provided to Cabinet. For example, the Jonathan Page Play Centre was now operated by the Aylesbury Town Council.
- (xiv) by the Cabinet Member for Communities that he would be asking Cabinet to re-instate £10,759 in funding for a number of voluntary and community sector organisations including the Citizens' Advice Bureau. He would also be exploring whether it would be possible to extend the grant funding arrangements with some of these organisations for 1-2 more years to provide them with some certainty while the new Council was being established.

Members also commented:-

- that they were supportive of the monies from the Interest Equalisation Reserve and the Business Rates Equalisation Reserve being earmarked and used to offset the transition cost of local Government reorganisation.
- that, should the Cabinet be minded to recommend to Council the £1.48m in funding for Connected Knowledge, the Council needed to ensure that the individual business cases within the programme were assessed on the likelihood of the work/benefits that might be able to be carried forward into the new Council before investment decisions were made. This included looking at expenditure that could reasonably be deferred.
- that increases in Council tax should be used primarily to fund the provision of services to residents.

- that they were supportive of the extra £690,000 that the Council would have due to the removal of Negative Revenue Grant support being earmarked to support growth.
- that they were supportive of another bidding round of NHB grants being made available to parishes during 2019-20.

RESOLVED –

- (1) That the scrutiny committee was supportive of Cabinet's budget proposals for 2019/20 together with the Medium Term Financial Plan, as detailed in the reports to Cabinet on 18 December 2018 and 16 January 2019.
- (2) That Cabinet be asked to take into account scrutiny's comments in finalising the budget proposals for 2019/20 to be submitted to full Council.

3. CAPITAL PROGRAMME UPDATE 2019/20 TO 2022/23

The Council's Capital Programme was reviewed annually with the current programme being last approved and adopted at Council in February 2018.

Cabinet had considered a report on 18 December 2018 on the capital programme for the current year, as well as for the updated programme for 2019/20 onwards. The report provided an updated position with respect to forecast receipts and the position with regards to current and future major investment projects. It also incorporated changes made since February 2018 and reflected these in the overall resources projections. The full details of the capital programme and background were set out in the minutes of that [Cabinet meeting](#).

Cabinet had approved the updated Capital Programme for the purposes of scrutiny. Any feedback from scrutiny would be considered by Cabinet on 16 January 2019 in making final recommendations to full Council.

The Cabinet report made reference to an additional request for funding from the Aylesbury Vale Enterprise Zone Board for an investment proposal at Westcott. Additional information had now been received in respect of this scheme and the business case presented to the Enterprise Zone Board was summarised at paragraphs 3.4 to 3.25 inclusive of the scrutiny report.

The investment proposal related to £1.2m of funding for a Space Catapult Innovation Centre, comprising a £600,000 loan and a £600,000 grant. As its Accountable Body, the Enterprise Zone Board was seeking for AVDC to borrow the £1.2m funding and to recover this (plus any interests costs) from the EZ retained business rates. Details of how the repayments would be made was set out at paragraphs 3.17 to 3.19.

An independent business case appraisal had been undertaken in November 2018 by Hewdon Consulting and had concluded that the project was robust and that the Innovation Centre as now proposed would be a positive addition to the Westcott Space Cluster.

The Scrutiny Committee considered the 18 December 2018 Cabinet report and the scrutiny report.

The following changes in anticipated resources would need to be factored into the programme:-

- Revenue Contribution – a proposed £400,000 contribution from revenue to supplement existing capital resources. The removal of the Negative Revenue

Support Grant was also expected to benefit the Council by approximately £700,000. It had been recommended to Cabinet that the funding be ring-fenced to support likely and known pressures during 2019/20, specifically £0.4m to meet the costs of the car park changes detailed in the Car Park Strategy.

- Reserve utilisation of £4.5m for the Town Centre Regeneration.
- £8m borrowing to support spend on the Silverstone Enterprise Zone and also Pembroke Road.
- Share of house sale receipts from VAHT, although the number of residual RTB house sales had consistently fallen over the last couple of years.
- Asset sales – no asset sales had been assumed for 2019/20, although it was forecast that £440,000 would be received from AVE for loan repayments.

It was noted that the available resources as at the beginning of 2018/19 and the projected resources during 2018/19 and 2019/20 before any expenditure had been taken into account were as follows:-

	Current Resources April 2018 £'000s	Resources Projection March 2019 £'000s
Balance of Capital Resources	8,311	6,131
Share of Right to Buy Receipts	1,500	1,500
Asset Sales		
Lottery, Grants and Section 106	2,080	4,940
Revenue Contributions (NHB)	327	
Revenue Contributions		400
Total End of Year	12,218	12,971

The capital programme was attached as Appendix A to the Committee report and was split into three sections, Major Projects, Housing Schemes and Other Projects. Information on these areas was covered separately.

Listed under the Major Projects section was information on the Pembroke Road depot, Silverstone Heritage Centre, Silverstone Enterprise Zone, Westcott Innovation Centre and the Town Centre Regeneration.

The main element of the Housing Schemes related to the Council's housing enabling function. The programme presented proposed that all receipts from RTB and the affordable housing element of New Homes Bonus were ring-fenced for the purpose of affordable housing investment.

A number of new projects were included in the 'Other Projects' section, as well as information on schemes that had been delayed for reasons outside of the Council's control. Notable Other Projects included £1.25m for the purchase of new vehicles to support bring the provision of the Street Cleansing and Horticultural Contract in-house, capital funding to upgrade payment equipment in AVDC owned car parks, and expenditure on Community Centres renewals. This last expenditure would be funded by the receipt from the sale of the Elmhurst Community Centre. No further expenditure was expected for the Exchange major development.

Members were informed that work was ongoing to establish a timetable for the Commercial Property Strategy that had been approved by Council. No expenditure had been incurred against the Strategy and was now unlikely to happen given the unitary decision.

The 2019/20 programme also included provision for a payment to be made for the transfer of deferred developer sums to Coldharbour Parish Council for the maintenance of the Fairford Leys Riverine Corridor.

The Scrutiny Committee was lastly informed that the report contained information on the Capital Strategy and the Treasury Management Strategy for 2019/20, although this would be the subject of a separate agenda item considered at the meeting.

Members requested further information and were informed:-

- (i) that all of the £2m loan to the Silverstone Heritage Experience, that was due to open to the public in April 2019, had been drawn down. An explanation was also provided of the arrangements in place for repaying the loan.
- (ii) with details on the proposed £1.2m (split into a £600,000 Loan and a £600,000 grant) funding to be provided to the Space Catapult Innovation Centre at the Westcott Enterprise Zone. The loan would be recovered (plus any interest costs) from the EZ retained business rates.
- (iii) that the £341,000 for Community Centre improvements represented monies from the sale of the Elmhurst Community Centre. Improvements would be made to Alfred Rose park and the Alfred Rose Community Centre, although it was also anticipated that some of the monies would be used for maintenance of other Community Centres in the Aylesbury Special Expenses area.
- (iv) that the Aylesbury Vale Estates (AVE) Business Plan for 2019-22 would be submitted to Cabinet on 16 January, 2019.
- (v) that the information and forecasts for Housing Schemes and right to buy receipts were based on receipts received during the past few years.
- (vi) that the information at paragraph 7.2 of the Cabinet report (Capital Strategy) related to maintaining and improving Council owned properties. The Council only owned one residential property.

During discussions Members commented that they were supportive of the use of residual Right to Buy capital receipts and nominal sums from New Homes Bonus for affordable housing, to fund new affordable housing schemes. They were also supportive of the funding proposal for the Space Catapult Innovation Centre at the Westcott Enterprise Zone.

RESOLVED –

That the updated capital programme for the period 2019/20 to 2022/23, as set out in Appendix A of the Cabinet report, be endorsed.

4. TREASURY MANAGEMENT STRATEGY 2019-20

The Committee received a report on the Treasury Management Strategy for 2019/20. The Treasury Management Statement, Treasury Management Strategy Statement and the Annual Investment Strategy, attached as appendices to the Committee report, would be reported to full Council in February for approval.

The annual Treasury Management Strategy included Prudential Indicators that were used as part of the self governance framework. The Committee report provided supplementary background information to the Strategy and summarised a number of issues. The key messages were:-

- Investments – the primary governing principle would remain with security over return and this was reflected in the criteria for selecting counterparties.
- Borrowing – overall, this remained fairly constant over the period covered by this report and the Council would remain under-borrowed against its borrowing requirement due to the higher cost of carrying debt.
- Governance – strategies were reviewed by the Audit Committee with continuous monitoring which included Mid-Year and Year End reporting.

The Prudential Code for Capital Finance in Local Authorities (the Code) was a professional Code that set out a framework for self-regulation of capital spending; in effect allowing councils to invest in capital projects which best met their service delivery objectives as long as they were affordable, prudent and sustainable, subject to Government reserve powers to restrict borrowing for national economic reasons.

The Code required the Council to agree and monitor a number of prudential indicators covering affordability, prudence, capital expenditure, debt levels and treasury management. The indicators also formed the basis for in-year monitoring and reporting.

The limits and indicators that the Authority were required to determine by the code were:-

Capital and Debt Indicators

- Capital Expenditure – represented the agreed Capital Programme and set out the planned capital expenditure over the next three years.
- Capital Financing Requirement – the amount the Authority needed to borrow in order to deliver its Capital Expenditure plans.
- Affordability Index – this was the proportion of the Authority's income that was taken up by loan repayments and interest. The more the Authority borrowed the less was available for delivering services.

Treasury Management Indicators

- Exposure to Interest Rate Risk – the maximum proportion of borrowing which could be on either fixed or variable interest rates. By setting a maximum proportion a limit was placed on the amount by which the Authority's finances could be affected by movements in base rates.
- Maturity Profile – the maximum length of time over which borrowing could be taken. Authorities could borrow for any length providing they could afford to do so.
- Authority Limit – the combined maximum amount the Authority could take in borrowing to finance its capital expenditure plans and its day to day cash flow purposes.
- Operational Limit – the amount the Authority realistically expected to borrow and represented the figure that the Authority would not expect to exceed on a day to day basis.

The Strategy had been drawn up in association with the Council's treasury management advisors, Link Asset Services and reflected up to date information and advice.

The Committee was informed that the Council's capital expenditure plans were the key driver of treasury management activity. The Capital Programme for 2019/20 had been considered separately at the meeting and provided forecasts of receipts and the position with regards to current and future major investment projects. A total capital spend of £22.12m had been proposed for 2019/20.

A number of changes in respect of anticipated resources have been factored into the programme and were detailed in the report. These included a planned contribution from

revenue, the use of reserves and also Lottery, Grants and Section 106 which related to external resources not related to asset sales.

Borrowing would be required to support the capital programme. The plan included £9.28m of borrowing to support spend on Silverstone and Westcott Enterprise Zones and also on Pembroke Road. The revenue costs of the borrowing were included in the agreed business plans. The level of borrowing would be managed in-year and only actioned after cash balances had been utilised.

All decisions to borrow were made against a background of existing resource availability and minimising costs and maximising returns. Where possible, decisions to borrow were avoided with the use of the Council's capital receipts being a preferred methodology to fund capital development. The reduced borrowing costs for 2019/20 were a direct result of decisions to borrow less against agreed plans.

The Council had a Commercial Property Strategy which included a capital fund of £100m to be met from borrowing from the Public Works Loans Board, and a revenue budget of £100,000 from the New Homes Bonus (NHB) Fund. As yet no draw down has taken place, and this was increasingly unlikely to be actioned in 2019/20. The objective of the scheme was to generate new streams of income to help offset the significant cuts in Government funding and to ensure sufficient finance was available to support the continued delivery of and investment in services to the local community.

In December 2017, CIPFA had issued a revised Treasury Management Code of Practice and a revised Prudential Code. These revisions had particularly focused on non-treasury investments and especially on the purchase of property with a view to generating income.

The treasury management reports for 2019/20 take account of the CIPFA Code of Practice on Treasury Management 2017 and the CIPFA Prudential Code 2017. The Prudential Code 2017 introduced a new requirement for local authorities to produce an annual capital strategy.

There were also proposals in relation to IFRS arising from the 2018/19 Accounting Code of Practice proposals for financial assets. Whilst for many this was not a significant issue, there were technical changes in relation to expected Credit Loss Model and also equity related to the "commercialism" agenda, property funds, equity that needed to be considered..

As a result of the change in accounting standards for 2018/19 under IFRS 9, the Council would consider the implications of investment instruments which could result in an adverse movement in the value of the amount invested and resultant charges at the end of the year to the General Fund. IFRS 16 replaced IAS 17 Leases and its related interpretations. It would apply to the 2019/20 financial statements subject to the consultation process and CIPFA/LASAAC's decisions for adoption in the 2019/20 Code. The changes introduced by the standard would have substantial practical implications for local authorities that currently had material operating leases, and were also likely to have an effect on capital financing arrangements.

Other matters covered in the report included:-

- that the Council's investment priorities would be security first, portfolio liquidity second and then yield (return).
- the Council's investment policy had regard to the following:-
 - MHCLG's Guidance on Local Government Investments ("the Guidance").
 - CIPFA Treasury Management in Public Services Code of Practice and Cross Sectoral Guidance Notes 2017 ("the Code").
 - CIPFA Treasury Management Guidance Notes 2018.

- A number of changes were proposed for the 2019-20 Investment Strategy that was included at Appendix A-4 to the Committee report:-
 - changes to the counterparty limits for banks so that A rated banks were also available for deposits up to 1 year. Individual limits had also been increased so that A rated was £5m, AA rated was £7.5m and AAA rated was £10m.
 - this could be justified as recent changes to the stress testing that banks went through had become far more stringent. To qualify as an A rated entity, banks needed to be far more secure and have many more liquid assets than previously rated at AA or even AAA.
- The CIPFA revised 2017 Prudential and Treasury Management Codes require, for 2019-20, all local authorities to prepare an additional report setting out the Council's Capital Strategy that was included at Appendix A-7 to the Committee report. While the Capital Strategy was meant to drive capital investment ambition over a 2-30 year period, it was overshadowed by the unitary decision which only gave the Council the ability to plan for a single year.
- an update on the current economic background including for the UK economy. It was currently forecast that the Monetary Policy Committee would increase the Bank Rate twice more by 0.25% each time by 2020 to end at 1.50%.
- that last year the use of Property Funds had been included within the Strategy as an alternative long term deposit to the use of Fund Managers. However, the use of Property Funds for investment had not been engaged for 2018-19.
- information on investments and loans as at 31 December 2018, as follows:-
 - Borrowings – Fixed Rate Funding - £17.694m at an average rate of 4.114%
 - Investments – Fixed Rate and Notice Account Investments - £44.694m at an average rate of 0.803%.
- that the authority has previously operated an Interest Equalisation Reserve to smooth out fluctuations in interest rates. With returns on investment higher than budget, by the end of 2018/19, the interest equalisation reserve was estimated to be £2.053 million. Cabinet had now agreed that the reserve could be utilised to support the transitional costs of the unitary decision.

Members requested further information and were informed:-

- (i) that the Council hoped not to have to borrow for the Pembroke Road Depot scheme as the Council was currently underborrowed, although it was acknowledged that interest rates for long term borrowing were still at near to historic low levels.
- (ii) that it was not the Council's practice to borrow monies just for investment.
- (iii) an explanation was provided on the Annual Investment Strategy (Appendix A4).

Members also commented that it would be sensible in advance of the establishment of the new Buckinghamshire Council for AVDC not to draw down and commit to investments via the Commercial Property Investment Strategy.

RESOLVED –

- (1) That Council be recommended to approve the Treasury Management Strategy for 2019/2020, along with the Prudential Indicators, the Minimum Revenue Provision policy provision and the Capital Strategy 2019-20, as detailed in the appendices to the report.

5. PUBLIC SECTOR EQUALITY DUTY

Section 149 of the Equality Act 2010, the Public Sector Equality Duty (PSED), came into force on 5 April 2011. The objective behind the duty was to ensure that consideration of equality issues formed part of the routine, day-to-day decision making and operational delivery of public authorities. In summary, it required that the District Council, in the exercise of its functions, had due regard to the need to:

- eliminate discrimination, harassment and victimisation and any other conduct prohibited by or under the Equality Act.
- advance equality of opportunity between people who share a relevant protected characteristic and those who do not by:
 - Removing or minimising disadvantage that people in the protected groups suffer because its connected to that protected characteristic
 - Take steps to meet the needs of people from the protected groups where these differ to those of other people
 - Encourage participation from protected groups in public life or other activity where their participation was disproportionately low
- foster good relations between persons who share a relevant protected characteristic and those who do not by:
 - Tackling prejudice.
 - Promoting understanding.

The protected characteristics were age, disability, gender reassignment, marriage or civil partnership, pregnancy and maternity status, race, religion or belief, sex, sexual orientation.

Following the introduction of the Equalities Act 2010 (Specific Duties) Regulations 2011, the Council had published a statement in 2012 on how the Council was meeting the Public Sector Equality Duty. The regulations were designed to ensure that public bodies were transparent about their compliance with the Equality Duty. And, by publishing information about their equality performance and objectives, public bodies would be accountable to the people and communities they served.

The Committee received a report which provided an assessment (Appendix 1) of the Council's performance against the Public Sector Equality Duty and which had been updated in light of the Council's performance assessment for 2018, and also demonstrated that AVDC was complying with the general Equality Duty. This included information about the population of the District, information about Council staff and what AVDC was doing to meet the equality duty. The information would be considered by Cabinet on 16 January 2019, with a view to publishing an updated Public Sector Equality Duty statement on how AVDC was continuing to meet its statutory duty.

While the Scrutiny Committee was satisfied with the assessment given of the Council's performance against the Public Sector Equality Duty for 2018, Members suggested that future reporting should include some information on why there were generally more females in the SG4 and SG5 grades.

Members commented that the pay equality position at AVDC was excellent.

RESOLVED –

That AVDC's Equality Report and performance for 2018 be noted.

6. FUTURE WORK PROGRAMME

The Committee considered their work programme for the period until December 2019. The agenda for future meetings would be:-

8 April 2019: Debt Management report, Quarterly Finance Digest (Q3)

2 July 2019: Leisure Centres Management Contract, Quarterly Finance Digest (Q4), Treasury Management 2018-19 Year End report.

9 September 2019, 11 November 2019 and 16 December 2019: No agenda items as yet

RESOLVED –

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

This page is intentionally left blank

LEISURE MANAGEMENT CONTRACT – ANNUAL REVIEW 2018/19

1 Purpose

- 1.1 To update the Committee concerning the key outcomes and outputs achieved by the Leisure Management Contract in 2018/19 and to highlight key performance information.
- 1.2 To provide an overview of the key suggested actions for 2019/20. Comments received will be discussed with the Cabinet Member for Civic Amenities, Cllr Julie Ward, ahead of changes being made to the planned proposals.
- 1.3 Mark Leahy (Regional Contract Manager, Everyone Active), Chris Williams (Contract Manager, Everyone Active), David Tenny (General Manager, Aqua Vale Swim and Fitness Centre, Everyone Active) and Tim Melvin (General Manager at the Swan Pool and Leisure, 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 2018/19,
- 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 6 of the current contract.
- 3.2 EA were formed in 1987 and now manages approximately 150 centres around the UK on behalf of 60 Local Authorities and manage 190 leisure and cultural facilities across the country. EA are a leading organisation in the leisure industry, receiving many accolades and awards over the years.
- 3.3 The management fee payable to the Council for the period 2018/19 was £547,379 takes in to account the CPI annual increase.
- 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 £702,700 was spent on updates and improvements of both leisure centres in the last financial year. Projects included modernisation of the Aqua Vale pool side toilets, private showers and accessible changing. A state-of-the-art drowning detection system Pool view was also installed. At Swan Pool, investments included gym replacement equipment, new boilers, a range of lighting improvements and CCTV installation for the all-weather pitch. A list of all improvements undertaken last year and planned for this financial year is shown in Appendix A in sections 8 and 9.
- 3.8 Section 9 includes a proposal to introduce a new soft play area to the Swan Pool centre in place of the climbing wall. Soft play areas have become increasingly popular whilst unfortunately, despite good marketing, demand for the climbing wall has reduced with users prepared to travel to bigger leisure centres or preferring instead to use dedicated climbing centres such as Big Rock in MK. The proposal is to apply for unallocated Section 106 money to provide the new facility. The climbing wall has been sold with the buyer also paying for the dismantling which would have cost AVDC between £5k - £10k.
- 3.9 At Swan Pool the crèche will close this summer due to low take up. EA's efforts to promote the crèche have been scrutinised by officers and the Cabinet member for Civic Amenities. The current service does not require the crèche to be registered with Ofsted. This does, however, mean that its use is limited to users of the centre and for up to two hours. These terms have made it difficult to attract the numbers that would make the service sustainable.

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 2018/19.
- 4.2 A new General Manager, David Tenny, was appointed to the position at Aqua Vale and started in May 2018. David has been instrumental in continuing to improve the quality of cleaning and customer service. Tim Melvin was also appointed as General Manager at the Swan Pool in November 2019. This was not in replacement of a previous post holder, more improving and strengthening the management structure at the site. Tim was promoted from within the existing site senior management team. The EA Contract Management Team otherwise remains the same.
- 4.3 Cleanliness and cleaning standards remain a focus for Cllr Julie Ward and AVDC. Any complaints are followed up and discussed with the EA Contract Manager and cleanliness of the site forms part of the monthly monitoring. The cleaning of the leisure centres remains in-house by EA 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 four years, the front elevation glazing has been deliberately smashed causing approximately £15,000 of damage. This year the same culprit undertook to do more damage and was caught on CCTV. The culprit has now been charged with this and other offences. Unfortunately, no compensation is likely.

- 4.5 Attendance across the contract has risen by 60,808 users on the previous year equating to a 5.7% overall increase.
- 4.6 EA are placing greater focus on the customer journey at the centres and continue to use technology to gain insight and improve the centre experience. One means of doing this is by introducing a pre-booking system for casual swimming. This reduces the number of customers queuing, improves the customer experience and is a means to increase footfall.
- 4.7 The level of capital investment across the Aqua Vale and Swan Pool sites was a significant £702,700.

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 already allocated. 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 and that the Centres keep pace with competitor facilities.

7 Resource implications

The key resource implications relate to resource allocated to monitoring and managing the performance of contracts.

Contact Officer

Teresa Lane, Assistant Director, Commercial Property and
Regeneration telephone 01296 585006

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	
Facility	2018/19 (Yr6)	Year 6 Total		
Aqua Vale	604,799	1,066,976		
Swan Pool	462,177			
<p>Comments;</p> <p>At Aqua Vale total attendance is up by 4.49% on the previous year. There has been a significant increase in the gym and group exercise class attendances due to increased awareness in the Fitness offering and improved public perception of the facility.</p> <p>Nationally there has been a reduction in casual swimming attendances and this is reflected in lower year on year swimming attendances. On a positive note, School Swimming and Swim School attendances remain comparable year on year. Everyone Active has employed a dedicated national swim product manager that will be working on national and local strategies to try and increase attendances. This has already culminated in a national agreement with Disney and fun sessions linked to film releases throughout the year.</p> <p>At Swan Pool total attendances were up year on year. There has been a significant decrease in the gym and group exercise class attendances due to the competition from the new Pure Gym that opened in Buckingham in 2018.</p> <p>Bucking the national trend of reducing casual swimming attendances Swan Pool was up year on year and supported by strong School Swimming and Swim School attendances there was an increase in swimming usage year on year.</p>				

2. Overall Performance Summary - Aqua Vale					
Description	Year 2 2014/15	Year 3 2015/16	Year 4 2016/17	Year 5 2017/18	Year 6 2018/19
Comments	64	34	5	10	44
Compliments	70	23	11	31	41
Complaints	151	90	88	87	63
Accidents-Staff	10	9	12	12	65
Accidents-Public	368	343	315	291	375
Accident rate per 10,000	6.15	5.81	6.02	5.03	6.20
RIDDOR-Public	6	1	0	0	3
RIDDOR –	0	1	0	0	0

Staff					
Incidents	1	0	1	1	0
Incidents involving ASB	1	0	1	1	1
Comments; <p>Although there was a year on year increase in customer feedback with 148 received compared to 128 last year the number of complaints decreased from 87 to 63 reflecting the ongoing improvement in customer service at the centre. Throughout the year there has been a concerted effort to actively seek more feedback by providing many new options to provide customer feedback including the Everyone Active Mobile App and QR codes around the building and online along with more traditional feedback routes.</p> <p>Accidents per 10,000 visits and RIDDOR reportable incidents at Aqua Vale have slightly increased this year. On review, the causal factors are due to sporting injuries and natural causes, all other types of injury remain static.</p>					

3. Overall Performance Summary – Swan Pool					
Description	Year 2 2014/15	Year 3 2015/16	Year 4 2016/17	Year 5 2017/18	Year 6 2018/19
Comments	79	51	23	5	15
Compliments	13	14	19	10	19
Complaints	120	81	88	59	40
Accidents-Staff	4	3	3	1	1
Accidents-Public	117	101	106	102	65
Accident rate per 10,000	3.45	3.12	2.95	2.38	1.40
RIDDOR-Public	0	1	0	0	0
RIDDOR – Staff	0	0	0	0	0
Incidents	0	0	1	0	0
Incidents involving ASB	0	0	0	0	0
Comments; <p>Although year on year there was a similar amount of feedback received, 74 in both years the number of complaints decreased from 59 to 40 reflecting the ongoing improvement in customer service at the centre. Throughout the year there has been a concerted effort to actively seek more feedback by providing many new options to feedback including the Everyone Active App and QR codes around the building and online along with more traditional feedback routes and whilst this did not initiate more feedback than the year before it is hoped it will do moving forward.</p> <p>Accidents per 10,000 visits and RIDDOR reportable incidents at Swan Pool have reduced significantly over the year with no trends being identified.</p>					

4. Overall Comments, Compliments and Complaints Trends				
	Aqua Vale	Totals	Swan Pool	Totals
Comments	Improved programme	12	Improved programme	1
	Improved customer Info	16	Improved customer Info	3
	Improved facilities	4	Improved facilities	2
	Service suggestions	8	Service suggestions	5
	Request for specifics	2	Request for specifics	1
	Other	2	Other	3
Compliments	Staff	28	Staff	11
	Facility as a whole	8	Facility as a whole	0
	Programme content	0	Programme content	1
	Value for money	0	Value for money	0
	Cleanliness	2	Cleanliness	6
	Specific Activities	1	Specific Activities	1
	Other	2	Other	0

	Aqua Vale	Totals	Swan Pool	Totals
Complaints	Premises / Parking	3	Premises / Parking	3
	Equipment defects	2	Equipment defects	5
	Pool water temp / air defects	17	Pool water temp / air defects	2
	Health and safety	2	Health and safety	2
	Customer care/service	11	Customer care/service	6
	Cleanliness / housekeeping	13	Cleanliness / housekeeping	5
	Lifeguarding / supervision	3	Lifeguarding / supervision	0
	Equipment availability	1	Equipment availability	1
	Availability of consumables	0	Availability of consumables	0
	Programme	7	Programme	7
	Specific Activities	1	Specific Activities	2
	Pricing	0	Pricing	4
	Other	3	Other	3
	Total	63	Total	40

Customer feedback is collected in a range of different ways with the focus being on recording them online by front of house colleagues under customer's accounts for verbal comments or encouraging customers to use the Everyone Active App or Website for all feedback as it allows Everyone Active to track the comment and how it has been dealt with.

The Single Customer View (complaints system) has an escalation process in place so if a customer is not responded to in line with the company SLAs it gets passed on to senior managers to ensure all comments are dealt with quickly and efficiently. This also allows Everyone Active to track if we have a trend of complaints or specific customers have repeated issues at sites. The customer comment cards are still available in centre but are now used less and less in favour of other feedback methods.

5. User/ Non-User Consultation Programme – April 2018 – March 2019 (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 representing different services 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 alongside Aylesbury & District, Maxwell Swim Club and Buckingham Swans	Meet to plan events and galas. Sometimes clubs also attend customer user forums	Communication, plan and organise.	EA Contract/General Manager	Feedback on Galas especially has been very good this year and the investment in the new timing system has been well received by the Swimming Clubs and the County
SP/AV	Swimathon	Work with Buckingham Rotary and Marie Curie	Annual	Deliver Swimathon events at Aqua Vale and Swan Pool	Swim Managers/General Managers	Both events went well and had great attendances while raising money for charitable causes
AV & SP	Bucks School Swimming Forum	Everyone Active	6 Monthly	Swimming Development	EA Swim Manager	The Swim Manager is a regular attendee at meetings that identifies improvement opportunities for school swimming. It also assists with increasing participation in the Vale and recruitment opportunities for sites.

AV & SP	Review of fitness class programme	Everyone Active	3 times a year	Quality, usage & trend analysis	Fitness Managers & Studio Co-ordinator	Plan any proposed changes to schedules, giving ample notice to all stakeholders.
AV & SP	Site Cleaning Audit	Everyone Active	Monthly	Review cleaning standards and create an action plan for continuous improvement	General Manager / Cleaning Manager	Actions completed prior to follow up visits. Customer comments and complaints also monitored for greatest impact.
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	Contract Manager/General Manager	On-going dialogue to develop squash at the centre in both Adult and Junior sections

6. Quality Awards/Successes

Everyone Active

Everyone Active have been nominated for several awards at the Active Uprising Awards that are hosted by UK Active and one of the biggest Leisure Awards of the Year.

The nominations include

New Concept, Build and Design of the Year – Slough Ice Arena

Kids Award – Everyone Active Westway and Everyone Active Lammas

Healthy Communities – Everyone Health

Activation of the Year – Everyone Active

Insight of the Year – Everyone Active

Digital Transformation of the Year – Everyone Active

Centre of the Year Regional Finalist North – Silksworth Sports Complex

Centre of the Year Regional Finalist Midlands – Everyone Active Lammas

Centre of the Year Regional Finalist South – Hart, Fareham, Westminster Lodge and Plymouth Life Centre

Everyone Active was once again named Facility Operator of the Year (2018) at the Swim England National Awards that celebrate excellence in the aquatic industry. This was the eighth consecutive time that Everyone Active has been awarded this prestigious title.

Everyone Active currently teaches in excess of 136,000 individuals every week as part of our Learn to Swim Programme and a further 60,000 as part of our School Swimming programme.

Everyone Active has continued to expand and win new contracts throughout the country. Contracts that are close to Aylesbury Vale that have come online this year include sites in Dacorum, Slough and Three Rivers.

The Sporting Champions scheme run by Everyone Active has continued to go from strength to strength with more athletes applying for sponsorship from around the country. Several Aylesbury Vale athletes

have been awarded sponsorship and these include hammer thrower, Kayleigh Presswell who has been awarded 'silver' sponsorship after finishing the 2017 under 23s season ranked first in the UK. Triathlete Tim Fowler, Hockey player Alice Rolfe and Climber Megan Wyatt are just a few of the other local athletes to receive support through the scheme.

In January 2019 Everyone Active launched its new partnership with Swim England the national governing body for swimming which is the first of its kind in the country. The new three-year partnership is the first time the two organisations have formalised their collaboration and will result in a more strategic approach to tackling inactivity and encouraging more people to engage in swimming.

Over the next three years, Everyone Active and Swim England will be focusing on a trio of key workstreams in order to make improvements across all areas of aquatic activity. The two organisations will work together to improve the health of the nation by encouraging people of all ages to swim more, increasing the number of young people learning to swim at Everyone Active centres and creating opportunities for an additional 500 swim teachers to become qualified to teach people to swim.

Aylesbury Vale Leisure Management Contract

Both sites have successfully renewed accreditation for both ISO 14001 (Environmental Management) and ISO 18001 (Health & Safety Practice).

Both Swan Pool and Aqua Vale went through their Quest (Leisure Industry Quality Standard) accreditation that includes mystery visits and a two-day assessment where qualified and competent assessors tour the site, interview team members and review site processes and procedures.

Both sites achieved a 'very good' score. Modules that were singled out for praise included Swimming Lessons, Team and Skills Development along with Health and Safety.

Both Swan Pool and Aqua Vale had National Benchmarking Surveys (NBS) conducted by an independent and external organisation from the Sport Industry Research Centre at Sheffield Hallam University. The process includes auditors conducting personal surveys at differing times and days of the week from around 400 users of the centre, to gain feedback on customer experiences.

The detailed report outlines strengths and weaknesses of the centres. The main strengths were regarding team members and delivery of instruction as well as the availability and range of activities provided. The weaknesses included the car parking facilities at sites and catering provision.

Aqua Vale and Swan Pool took part in Drowning Prevention week and run several sessions with the swim school children as well as local schools. In these sessions the national Swim Safe sessions were delivered to the children on our School Swim Scheme and we had 576 children at Aqua Vale and 311 at Swan Pool taking part throughout the week. The sessions included basic water rescue techniques as well as techniques on how to survive in open water.

New pool covers at Aqua Vale have been installed with the Glass House Pool and Competition Pool along with the Teaching Pool and Main Pool at Swan Pool. All pool covers being replaced in September 2018. The purpose of the installation is to significantly increase the energy efficiency of the sites.

A 24hr charity challenge took place throughout the month of October 2018 across all Everyone Active South East sites. Aqua Vale event took place on 19 and 20 October with customers and colleagues swimming continuously in the glass house pool throughout this time. Everyone Active raised £65,000 that was donated to British Red Cross London Fire Relief Fund to provide assistance for those affected by the Grenfell Tower fire.

Both sites in the Aylesbury Vale Leisure Management Contract have had new General Managers appointed this year with David Tenny taking over from Joe Warren at Aqua Vale and Tim Melvin promoted at Swan Pool into a newly created position to add to the senior management team in the contract.

On Christmas Eve 2018 Everyone Active opened the swimming pools at Aqua Vale and Swan Pool to all

for free to try and encourage usage on a traditionally quiet day and to increase awareness of the facilities.

The marketing was done only on social media, websites and via local community Facebook groups such as Net Mums and Buckingham What matters.

Aqua Vale

Aqua Vale has suffered several issues due to pipework leaks and failures on the roof that has caused a of loss of temperature and air handling issues. Discussions facilitated by AVDC, are on-going between EA and Willmott Dixon, the original contractor regarding resolution and liability.

This year has seen a number of improvements carried out at Aqua Vale and these include the full refurbishment of the ground floor toilets, accessible changing and private showers in the changing village. Other projects include the replacement of the foliage on poolside and an extensive deep clean of poolside tiles by an external cleaning company.

After an extensive procurement process the boilers at Aqua Vale were fully replaced over a 6-week period that included a temporary heating supply being installed to minimise disruption to customers. The installation went well with only minor disruption encountered. The project was completed on schedule.

Aqua Vale sponsored the Play in the Park 2018 event held in Vale Park offering discounted swims on the day as well as use of the football pitches for demonstrations to take place.

A new entry system was introduced at Aqua Vale Swimming Pool that gave all customers the opportunity to book their swimming sessions online as well as purchase tickets for later in the day at the reception desk. This has meant that we no longer have long queues throughout the centre of customers waiting to get in the pool. The new system has been a great success and has improved the customer experience.

On the 6th August 2018 an incident occurred at Aqua Vale that involved a member of the public having a major medical emergency while in the competition pool. The lifeguard on duty acted quickly and initiated a rescue and with the assistance of other team members and an off-duty fireman. Together they conducted CPR and used the defibrillator until the paramedics arrived along with the air ambulance.

The gentleman survived the ordeal and the actions of all involved have been praised by the police and hospital staff.

The 21 December 2018 representatives from the Royal Life Saving Society come to Aqua Vale to present awards to the 3 lifeguards and 1 off duty firefighter who helped perform CPR and carry out the rescue.

In August 2018 a state-of-the-art drowning detection system Pool View + was installed in the competition pool at Aqua Vale. The system supports the lifeguards on duty and assists them with detecting anyone in the pool that is not moving and could potentially be in difficulty.

This system is in addition to the current pool view system that Aqua Vale has operated for a number of years in the Glass House Pool and Leisure Water.

New state of the art timing equipment for galas has been purchased and has been used for all regional Galas run by the Swimming Clubs as well as the ASA County Gala with great feedback from all.

A competition was run between Everyone Active and Becky Adlington for local school children to design a swimming banner and the winner was selected by Becky and her team. The winners were two pupils from Turnfurlong Junior School in Aylesbury. Becky Adlington visited the school and then they came to the centre on the 27 November 2018 to see the school children swimming at Aqua Vale and to give expert advice and tuition to the whole class.

David Tenny, General Manager at Aqua Vale has been awarded a Police commendation award for his services towards child protection.

Swan Pool
<p>The Gym at Swan Pool has undergone a major refurbishment with all the strength kit being replaced and a number of extra stations added to the gym. The equipment has been supplied by Technogym UK Ltd and provides an enhanced offering for our customers.</p> <p>To tie in with the refurbished gym EA have also extended the opening times for the gym so that members can access the gym from 6am until 10.30pm on weekdays so an additional 30 minutes at the start and end of the day is now provided. This has been well received by gym users.</p>
<p>Swan Pool ran a scheme throughout January 2019 with the Royal Latin School to encourage participation in activity in the local area. The scheme is called RLS 600. This is an annual scheme that is run at Swan Pool and offers any parents of pupils at the Royal Latin School admission to the Gym or Pool for the same as price as a child.</p>
<p>In February 2019 Swan Pool completed upgrade works on the walls and floors in the Squash Courts.</p> <p>This was the final part of the complete overhaul of the Squash Courts over the past year with LED lighting and new carpets also installed to improve the aesthetics of the facility.</p>
<p>Junior squash players from five clubs across Bucks, Northants, Leicester and Oxfordshire converged on Buckingham on the 23 March 2019 to compete in a graded Grand Prix squash competition. In total, 48 junior male and female players ranging in age from eight through to 16 took part in the largest junior squash event ever held at Buckingham's Swan Pool.</p>

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	1607	1350	469	675
	Swan Pool	1302	1530	559	659
<p>Aqua Vale Membership sales were strong at Aqua Vale this year and the team consistently overachieved targets. Swimming lesson sales were tougher after the growth of the scheme last year. EA have maintained the scheme size but not grown as anticipated when setting targets.</p> <p>Swan Pool Membership sales were very tough at Swan Pool due to the competition from Pure Gym that opened in 2018 and had a direct impact on gym sales and attendance.</p> <p>Swim lesson sales were steady throughout the year but still did not reach the EA target for the year but the schemes growth over the last couple of years has been significant and this year has been a year of consolidation for the scheme.</p>					

8. Investments Items – 2018/19			
Centre	Description	Value	Source
Aqua Vale	4 x Boilers	£190,000	Everyone Active/AVDC
	Wet Side Toilet, Private Showers and Accessible Changing Room refurbishments.	£80,000	AVDC S106 contributions
	Repairs to Glazing Due to Vandalism	£14,000	Everyone Active
	Pool seating Upgrade	£12,000	Everyone Active

	Pool Side grating replacement	£9,000	Everyone Active
	New Timing Equipment for Swim Clubs	£15,000	Everyone Active
	Pool View Drowning Detection System Installation	£50,000	Everyone Active
	Poolside Artificial Foliage and greenery replacement	£15,000	AVDC S106 contributions
	Poolside Changing Rooms and Shower Refurbishment	£100,000	AVDC S106 contributions
	Building Management System Upgrades	£15,000	Everyone Active
	New Lighting Controls in Dance Studio	£1,500	Everyone Active
	Professional Clean and treatment of mosaic tiles in leisure waters	£15,000	Everyone Active
	Café TV Menu and Advertising	£1,200	Everyone Active
	Digital Marketing Billboard	£1,000	Everyone Active
	All Weather Pitch Carpet Repairs	£5,500	Everyone Active/AVDC
	Float Fit Boards	£8,000	Everyone Active
	Plant Room Pumps	£9,000	Everyone Active
	Pool Covers x 2	£7,000	Everyone Active
	Total	£548,200	
Swan Pool	Learner Pool Cover Reel Replacement	£6,000	Everyone Active
	Gym Equipment Replacement	£35,000 per annum rental cost	Everyone Active
	Pool Pump Replacement	£6,000	Everyone Active
	Re sand and seal of Squash Court floors as well as wall repainting of both Courts	£4,000	Everyone Active
	Replacement Poolside and Storeroom Doors	£5,000	Everyone Active
	Car Park Light Replacement for LEDs	£10,000	AVDC
	Pigeon Proofing around the centre	£2,500	Everyone Active
	All Weather Pitch sand top up	£5,500	Everyone Active
	All Weather Pitch CCTV	£2,500	Everyone Active
	All Weather Pitch Floodlight Lamp Replacement	£6,000	Everyone Active
	Pool Covers x 2	£7,000	Everyone Active
	PXB Rescue Board	£1,000	Everyone Active
	Spa Pool Pump Replacement	£5,000	Everyone Active
	Boiler Replacement	£54,000	Everyone Active/AVDC
	Squash Court Corridor Floor Refurbishment and Wall Painting	£2,000	Everyone Active
	Replacement Fire Panel	£3,000	Everyone Active
	Total	£154,500	
Total Value		£702,700	
9. Investments Items (Proposed) – 2018/19			
Centre	Description	Value	Source
Aqua Vale	Glass House Pool Showers, Toilet Refurbishment	£50,000	AVDC S106 contributions
	Reception additional Heating System	£4,000	Everyone Active
	Café Furniture and Remodel	£20,000	Everyone Active
	Poolside posts strip down and Paint	£4,000	Everyone Active

	Poolside Glazing replacement of protective covering	£1,800	Everyone Active
Total Value		£79,800	
Swan Pool			
	Virtual Group Cycling Installation	£6,000	Everyone Active
	Poolside and Changing Room Grating Replacement	£6,000	Everyone Active
	Extract Fan replacement	£7,000	Everyone Active
	Attenuator Replacement	£8,000	Everyone Active
	Group Exercise Equipment	£2,000	Everyone Active
	11 a side Football Goals	£6,000	Everyone Active
	Soft play Area	£60,000	AVDC (subject to a successful application for unallocated section 106 funding with AVDC retaining the income generation)
Total Value		£95,000	

FINANCIAL DIGEST : APRIL 2018 – MARCH 2019

1 Purpose

- 1.1 This report presents the Financial Digest for the period to 31 March 2019. This represents the outturn position for the Council for the financial year 2018-2019.
- 1.2 At the time of writing the report, the Final Accounts for the financial year 2018-2019 have been submitted to external auditors, but are still subject to audit.

2. Recommendations

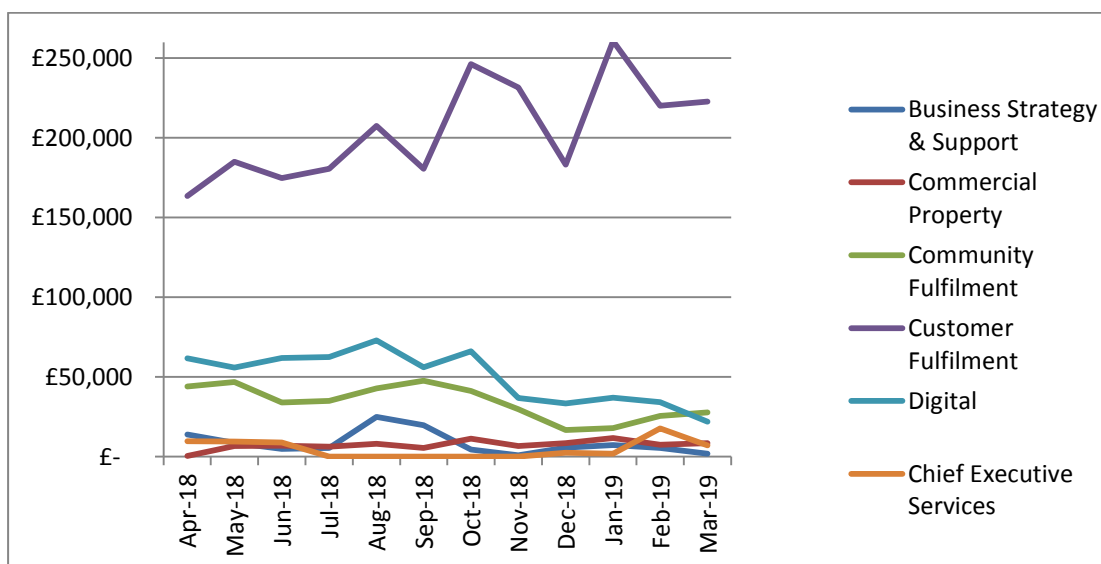
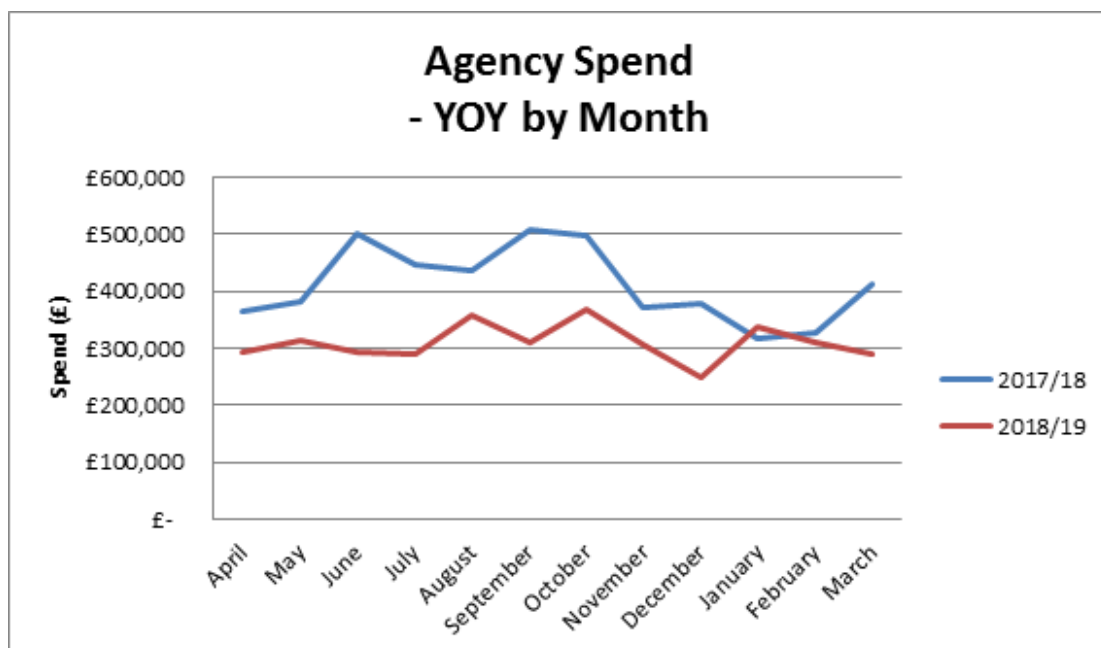
- 2.1 Members are requested to consider the digest and its contents.

3 Supporting information

- 3.1 This report presents the financial digest for the period to the end of March 2019 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 2019.
- 3.4 The Council reported a surplus of £432,000 for the financial year 2018-2019 (before the transfer from general fund balances).
- 3.5 The outturn is better than planned by £192,000 and better than forecast by £353,000. A planned surplus of £240,000 had been assumed in budget plans for 2018-2019.
- 3.6 The year end position represents an overspend against the Portfolios of £740,000 which is offset by a favourable variance of £932,000 across the Corporate level budgets.
- 3.7 The table below details the forecast outturn for each Portfolio and the Digest, at Appendix 1 provides detail of the variances

Portfolio (all figures in £000s)	Current Budget	Actuals Spend/ Income	Significant Variances
Civic Amenities	393	(37)	(430)
Communities	1,772	1,721	(51)
Economic Development	936	979	43
Environment & Leisure	4,695	4,536	(159)
Finance & Resources	8,517	9,026	509
Leader	2,013	2,342	329
Planning & Enforcement	756	1,415	659
Strategic Planning & Infrastructure	1,767	1,837	71
Waste & Licencing	8,081	7,849	(232)
Total Portfolio Expenditure	28,930	29,670	740
Total Financing Items	(29,170)	(30,102)	(932)
Total	(240)	(432)	(192)

- 3.8 A total spend of £150.702m was incurred in the delivery of the Council services in 2018-19, and income levels of £151.134 were generated.
- 3.9 As a consequence of the outturn, General fund balances will be marginally higher than predicted as at the end of March 2019. The level of general balances for the financial year is now £2.353m. This is above the minimum assessed level of balances of £2.0m.
- 3.10 The financial outturn position is also consistent with that used in budget planning for 2019/20.
- 3.11 Members will note that the draft annual accounts will be presented to the Audit Committee meeting on 15 July 2019. The accounts were completed by the deadline of 31st May 2019. Final approval of the accounts is due by 31 July 2019. Members should note that the audit of the accounts will be undertaken in September 2019 due to the inability of the External Auditors to resource a timely audit and the accounts will not be completed within the set timescales.
- 3.12 The year end position within the statutory accounts contains transactions which are required by the accounting regulations.
- 3.13 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.
- 3.14 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.
- 3.15 The financial position for the year is largely being driven by above budgeted levels of staff costs. Spending on agency staff, in particular, has been a priority area in terms of focused financial management. Granular detail of spend is reviewed to support on-going financial decision making.
- 3.16 Agency is employed in a number of key operational areas to support project work and service delivery.
- 3.17 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.
 - To provide flexibility of service provision
- 3.18 The use of agency to support vacancies and activity pressures incurs a premium cost and adverse variance to agreed budgets. The spend was largely as forecast.
- 3.19 The graphs below detail the year to date spend across the organisation, at Sector level with comparative information for 2017/18. A total of £3.716m has been incurred to the end of March 2019.



- 3.20 As previously reported to the Finance Services and Scrutiny Committee, the significant spend on agency is incurred within the Customer Fulfilment Sector, and primarily in the provision of planning services. The spend in this area accounts for 66% of the total spend across the organisation.
- 3.21 For the planning department, staff vacancies and demands on workload continue to drive agency spend. Agency staff is also being utilised in the e Housing Benefit administration and Enforcement teams as a result of staff vacancies from sickness and turnover.
- 3.22 Agency staffing is also used for Digital (IT) services and at March 2019 accounted for circa 16% of total agency spend for the Organisation. The use of agency staff to support the CK programme allows for flexibility of project delivery and for general IT, a number of in-year vacancies resulted in use of agency staff.

- 3.23 To a lesser extent, spend on agency staff has also been incurred within the People and Payroll department where agency costs have been incurred to support both vacancies and prolonged periods of sickness absences and also at the depot where agency loaders provide flexibility to meet staffing patterns.
- 3.24 The dependency on high cost agency staff continues to be 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. Budgets for some areas e.g. planning have been adjusted in 2019-20 to address recurrent budgetary pressures in relation to staffing.
- 3.25 Despite these known pressures on staff costs (adverse variance of £1.8m to budget), it has been possible to largely offset agency costs with additional efficiencies and income. These include:
- savings against budget in relation to transitional relief for business rates;
 - increased income from commercial rents particularly at Pembroke Road, and for garden waste and commercial waste services;
 - savings on vehicle costs at the depot due to previous capital investment; and
 - general efficiencies in the running costs of departments including savings on GDPR implementation provisions.
 - savings on interest charges due to lower than planned level of borrowing;
 - Revision downwards of minimum revenue position required as a result of prudent borrowing position
 - Higher than planned income on Business rates and collection fund

4 Forecast Outturn

- 4.1 The draft outturn position is better than forecast at December 2018.
- 4.2 The outturn is better than planned by £192,000 and better than forecast by £353,000. A planned surplus of £240,000 had been assumed in budget plans for 2018-2019.
- 4.3 The table below details the changes from the forecast made at December 2018.

Portfolio (all figures in £000s)	Current Budget	Actuals Spend/ Income	Significant Variances	Expected Variances	Significant Variances Between Forecast and Actual Outturn
Civic Amenities	393	(37)	(430)	(331)	(99)
Communities	1,772	1,721	(51)	(24)	(27)
Economic Development	936	979	43	145	(101)
Environment & Leisure	4,695	4,536	(159)	(14)	(145)
Finance & Resources	8,517	9,026	509	274	235
Leader	2,013	2,342	329	141	189
Planning & Enforcement	756	1,415	659	696	(37)
Strategic Planning & Infrastructure	1,767	1,837	71	23	47
Waste & Licencing	8,081	7,849	(232)	(265)	33
Total Portfolio Expenditure	28,930	29,670	740	644	96
Total Financing Items	(29,170)	(30,102)	(932)	(484)	(448)
Total	(240)	(432)	(192)	161	(353)

- 4.4 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. 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.
- 4.5 The changes to the forecast include:
- an increase of £96k on portfolio spend. A number of factors contribute to this change across all portfolios including increased levels of staff costs and also revision to income targets and other spend levels. The impact of 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.
 - Lower than anticipated collection fund levy
 - Realisation of dividend payments not previously forecast
 - Above planned levels of business rates income particularly retained enterprise zone relief
 - lower than forecast spend against contingency budget. It had been previously assumed that budget will be fully utilised.
 - Higher than planned interest payments and lower borrowing costs.
- 4.6 We are working in a dynamic financial environment. To ensure forecasting is as accurate as possible, members of the finance team engage 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.

5 Reserves and Provisions

- 5.1 Detail of the reserves and provisions currently held by the Council are detailed on page 14 of the digest. These reserves are held against specific risks and commitments. The closing balance for the financial year is £30.608m. This represents a decrease of £3.391m over the balance held at the end of the previous financial year. These reserves are held against specific risks and commitments.
- 5.2 In year, a decision was made to utilise reserves to support the financial impact of the unitary decision. An ear-marked reserve of £5m has now been created.

6 Capital Spend

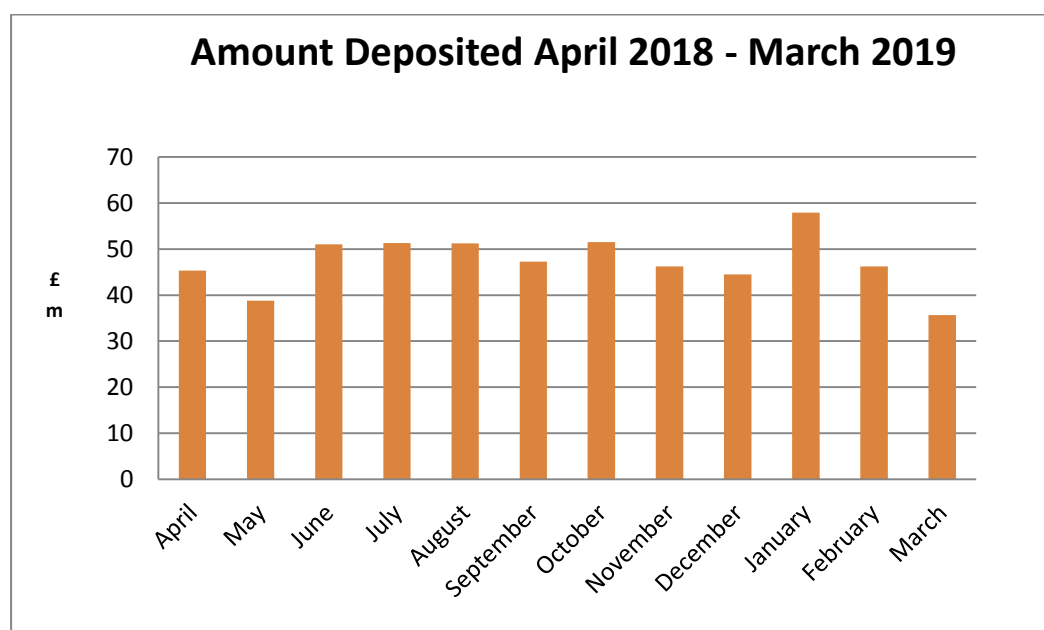
- 6.1 As well as the revenue budget the digest, on page 15, also reports on the level of capital spend for the financial year.
- 6.2 The Council reported a total spend on its capital plans of £9.166m. Of this, £3.024m was incurred in the creation of new assets including the Public Realm Waterside North and the Pembroke Road depot scheme. A further £6.142m was incurred to support capital development in relation to financing

for the Public Realm Waterside North scheme and also the Enterprise Zone at Silverstone.

- 6.3 Capital expenditure was financed by revenue contributions and capital receipts (which includes planned use of New Homes Bonus). It was anticipated during the year that a significant element of the programme would be funded from prudential borrowing.
- 6.4 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. The change in funding has therefore reduced the on-going financing cost of the capital programme.
- 6.5 In relation to the capital schemes, it is anticipated that any slippage in spend from 2018-19 will be carried forward to 2019-20. There is no perceived risk on the delivery of the overall schemes.

7 Investment and Borrowing

- 7.1 On page 16 there is information on the level of investments and borrowings over the twelve months of the financial year. No new borrowing has been taken out so the current level remains at £18.5m.
- 7.2 The council had £35.66m invested at the end of March 2019, in a combination of banks, building societies and money market funds. The table below details monthly investment figures.



- 7.3 With interest rates still at low levels, the actual amount of deposit income generated was £376,000. This was £16,000 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.

8 Budget Management 2019-20

- 8.1 It is clear that the Council's financial performance in 2018/19 continues to be good. The overall revenue outturn surplus of £432,000 was better than planned and the Council has sufficient reserves and balances to provide financial resilience for 2019/20 and future years.
- 8.2 The 2018-2019 outturn financial position is an increase on the £240,000 surplus assumed in budget plans for 2019/20.
- 8.3 The financial environment for 2019/20 will remain challenging, particularly as the organisation will need to manage the uncertainty in relation to becoming a unitary organisation. In particular, it is recognised that the uncertainty from the unitary decision on staff retention and recruitment may potentially lead to further reliance on agency and temporary staffing arrangements. As a direct response to emerging financial risks, the Council will continue to identify where things could be done more efficiently, and at reduced cost, maximise all opportunities to increase income to the Council, and reduce spend on non-pay items where possible.
- 8.4 Escalation processes will be in place, during 2019-20, to monitor performance in year against the agreed plan.
- 8.5 The key financial management messages for the Organisation, based on the forecast outturn for 2018-19 and the financial plan for 2019-20 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
- 8.6 The focus of the Council continues to be delivering financial stability and a balanced position for the new unitary Council.
- 8.7 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 manage within budget whilst still maintain service delivery.

9 Resource Implications

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

10 Response to Key Aims and Objectives

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



FINANCIAL DIGEST

MARCH 2019

CONTENTS

	PAGE NUMBER
Main Points	1
General Fund Summary	2
Portfolio General Fund Summary	3
Civic Amenities	4
Communities	5
Economic Development	6
Environment & Leisure	7
Finance & Resources	8
Leader	9
Planning & Enforcement	10
Strategic Planning & Infrastructure	11
Waste & Licensing	12
Special Expenses	13
Reserves and Provisions	14
Capital Programme	15
Rate of Return and Investment Level	16
Members Feedback / Question Sheet	17

Main points of note contained within digest

The Main Message

- The Council spent £740k more on the provision of services for the financial year 2018/19 , more than allowed for in the budget.
- Pay budgets are overspent against budget for the year to March 2019. Agency staff have been employed in a number of key operational areas to support project work and service delivery.
- Vacant posts have been filled by temporary and contract staff and this has resulted in a year to date overspend on employment costs of £1.9m
- A number of factors offset the year to date reported overspend:
For the period to date, savings of £240k have 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 during the year, with a number of costs centres reporting underspends
Above planned income levels across Corporate budgets has resulted in underspends .
Spend on borrowing was below planned levels and the resultant provision for debt was reduced in year, a favourable variance
- The outturn is better than planned by £192,000 and better than forecast by £353,000

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	686,979	740,000	Consultancy & agency staff costs
Assistant Directors	89,384	77,000	Salary, consultancy & agency staff costs
Personnel Services	74,854	110,700	Agency staff & redundancy costs
Office Accommodation	66,585	89,500	Increased utilities & building maintenance costs
Finance & Payroll Services	62,130	66,900	Employee & additional software maintenance costs
Top 5 Under Budget			
Car Park Management	(261,741)	(294,600)	Savings from transitional relief in business rates, increased P&D income
Waste & Recycling - Commercial	(53,839)	(195,000)	Increased Garden Waste income
Housing Pathways	(36,810)	(40,000)	Savings in running costs & increased partner income
Leisure Centres	(26,691)	(35,700)	Additional income from increased management charges
Forward Plans	(21,127)	(24,700)	Backdated s106 fee income

GENERAL FUND SUMMARY AS AT 31ST MARCH 2019

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 Contribution to Balances	0	(240)	(240)
Less General Over/(Under)spend Assumption	453	0	(192)
Contribution to the HS2 Fund	3	0	6
Commercial AVDC Change Project	440	0	0
Commercial Activities	0	50	50
Net Use of/(Contribution to) Balances	896	(190)	(376)
Working Balance Carried Forward	(1,977)	(2,114)	(2,353)

Portfolio	Current Budget	Actual Spend/ Income	Significant Variances
Civic Amenities	393,300	(36,818)	(430,118)
Communities	1,772,300	1,721,209	(51,091)
Economic Development	936,200	979,444	43,244
Environment & Leisure	4,694,600	4,535,827	(158,773)
Finance & Resources	8,517,200	9,026,419	509,219
Leader	2,012,700	2,342,072	329,372
Planning & Enforcement	756,200	1,415,334	659,134
Strategic Planning & Infrastructure	1,766,800	1,837,485	70,685
Waste & Licencing	8,081,000	7,849,089	(231,911)
Total Portfolio Expenditure	28,930,300	29,670,060	739,760
Net Interest Payable/(Receivable)	510,400	(281,223)	
Contribution To Reserves	14,693,200	14,690,294	
Contribution From Reserves	(13,142,500)	(13,062,354)	
Contingency Items	18,900	225,372	
Asset Management	(4,730,700)	(4,702,177)	
Financing Items	(924,300)	(1,133,342)	
District Expenditure	25,355,300	25,406,630	
Aylesbury Special Expenses	(841,800)	(841,800)	
Contribution from Special Expenses Balances	(22,900)	(42,328)	
Net District Expenditure	24,490,600	24,522,503	
Government Grant	(12,581,600)	(12,805,549)	
Collection Fund	(12,149,000)	(12,149,000)	
Underspend	(240,000)	(432,047)	

Expected Variances	Significant Variances Between Forecast and Actual Outturn
(330,900)	(99,218)
(24,300)	(26,791)
140,500	(97,256)
(13,800)	(144,973)
373,900	135,319
140,500	188,872
696,000	(36,866)
23,200	47,485
(265,000)	33,089
740,100	0

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	(482,000)	(758,267)	(276,267)
Leisure Centres	881,400	801,906	(79,494)
Market	6,900	8,031	0
Public Burial Fees	3,000	(36,484)	(39,484)
Public Conveniences	123,200	144,631	21,431
Theatre & Leisure Centre Management	91,100	92,007	0
Town Centre Manager	202,000	181,092	(20,908)
Town Centre Open Spaces	44,200	49,865	0
Waterside Theatre	(476,500)	(519,598)	(43,098)
Grand Total	393,300	(36,818)	(430,118)

Expected Variances	Significant Variances Between Forecast and Actual Outturn
(294,600)	18,333
(35,700)	(43,794)
0	0
0	(39,484)
(600)	22,031
0	0
0	(20,908)
0	0
0	(43,098)
(330,900)	(99,218)

Notes

- ① £276,267 higher income/lower costs - savings from transitional relief in business rates & additional pay & display income reduced by higher buildings insurance premiums for Hampden House & lower service charge income.
- ② £79,494 higher income/lower costs - higher management charge income due to CPI increases plus savings across a range of costs.
- ③ £39,484 lower costs - transfer of income held released from the balance sheet into the general fund.
- ④ £21,431 lower income -
- ⑤ £20,908 - higher income/lower costs - increased partnership income and a number of savings across a range of cost headings.
- ⑥ £43,098 - lower costs - a number of savings across a range of services.

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	Current Budget	Actual Spend/ (Income)	Significant Variances
Community Safety	409,300	427,700	18,400
Concessionary Travel	40,700	10,545	(30,155)
Grants	548,000	545,246	0
Housing Pathways	52,600	(30,296)	(82,896)
Housing Services	753,500	799,814	46,314
Strategy & Partnerships	(31,800)	(31,800)	0
Grand Total	1,772,300	1,721,209	(51,091)

Expected Variances	Significant Variances Between Forecast and Actual Outturn
27,300	0 ①
0	(30,155) ②
(1,600)	0
(40,000)	(42,896) ③
(10,000)	56,314 ④
0	0
(24,300)	(26,791)

Notes

- ① £18,400 higher costs - additional staffing costs offset by other smaller cost savings.
- ② £30,155 lower costs - lower costs associated with the taxi token scheme which is currently under review.
- ③ £82,896 higher income/lower costs - higher partner income plus savings in running expenses.
- ④ £46,314 higher costs - higher than predicted bed & breakfast payments.

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	Economic Development

Service	Current Budget	Actual Spend/ (Income)	Significant Variances
Bus Station	149,900	159,143	0
Commercial Property	(1,597,400)	(1,616,573)	(19,173)
Economic Development	271,400	240,973	(30,427)
Facilities Management	51,400	50,781	0
Highway and Amenity Areas	7,300	2,065	0
Industrial Estates and Town Centre Props	563,900	566,109	0
Land Charges	(1,900)	23,796	25,696
Non Operational Property	(28,600)	(40,112)	(11,512)
Office Accommodation	1,330,800	1,407,458	76,658
Standby Services	10,200	9,304	0
Sustainability	154,200	151,983	0
Town Centre Open Spaces	25,000	24,515	0
Grand Total	936,200	979,444	43,244

Expected Variances	Significant Variances Between Forecast and Actual Outturn
(8,800)	18,043 ①
31,300	(50,473) ②
0	(30,427) ③
10,000	(10,619) ④
0	0
2,500	0
16,000	0 ⑤
0	(11,512) ⑥
89,500	(12,842) ⑦
0	0
0	0
0	0
140,500	(97,256)

Notes

- ① The forecast had been amended to reflect increased income following a rent reconciliation, which was later offset by a backdated VAT issue on rent and service charge costs.

£19,173 higher income/higher costs - increased rentals income as a result of a rent reconciliation, new catering income streams &

- ② unexpected rental revenue, offset by reduced Waterside service charge income and the deferment of the Residential Assets & Lettings service.

- ③ £30,427 lower costs - a number of savings across a range of services.

- ④ The forecast had been amended to reflect the reduction in built environment income which was later offset by a number of savings across a range of cost headings.

- ⑤ £25,696 lower income - reduced income due to as a result of staffing issues.

- ⑥ £11,512 higher income - increased income as a result of granting of access rights across AVDC land.

- ⑦ £76,658 - higher costs - increased building costs offset by a number of smaller savings across a range of other services.

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 & Leisure

Service	Current Budget	Actual Spend/ (Income)	Significant Variances
Abandoned Vehicles	2,200	210	0
Communities	589,100	564,802	(24,298)
Community Centres	1,818,600	1,807,686	(10,914)
Environmental Services	1,202,700	1,059,624	(143,076)
Land Drainage	52,500	8,954	(43,546)
Parks, Pitches & Open Space	1,029,500	1,094,550	65,050
Grand Total	4,694,600	4,535,827	(158,773)

Expected Variances	Significant Variances Between Forecast and Actual Outturn
0	0
(11,800)	(12,498) ①
(3,500)	0 ②
0	(143,076) ③
0	(43,546) ④
1,500	63,550 ⑤
(13,800)	(144,973)

Notes

- ① £24,298 lower costs - a number of savings across a range of services.
- ② £10,914 higher income/lower costs - hire income achieved better than budget plus a number of cost savings across a range of services.
- ③ £143,076 lower costs - reductions in private sector housing running expenses.
- ④ £43,546 lower costs - a number of savings across a range of services.
- ⑤ £65,050 - lower income/higher costs - shortfall in football & all-weather pitch income plus increased horticultural costs.

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	Finance & Resources

Service	Current Budget	Actual Spend/ (Income)	Significant Variances
Car Pooling Scheme	106,600	91,597	(15,003)
Contract & Procurement Services	265,600	266,622	0
Core Costs	1,438,900	1,386,664	(52,236)
Democratic Services	495,500	492,973	0
Digital Services	707,600	801,038	93,438
Finance & Payroll Services	527,100	610,772	83,672
General Admin Office	256,600	325,235	68,635
Governance	41,900	57,691	15,791
Housing Benefits	2,143,500	2,255,943	112,443
Insurances	95,500	95,285	0
IT Services	72,600	163,113	90,513
Personnel Services	66,500	146,880	80,380
Project Management Office	1,814,100	1,799,484	(14,616)
Rating & Recovery Services	485,700	505,443	19,743
Training	(500)	27,680	28,180
Grand Total	8,517,200	9,026,419	509,219

Expected Variances	Significant Variances Between Forecast and Actual Outturn
0	(15,003) ①
0	0
(55,000)	0 ②
0	0
59,100	34,338 ③
66,900	16,772 ④
20,000	48,635 ⑤
7,000	0 ⑥
25,000	87,443 ⑦
0	0
90,000	0 ⑧
110,700	(30,320) ⑨
3,000	(17,616) ⑩
0	19,743 ❶
47,200	(19,020) ❷
373,900	135,319

Notes

- ① £15,003 lower costs - savings in car leasing and hire costs.
- ② £52,236 lower costs - reduction in audit fees.
- ③ £93,438 higher costs - increased employee costs & agency staff cover.
- ④ £83,672 higher costs - increased employee & system contract costs.
- ⑤ £68,635 higher costs - increased employee & agency staff costs as a result of maternity cover & staff turnover plus increased stationery & photocopying costs.
- ⑥ £15,791 higher costs - increased employee costs.
- ⑦ £112,443 higher costs - increased employee & agency staff costs plus higher than anticipated provision for bad debts.
- ⑧ £90,513 higher costs - agency staff costs covering vacant posts.
- ⑨ £80,380 higher costs - higher agency staff costs incurred to support the People and Culture department, driven by vacancies and sickness levels.
- ⑩ £14,616 lower costs - salary savings from maternity cover plus reduced GDPR costs
- ❶ £19,743 higher costs - agency staff costs & additional system licences.
- ❷ £28,180 higher costs - increased employee costs mitigated by reduced training costs.

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	Current Budget	Actual Spend/ (Income)	Significant Variances
Assistant Directors	103,600	175,750	72,150
Chairman's Expenses	32,400	6,094	(26,306)
Chief Executive's Support Services	90,500	144,220	53,720
Commercial Solutions	213,100	332,034	118,934
Communications & Marketing	67,500	41,791	(25,709)
Democratic Services	1,075,400	1,053,182	(22,218)
Director - AS	25,000	25,040	0
Director - TA	30,200	45,598	15,398
Electoral Services	365,700	349,349	(16,351)
Legal Services	(16,900)	142,797	159,697
Unitary	26,100	26,118	0
Vale Lottery	100	100	0
Grand Total	2,012,700	2,342,072	329,372

Expected Variances	Significant Variances Between Forecast and Actual Outturn
77,000	0
(8,700)	(17,606)
45,000	0
83,800	35,134
0	(25,709)
(13,500)	0
0	0
0	15,398
(25,100)	0
(18,000)	177,697
0	0
0	0
140,500	188,872

Notes

- ① £72,150 higher costs - increased employee, agency & contractor costs.
- ② £26,306 lower costs - savings from reductions in running expenses.
- ③ £53,720 higher costs - additional employment & consultancy costs.
- ④ £118,934 - lower income - the variance reflects less than planned income in relation to sale of services.
- ⑤ £25,709 lower costs - a number of cost savings across a range of services.
- ⑥ £22,218 lower costs - savings in member support costs.
- ⑦ £15,398 higher costs - increased employee & consultancy costs.
- ⑧ £16,351 lower costs - salary savings due to staff secondment to cover a maternity position.
- ⑨ £159,697 lower income/higher costs - lower s106 income than expected plus increased spend on agency staff and consultancy.

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	Planning & Enforcement

Service	Current Budget	Actual Spend/ (Income)	Significant Variances
Design Awards	0	(103)	0
Heritage	688,300	637,558	(50,742)
Planning Services	67,900	777,880	709,980
Grand Total	756,200	1,415,334	659,134

Expected Variances	Significant Variances Between Forecast and Actual Outturn
0	0
(4,000)	(46,742)
700,000	0
696,000	(36,866)

Notes

① £50,742 lower costs - correction of prior years' errors in relation to Dinton Castle loan repayments.

② £709,980 higher costs - consultancy & agency staff fees currently employed to reduce high number of planning applications backlog.

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	Strategic Planning & Infrastructure		
Service	Current Budget	Actual Spend/ (Income)	Significant Variances
Aylesbury Garden Town	0	0	0
Forward Plans	913,800	899,101	(14,699)
HS2	0	0	0
Planning Services	421,600	494,940	73,340
Strategy & Partnerships	431,400	443,444	12,044
Grand Total	1,766,800	1,837,485	70,685

Expected Variances	Significant Variances Between Forecast and Actual Outturn	
0	0	
(24,700)	10,001	①
0	0	
40,000	33,340	②
7,900	0	③
23,200	47,485	

Notes

- ① £14,699 higher income - backdated s106 fees received, partially offset by built environment income not achieved.
- ② £73,340 higher costs - increased salary costs covering maternity leave plus agency staff costs.
- ③ £12,044 higher costs - increased salary costs.

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	Waste & Licencing

Service	Current Budget	Actual Spend/ (Income)	Significant Variances
Environmental Services	373,400	351,238	(22,162)
Health & Safety	9,700	18,647	0
Licensing	(270,900)	(265,521)	0
Waste & Recycling - Commercial	1,357,600	1,175,610	(181,990)
Waste & Recycling - Non Commercial	6,611,200	6,569,114	(42,086)
Grand Total	8,081,000	7,849,089	(231,911)

Expected Variances	Significant Variances Between Forecast and Actual Outturn
0	(22,162) ①
0	0
(20,000)	25,379 ②
(195,000)	13,010 ③
(50,000)	0 ④
(265,000)	33,089

Notes

① £22,162 lower costs - a number of savings across a range of services.

② The forecast had been amended to reflect increased income which was not achieved.

③ £181,990 higher income/higher costs - additional garden waste & trade waste income from increased customer base offset by higher vehicle hire, container purchase & equipment costs.

④ £42,086 lower costs - reductions in vehicle costs following procurement of new waste fleet.

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	Current Budget	Actual Spend/ (Income)	Significant Variances		Expected Variances	Significant Variances Between Forecast and Actual Outturn
Community Centres	Administration	84,800	83,187	0		(1,000)	0
	Alfred Rose	124,500	130,249	0		(4,400)	10,149
	Bedgrove	442,700	431,414	(11,286)		(8,000)	0
	Haydon Hill	29,300	31,643	0		3,500	0
	Prebendal Farm	100,700	105,451	0		0	0
	Quarrendon and Meadowcroft	520,900	519,689	0		13,600	(14,811)
	Southcourt	129,800	121,054	0		(6,000)	0
Community Centres Total		1,432,700	1,422,688	(10,012)		(2,300)	0
Parks, Pitches & Open Space	Alfred Rose Park	41,300	50,897	0		10,800	0
	Bedgrove Park	65,800	54,201	(11,599)		(6,400)	0
	Edinburgh Playing Fields	50,700	52,335	0		2,000	0
	Fairford Leys	82,200	79,350	0		(1,600)	0
	Meadowcroft Playing Fields	75,900	67,894	0		7,000	(15,006)
	Parks Administration	251,100	275,045	23,945		1,900	22,045
	Vale Park	15,900	23,177	0		14,800	0
	Walton Court Sports Ground	43,500	26,210	(17,290)		(7,000)	(10,290)
Parks, Pitches & Open Space Total		626,400	629,109	0		21,500	(18,791)
Market	Market	6,900	8,031	0		0	0
Market Total		6,900	8,031	0	0	0	0
Grand Total		2,066,000	2,059,829	0		19,200	(25,371)

Notes

① £10,012 higher income/lower costs - hire income achieved better than budget plus a number of cost savings across a range of services.

GENERAL FUND REVENUE RESERVES AND PROVISIONS

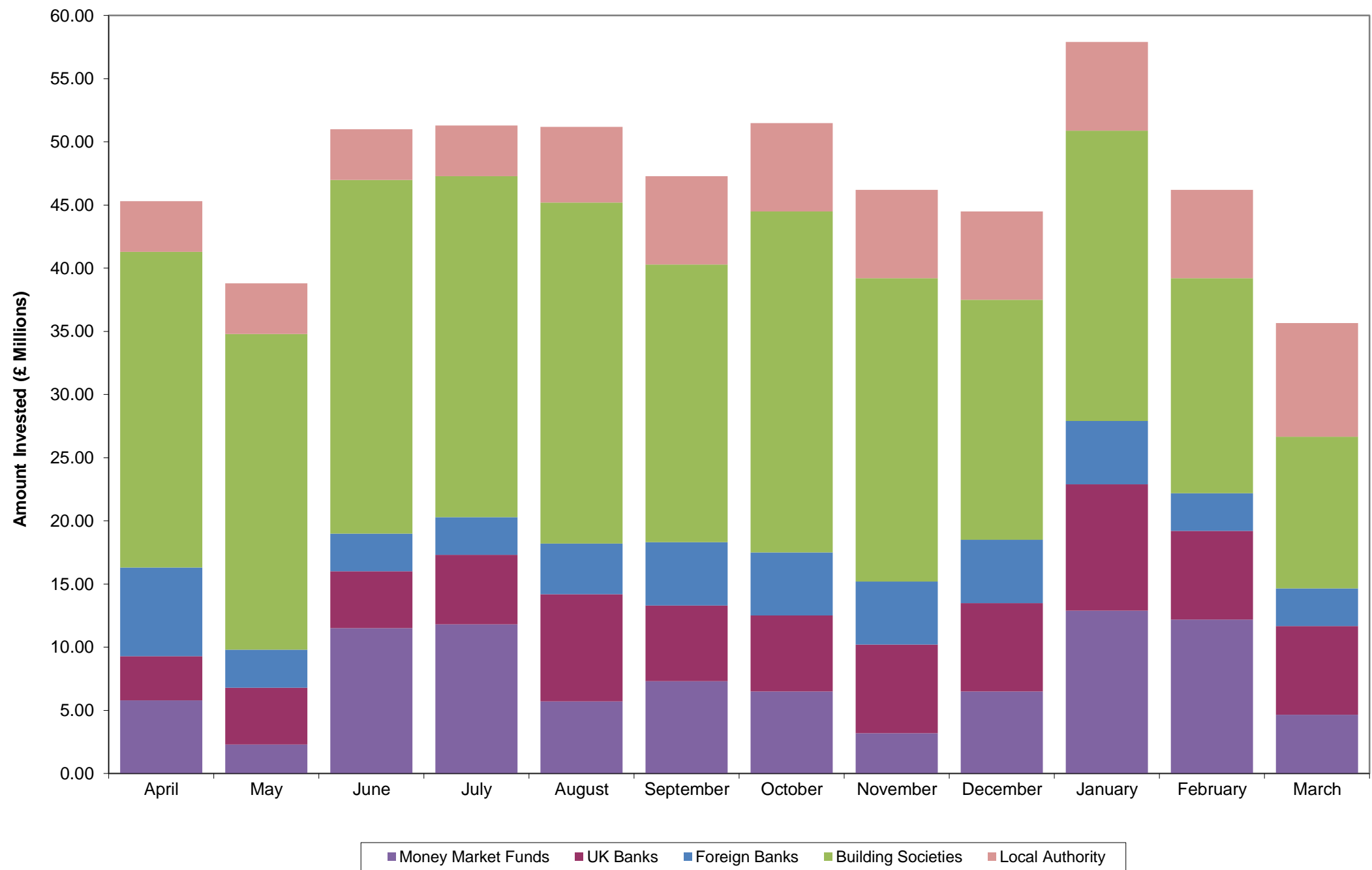
The table shows the current level of provisions and reserves held by the Council at the beginning of the year, the movements in the year and the closing balance at 31st March 2019.

GENERAL FUND REVENUE RESERVES AND PROVISIONS	OPENING BALANCE 01/04/2018 £'000	TRANSFERS OUT £'000	TRANSFERS IN £'000	REALIGNMENT OF RESERVES £'000	CLOSING BALANCE 31/03/19 £'000
PROVISIONS					
NNDR Appeals	(1,662)	0	(379)	0	(2,041)
Refundable Bonds	(306)	19	0	0	(287)
Expected Credit Losses	0	0	(8)	0	(8)
BAD DEBT PROVISIONS					
Housing Benefits Overpayments	(1,826)	121	(392)	0	(2,097)
Local Taxation	(487)	0	(74)	0	(561)
Other	(313)	21	0	0	(292)
Off Street Parking	(79)	26	(27)	0	(80)
Haywoods Way	(41)	0	0	0	(41)
TOTAL PROVISIONS	(4,714)	187	(880)	0	(5,407)
RESERVES					
Unitary	0	26	0	(5,000)	(4,974)
New homes bonus - town centre regeneration	0	0	0	(4,500)	(4,500)
Amenity areas	(3,097)	293	(70)	0	(2,874)
New homes bonus - parishes	(2,338)	339	0	(856)	(2,855)
Business rates	(1,768)	0	(3,248)	3,123	(1,893)
Property sinking	(1,812)	46	0	0	(1,766)
New homes bonus - connected knowledge	0	1,159	0	(2,910)	(1,751)
New homes bonus - uncommitted	0	39	(5,422)	3,835	(1,548)
New homes bonus - high speed broadband	(1,536)	0	0	0	(1,536)
Repairs & renewals	(1,145)	310	(87)	(200)	(1,122)
Fairford Leys riverine	(878)	0	(16)	0	(894)
Planning fees	(559)	1,609	0	(1,658)	(608)
New homes bonus - depot refurbishment	(209)	0	(388)	0	(597)
Property strategy	(540)	0	0	0	(540)
Health licensing income	(529)	31	0	0	(498)
Self insurance	(541)	93	0	0	(448)
Aylesbury special expenses	(467)	42	0	0	(425)
New homes bonus - east/west rail link	(350)	0	0	0	(350)
Car parking	(207)	94	(10)	(100)	(223)
District elections	(164)	12	(48)	0	(200)
Recycling & composting	(292)	620	0	(500)	(172)
Leisure activities	(156)	0	0	0	(156)
Historic buildings	(135)	0	0	0	(135)
Housing needs & section 106	(107)	0	0	0	(107)
Business support fund	(102)	0	0	0	(102)
Information technology	(199)	518	(297)	(100)	(78)
Rent guarantee scheme	(71)	0	0	0	(71)
Market research	(47)	0	0	0	(47)
Playgrounds	(40)	0	0	0	(40)
Benefit subsidy	(33)	593	0	(595)	(35)
Future vehicle costs	(84)	50	0	0	(34)
Business transformation	(29)	0	0	0	(29)
New homes bonus - Waterside North	(8,798)	3,913	0	4,885	0
New homes bonus - affordable housing	(2,158)	2,461	0	(303)	0
Interest equalisation	(2,022)	0	0	2,022	0
New homes bonus - Silverstone heritage	(2,000)	0	0	2,000	0
LABGI	(857)	0	0	857	0
Superannuation	(729)	729	0	0	0
TOTAL RESERVES	(33,999)	12,977	(9,586)	0	(30,608)

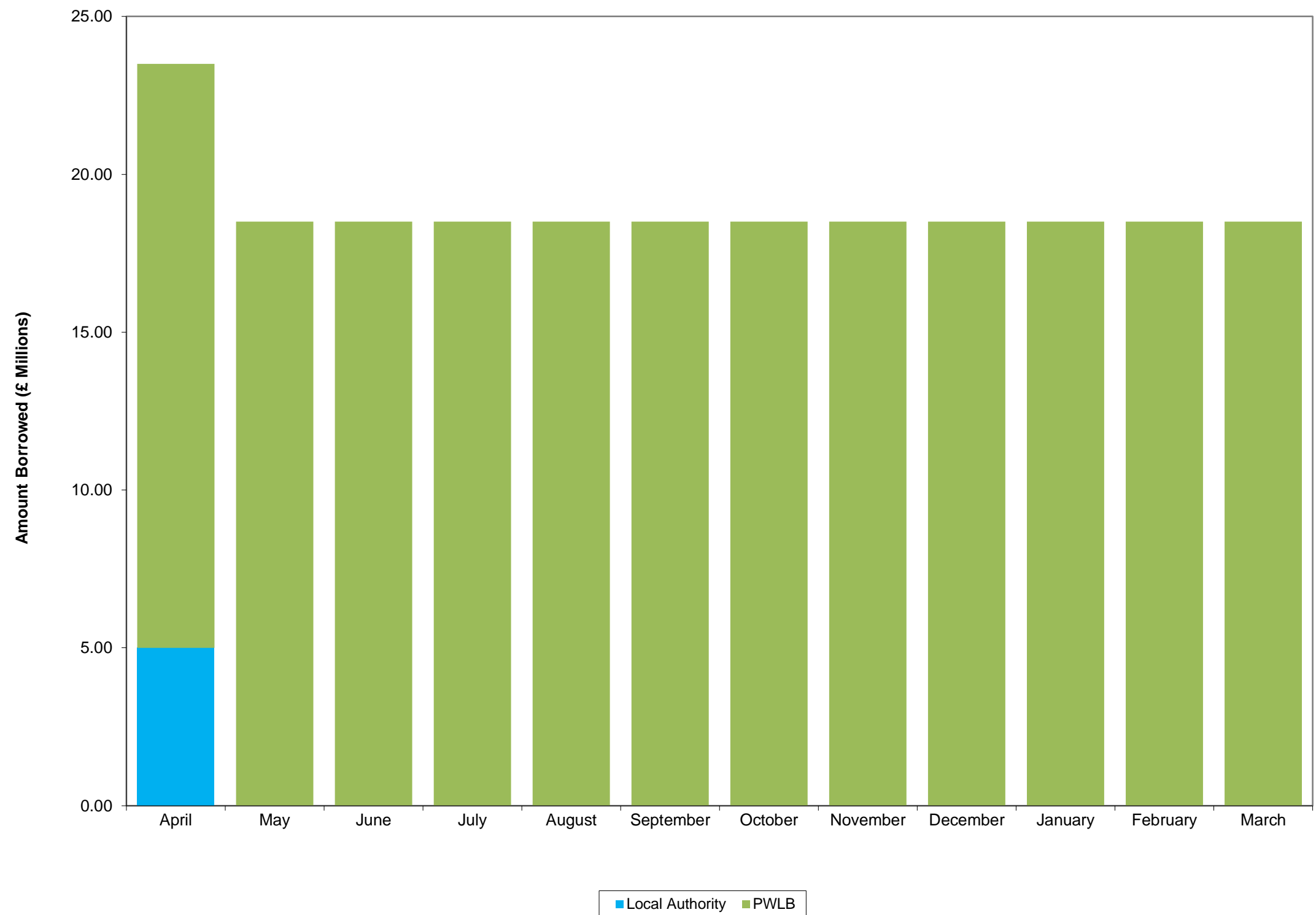
CAPITAL PROGRAMME SPEND TO 31ST MARCH 2019

	REF	APPROVED SPEND £s	PRIOR YEARS' SPEND £s	EXPECTED SPEND 18/19 £s	ACTUAL SPEND AT 31/03/19 £s
University Campus, Aylesbury Vale	8001	16,550,000	16,312,727	237,273	0
Public Realm Waterside North	8004	11,900,000	3,052,456	8,847,544	8,274,631
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	539,520
Car Park Improvement	8007	800,000	0	40,000	40,129
Community Centre Upgrades	8008	405,000	18,228	386,772	46,124
Silverstone Enterprise Zone	8009	2,000,000	0	500,000	202,084
UCAV Groundworks	8010	500,000	0	100,000	46,890

Investments 2018/19



Borrowings 2018/19



MEMBER FEEDBACK / QUESTION SHEET

ISSUE 4 - 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	Corporate 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