

Cabinet 13 May 2019

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Report to Cabinet

| | |
|----------------------------------|--------------------------------------|
| Title: | 2018/19 Outturn Report |
| Date: | 13 May 2019 |
| Author: | Cabinet Member for Resources |
| Contact officer: | Jane Parker, Senior Accountant x2843 |
| Local members affected: | All |
| Portfolio areas affected: | All |

For press enquiries concerning this report, please contact the media office on 01296 382444

Summary

The current operating environment for Councils with responsibility for Social Care is very difficult, with both demand pressures and increasing complexity driving overspends across many local authorities. These challenges have been widely reported in the national press and have been somewhat recognised by Central Government in the 2018 Autumn Budget and the provisional Local Government Finance Settlement.

Whilst Buckinghamshire County Council is not immune to these challenges, the Council has recognised them and taken actions to mitigate them, in terms of the financial planning undertaken ahead of the financial year and the actions taken in response to changes in circumstances and demand during the year. The revenue outturn position for 2018/19 shows an overall underspend of £227k, consisting of an overspend by £6.75m for portfolios being offset by an underspend of £7m in non-portfolio budgets.

The Council's Capital Programme shows an overall underspend on projects of £23.1m (11.2%) for 2018/19. The Capital Programme for a financial year represents a snap-shot of twelve months of a longer term programme of investment and, as such, the outturn position will reflect changes in circumstances that impact upon the timing of financial investments. For example, in 2018/19 it has been possible to accelerate some projects in order to realise the benefits of the investments earlier than originally planned, whilst some schemes have been put on hold for specific reasons; for example to ensure that investments support and are complementary to the transition to the new unitary authority. Similarly some projects have delayed investment due to slippage in the planned timescales and others have achieved genuine underspends.

The key Portfolio variances are explained in Appendix 1.




Purpose of the Report

This report provides information on the financial performance for the Council at the end of the financial year 2018/19.

Background

A full analysis of the outturn of Portfolios is contained within the appendices to this report.

As well as narrative information, financial performance against target is shown visually as follows:

| | | |
|---|--------------|--|
|  | Green | Performance is on or above target. Revenue under spends against budget and overspends up to +0.1% are shown as green Minor capital variances |
|  | Amber | Performance is below target (+0.1% to +1%) for financial performance Capital slippage above 10% and above £500k |
|  | Red | Performance is well below target (worse than +1%) for financial performance Overspend more than 10% and more than £500k |

Recommendation

Cabinet is asked to:

1. Note the year end outturn for revenue and capital budgets and discuss areas of concern.
2. Approve the recommendation that portfolio overspends and underspends from 2018/19 financial year are not carried forward.

A. Narrative setting out the reasons for the decision

Context – National

Local authorities with social care responsibilities are experiencing growing service and financial pressures. This has been most notable in the problems faced by Northamptonshire County Council, but similar challenges have also been widely reported across many single- and upper-tier authorities.

These pressures on local authority budgets were highlighted recently in a National Audit Office (NAO) report which stated that:-

- from 2010/11 to 2019/20 the real terms reduction in Central Government funding of local authorities will be 56.3%.
- from 2010/11 to 2016/17 the real terms reduction in local authority spending on social care services was 3%.
- from 2010/11 to 2016/17 the real terms reduction in local authority spending on non-social care services was 32.6%.
- that the overspend on local authority service budgets in 2016/17 was £901m.
- that the percentage of local authorities with care responsibilities that drew down on their reserves during 2016/17 was 66.2%.

Whilst funding for Local Government has been reducing, statutory obligations have remained the same or increased during the same period. Furthermore, the overall national overspend on Children's social care services has been increasing year on year since 2012 and in 2017/18 was over £800m.

The Local Government Association (LGA) has forecast that Local Government will have a funding gap of £7.8bn by 2025 mainly as a consequence of social care services.

Whilst the financial problems of Northamptonshire County Council are well documented it should be noted that their position, whilst extreme, is indicative of the direction of travel within many single-tier and upper-tier Councils, with many reporting significant in-year pressures relating to Social Care and Education services, challenges in delivering existing savings plans and the need to use significant levels of financial reserves in order to meet these pressures. These are not pressures which are going away, and many more Councils are identifying significant budget gaps in future years.

Context – Local

Buckinghamshire County Council (BCC) has a good track record of managing within its overall budget. In eight of the last nine years there has been an overall underspend despite experiencing pressures within social care services. In 2017/18 there was an overall underspend of £2.9m which helped to increase the level of General Fund reserves, which currently stand at £26.4m, representing 7.4% of the BCC net budget requirement for 2019/20. Cabinet received a report on the 21st May 2018 relating to the financial sustainability of the Council, which recognised that the Council currently has acceptable levels of reserves (allocated and unallocated) and high Member involvement, including a strong Regulatory & Audit Committee. It is proposed to make further contributions to the General Fund reserves to ensure that their level remains appropriate to mitigate the identified risks as BCC transfers service responsibilities into the new Unitary Council.

1. Revenue Outturn

The outturn position is an underspend for the year ending 31 March 2019. At a Portfolio level, there are significant overspends in Children's Social Care (£4.86m = 7.1%), Education & Skills (£1.53m = 6.8%) and Health and Wellbeing (£1.56m = 1.2%). These overspends are partially offset by an underspend in Planning & Environment (-£1.63m = -15.8%), giving an overall Portfolio position of £6.75m overspent (2.2%). An underspend of £7.0 in non-Portfolio budgets gives an overall outturn position for the Council of an underspend of £0.227m.

The key reasons for these overspends (reported in more detail in the appendices to this report) are as follows:-

- Increases in the demand for Social Care, and increasing complexity and volume in the cases presenting;
- Increases in both the demand and cost of provision for SEND transport;
- Non-delivery of income targets due to wider economic conditions; and
- Delays and non-delivery of savings plans.

All Portfolios worked on action plans to mitigate these pressures and carried out a detailed review of budgets in order to identify actions to bring the overall Council spend to within the approved budget. The underlying pressures experienced in the year have been considered and taken into account when setting the 2019/20 budget.

Within the Children's Social Care Portfolio, placement budgets for looked after children were overspent by £4.17m, which reflected higher levels of need than had previously been anticipated throughout 2018/19. The service has responded proactively to these demand led pressures throughout the year, putting in place strategies to reduce placement costs by increasing placements with in-house foster carers and connected carers, and reducing reliance on external placements. These positive actions have led to improvements in the outturn position both in terms of the financial outturn but also in terms of the service outcomes derived for vulnerable children. The number of placements with in-house foster carers has increased in 2018/19 by 34, whilst the number of external residential and external foster care placements has reduced by 16, despite growth in the overall number of looked after children. These proactive changes have avoided full year costs of £2.8m compared with the mix of placements at the start of the year. The experience and knowledge gained during 2018/19 have been fed into the financial planning for 2019/20, such that the placement budget reflects updated estimates of the number of looked after children and the expected placement mix, based on sufficiency strategies to increase in-house placements which is anticipated to establish a more sustainable position in the medium term.

The Health & Wellbeing Portfolio overspent by £1.56m reflecting a range of factors impacting upon demand for services, which included the increasing complexity and volume of service users seeking care and support, a generally ageing and, as a consequence, frailer population, which is also leading to an increase in the number of service users who had previously paid for their own care but who now are eligible for Council funded support due to the reduction in their own resources. A number of strategic and proactive decisions totalling £1.7m have been taken to partly mitigate these pressures and to maximise the effectiveness of service outcomes gained for Buckinghamshire residents, including investment in preventative services to support people in retaining their independence as long as possible alongside ensuring that BCC maximises the funding available to support Buckinghamshire residents by identifying where care and support provided should be resourced by other local authorities. The Adult Social Care Transformation programme is also contributing significantly to the sustainability of service delivery, generating cashable efficiency savings of £5.236m from the Better Lives

service review, which puts the portfolio in a good position to manage within the available resources in 2019/20.

Positive outcomes were also achieved within the Planning & Environment portfolio, which achieved a surplus for the year primarily as a consequence of effective decision making to take advantage of opportunities to increase income streams, for example Energy from Waste, whilst all other portfolios delivered either small surpluses or broadly breakeven positions. In the light of the wider national context and the well-publicised challenges facing single- and upper-tier authorities, the outturn position for 2018/19 reflects positively on both the focus and the deliverable management actions taken to control the budget within the current year.

Appendix 1 also provides a summary of the outstanding debt position; long-term debt is £9.0m, which represents 11% of annual sales. Payment performance for 10 day payments is 88% which is slightly below our target of 90%.

Table 1 – Summary of Council revenue budget outturn

| Portfolio Area | | Outturn £000 | Budget £000 | Variance £000 | Variance % |
|---|-------------------------------|-----------------|----------------|------------------|---------------|
| Leader | Expenditure | 8,855 | 7,369 | 1,486 | 20.2% |
| | Income | (1,901) | (241) | (1,660) | 688.8% |
| | Total Leader | 6,954 | 7,128 | (174) | (2.4%) |
| Community Engagement | Expenditure | 33,487 | 32,516 | 971 | 3.0% |
| | Income | (24,063) | (23,165) | (898) | 3.9% |
| | Total Community Engagement | 9,424 | 9,351 | 73 | 0.8% |
| Health & Wellbeing | Expenditure | 177,928 | 175,170 | 2,758 | 1.6% |
| | Income | (43,776) | (42,579) | (1,197) | 2.8% |
| | Total Health & Wellbeing | 134,152 | 132,591 | 1,561 | 1.2% |
| Children's Social Care | Expenditure | 76,847 | 69,985 | 6,862 | 9.8% |
| | Income | (3,086) | (1,088) | (1,998) | 183.6% |
| | Total Children's Social Care | 73,761 | 68,897 | 4,864 | 7.1% |
| Education & Skills | Expenditure | 33,133 | 31,137 | 1,996 | 6.4% |
| | Income | (9,066) | (8,598) | (468) | 5.4% |
| | Total Education & Skills | 24,067 | 22,539 | 1,528 | 6.8% |
| Resources | Expenditure | 37,580 | 37,648 | (68) | (0.2%) |
| | Income | (12,055) | (12,576) | 521 | (4.1%) |
| | Total Resources | 25,525 | 25,072 | 453 | 1.8% |
| Planning & Environment | Expenditure | 17,581 | 15,032 | 2,549 | 17.0% |
| | Income | (8,913) | (4,737) | (4,176) | 88.2% |
| | Total Planning & Environment | 8,668 | 10,295 | (1,627) | (15.8%) |
| Transportation | Expenditure | 36,461 | 35,949 | 512 | 1.4% |
| | Income | (7,557) | (7,117) | (440) | 6.2% |
| | Total Transportation | 28,904 | 28,832 | 72 | 0.2% |
| Portfolio Total | | 311,455 | 304,705 | 6,750 | 2.2% |
| | | | | | |
| Corporate Costs | Expenditure | 13,273 | 11,493 | 1,779 | 15.5% |
| | Income | (949) | (1,168) | 219 | (18.8%) |
| | Total Corporate Costs | 12,324 | 10,325 | 1,998 | 19.4% |
| Treasury Management & Capital Financing | Expenditure | 20,200 | 23,743 | (3,543) | (14.9%) |
| | Income | (483) | (431) | (52) | 12.1% |
| | Total Treasury & Capital Fin. | 19,717 | 23,312 | (3,595) | (15.4%) |
| Operating Budget | | 343,496 | 338,342 | 5,153 | 1.5% |
| | | | | | |
| External Financing | Income | (343,722) | (338,342) | (5,380) | 1.6% |
| | Total External Financing | (343,722) | (338,342) | (5,380) | 1.6% |
| | | | | | |
| Council Total | | (227) | 0 | (227) | |

2. Capital Outturn

The capital outturn position is an underspend/slippage of £23.1m and is summarised in Table 2 below.

There is a review of capital requirements for respite care within the Health & Wellbeing Portfolio resulting in slippage of £2.8m. This will ensure that any capital investments made are consistent with the service model delivered and thereby maximise benefits to service users and support efficient revenue budget management.

Within the Leaders Portfolio there was slippage of £9.8m, £8m of which relates to LEP schemes for which Buckinghamshire County Council is the accountable body.

The Transportation Portfolio recorded an underspend of £3.9m due to slippage linked to delays on developer funded schemes, the Westcott roundabout, HS2 mitigation and Globe Park.

The Resources Portfolio has underspent by £6.3m due to the strategic decision to delay development of the Aylesbury Study Centre in light of the unitary decision, alongside delaying investment in Technology projects until the Technology Strategy has been updated to reflect the impact of the creation of a new unitary authority.

Partially offsetting these underspends has been an acceleration of investment in Education and Skills arising from the completion of the St Michael's, Aylesbury project ahead of schedule and earlier starts on Primary and Secondary schemes.

Table 2 – Summary of Council capital budget outturn

| Portfolio Area | Outturn £000 | Budget £000 | Variance £000 | Variance % |
|------------------------------|-------------------------|------------------------|--------------------------|-----------------------|
| Leader | 13,203 | 23,017 | (9,814) | (42.6%) |
| Community Engagement | 1,054 | 1,588 | (534) | (33.6%) |
| Health & Wellbeing | - | 2,800 | (2,800) | (100.0%) |
| Children's Services | 228 | 1,257 | (1,029) | (81.8%) |
| Education & Skills | 47,908 | 45,734 | 2,174 | 4.8% |
| Resources | 81,707 | 87,980 | (6,273) | (7.1%) |
| Planning & Environment | 2,231 | 2,351 | (119) | (5.1%) |
| Transportation | 37,924 | 41,846 | (3,922) | (9.4%) |
| Subtotal - Portfolios | 184,255 | 206,572 | (22,317) | (10.8%) |
| Corporate | - | 811 | (811) | (100.0%) |
| Overall BCC | 184,255 | 207,383 | (23,128) | (11.2%) |

B. Other options available, and their pros and cons

None arising directly from this report

C. Resource implications

Actions resulting from consideration of this report may influence future expenditure in areas of concern / interest.

D. Value for Money (VfM) Self Assessment

All decisions involving finances are scrutinised to ensure that the best value for money is achieved. Financial Regulations state that all revenue overspends are to be carried forward and that 75% of Business Unit underspends are carried forward via a Business Unit specific reserve. However, given the County Council's overall financial position and the additional pressure that this would place on services, this report recommends that there is no carry forward of any underspends or overspends.

E. Legal implications

None arising directly from this report

F. Property implications

There are property implications linked to the capital programme position. Where there has been slippage the budgets will be carried forward into 2019/20.

G. Other implications/issues

None arising directly from this report

H. Feedback from consultation, Local Area Forums and Local Member views

None arising directly from this report

I. Communication issues

Quarterly budget monitoring reports are published on the Council's website.

J. Progress Monitoring

The budget monitoring report is updated on a monthly basis.



K. Review

Not applicable.

1 Portfolio Summary

Portfolio: **Leader**

Member: **Cllr Martin Tett, Leader of the Council**

| REVENUE | | CAPITAL | Released | Unreleased | Total Gross |
|-----------------------|---|-----------------------|-----------------|-------------------|---|
| | £000 | | £000 | £000 | £000 |
| Budget | 7,128 | Budget | 20,064 | 2,953 | 23,017 |
| Outturn | 6,954 | Outturn | 13,203 | - | 13,203 |
| Variance | - 174 | Variance | - 6,861 | - 2,953 | - 9,814 |
| Variance % | -2.4% | Variance % | -34.2% | -100.0% | -42.6% |
| Financial Performance |  | Financial Performance | | |  |

The year-end revenue position is an underspend of £0.174m.

The majority of the underspend is headroom within the staffing budget in the Policy, Performance and Communications Team. This headroom is not carried forward into 2019/20 as there will be additional staff cost to cover maternity leave within the BI teams and the interim Head of Legal within PP&C.



Within the TEE business unit, there are compensating under- and overspends; higher costs relating to Phase 2 of the Broadband rollout are offset by increased contributions from partners and savings from vacancies are partially offset by lower recovery of staffing costs.

Capital slippage of £9.8m was driven by:

- Delay in the land purchase for South East Aylesbury Link Road
- A4 Sustainable Travel Scheme – delay in construction
- Aylesbury Eastern Link Road due to delay in commissioning detailed design

Portfolio: **Community Engagement and Public Health**

Member: **CLlr Noel Brown**

| REVENUE | | CAPITAL | Released | Unreleased | Total Gross |
|-----------------------|---|-----------------------|-----------------|-------------------|---|
| | £000 | | £000 | £000 | £000 |
| Budget | 9,351 | Budget | 1,308 | 280 | 1,588 |
| Outturn | 9,424 | Outturn | 1,054 | - | 1,054 |
| Variance | 73 | Variance | - 254 | - 280 | - 534 |
| Variance % | 0.8% | Variance % | -19.4% | -100.0% | -33.6% |
| Financial Performance |  | Financial Performance | | |  |

The year-end revenue position is an overspend of £0.073m.



The Contact Centre overspent by £95k due to undeliverable savings on the Fix My Street project. Sustainable savings have already been achieved via a voluntary redundancy programme to meet this pressure in 2019/20.

Contract savings provided an offsetting £44k whilst additional expenditure in the Registration Service associated with increased activity was offset by the generation of additional income. Similarly, additional Public Health expenditure was offset by additional income received in relation to NHS contracts.

Capital slippage of £0.53m is due to the delay in the refurbishment of Marlow Library as the library will now be one of three pilot Community Hubs; work on community engagement and detailed design will need to take place before work can start.

Portfolio: **Health & Wellbeing**

Member: **Cllr Lin Hazell**



| REVENUE | | CAPITAL | Released | Unreleased | Total Gross |
|-----------------------|---|-----------------------|-----------------|-------------------|---|
| | £000 | | £000 | £000 | £000 |
| Budget | 132,591 | Budget | 50 | 2,750 | 2,800 |
| Outturn | 134,152 | Outturn | - | - | - |
| Variance | 1,561 | Variance | - 50 | - 2,750 | - 2,800 |
| Variance % | 1.2% | Variance % | -100% | -100% | -100% |
| Financial Performance |  | Financial Performance | | |  |

There was a net overspend of £1.561m on a gross budget of £175.2m (0.9%) this is despite the increased complexity and volume of clients experienced which is partly a result of a lower death rate than in previous years, an increase in the number of service users paying for their own care who have depleted their funds and where BCC is required to fund their on-going care needs. A number of strategic and proactive decisions totalling £1.7m have been taken to partly mitigate these pressures which include investment by Public Health in the Prevention Matters project and successful outcomes to an Ordinary Residency challenges. The Adult Social Care Transformation efficiencies target of £5.236m as a consequence of the Better Lives Transformation programme of £5.2m was fully met which puts the portfolio in a good position to manage their overall budget in 2019/20. The decision was taken early on not to release the corporate contingency that existed around adult social care pressures (£1.25m) in order to ensure that the service took full financial accountability for managing their pressures.

The capital programme has slippage of £2.8m as the adult respite project is currently under review.

Portfolio: Children’s Social Care

Member: **Cllr Warren Whyte**

| REVENUE | | CAPITAL | Released | Unreleased | Total Gross |
|-----------------------|---|-----------------------|-----------------|-------------------|---|
| | £000 | | £000 | £000 | £000 |
| Budget | 68,897 | Budget | 1,851 | - 594 | 1,257 |
| Outturn | 73,761 | Outturn | 228 | | 228 |
| Variance | 4,864 | Variance | - 1,623 | 594 | - 1,029 |
| Variance % | 7.1% | Variance % | -87.7% | -100.0% | -81.9% |
| Financial Performance |  | Financial Performance | | |  |

The year-end revenue position is an overspend of £4.86m.

Main variances are against placement budgets for looked after children and legal budgets, as projected through the year. Placement budgets for looked after children were overspent by £4.17m. The service has put in place strategies to reduce placement costs by increasing placements with in-house foster carers and connected carers, and reducing reliance on external placements. During the year the number of placements with in-house foster carers increased by 34, and the numbers of external residential and external foster care placements reduced by 16 despite growth in the overall number of looked after children. This shift avoided full year costs of £2.8m compared with the mix of placements at the start of the year.

The placement budget for 2019/20 reflects estimated numbers of looked after children and the expected placement mix, based on sufficiency strategies to increase in-house placements.



Legal budgets overspent by £0.88m due to the re-working of complex cases leading to an increase in the numbers of court proceedings. The legal budget for 2019-20 has been increased to reflect the expectation that costs will remain high whilst legacy cases are being reworked.

The placement budget for 2019/20 reflects estimated numbers of looked after children and the expected placement mix, based on sufficiency strategies to increase in-house placements. Overachievement of income was realised for unaccompanied asylum seeking children (UASC) as grant received was in excess of budget due to increased numbers of children and cost and in respect to Continuing Health Care contributions for young people attending The Vines short breaks service.

Capital slippage of £1m comprises of slippage variance of £1.6m relating to the purchase of two homes within the Wycombe area. Both purchase and refurbishment will now take place in the 2019/20 financial year offset against an overspend of £0.6m relating to the re-sale of the Westfield home which is now anticipated for next year.

Portfolio: **Education & Skills (including Client Transport)**

Member: **Cllr Mike Appleyard**

| REVENUE | £000 | CAPITAL | Released £000 | Unreleased £000 | Total Gross £000 |
|-----------------------|---|-----------------------|------------------|--------------------|---|
| Budget | 22,539 | Budget | 46,361 | - 627 | 45,734 |
| Outturn | 24,067 | Outturn | 47,908 | | 47,908 |
| Variance | 1,528 | Variance | 1,547 | 627 | 2,174 |
| Variance % | 6.8% | Variance % | 3.3% | -100.0% | 4.8% |
| Financial Performance |  | Financial Performance | | |  |

The year-end revenue position is an overspend of £1.53m.

There was a £2.04m overspend against home to school transport budgets due to increase in demand through the year, increased savings to be achieved and shortfall against in year savings plan. A consultation was held October to January 2019 and revised home to school transport policies have been agreed with effect from September 2019 and an implementation plan is in place.

Staffing vacancies related to the Integrated Commissioning restructure have resulted in a £0.2m underspend.



Dedicated School Grant (DSG) budgets were £1.35m overspent and this will be managed within the overall DSG reserve. Demand for placements and funding to support for pupils with SEND increased by 9% in the 2018-19 financial year with a net increase of 421 pupils either being placed in specialist provision or being supported in mainstream schools and colleges with top up funding. The service is putting in place strategies to reduce the reliance on high cost external placements and, despite the increase in numbers, the proportion of pupils being supported in external specialist placements remained the same in 2018-19. The proportion of pupils being supported in mainstream provision increased in 2018-19

The capital position is an overspend of £2.2m comprising overspends due to accelerated expenditure offset by slippage:

- Accelerated expenditure: £4.7m on St Michael's, Aylesbury as the project is being completed ahead of schedule and £2.0m on Primary and Secondary schemes
- Underspends/Slippage: £1.8m in Primary and Secondary School Places, £1.2m on the Abbey View and Green Ridge projects, delayed spend on Suitability schemes of £0.5m and Early Years of £0.9m.

Portfolio: **Resources**

Member: **Cllr John Chilver**

| REVENUE | | CAPITAL | Released | Unreleased | Total Gross |
|-----------------------|---|-----------------------|-----------------|-------------------|---|
| | £000 | | £000 | £000 | £000 |
| Budget | 25,072 | Budget | 84,459 | 3,520 | 87,979 |
| Outturn | 25,525 | Outturn | 81,707 | | 81,707 |
| Variance | 453 | Variance | - 2,752 | - 3,520 | - 6,272 |
| Variance % | 1.8% | Variance % | -3.3% | -100.0% | -7.1% |
| Financial Performance |  | Financial Performance | | |  |

The revenue year-end position is an overspend of £0.45m, which is in line with the Q3 forecast. The underlying pressures in HR and Property remained unchanged, however Property's overall position improved at year end, reducing the total underlying pressure in Resources down by £314k, to £1.9m. This position was improved by income from our new commercial acquisitions (£784k from Globeside and Voyager). Reserves were drawn down by £697k, over £300k less than expected, as a one-off measure to offset the pressures this year. Following the MTFP savings plans, we are now able to move into 19/20 with a balanced and robust budget.

Due to the improved outturn position for Property a net contribution to the Property Voids reserve was made rather than the expected significant drawdown, which will ensure the Portfolio is better able to manage future income risks from commercial properties.

Breakdown of underlying pressure

(1) Property & Assets had an underlying pressures of £1.1m due to pressures on reactive maintenance budget associated with the underperformance of the contract, a significant issue with an oil leak in Waddesdon, and staffing cost pressures mainly from historical capitalisation budgets which are no longer achievable.

(2) HR& OD had an underlying pressure of £1.3m largely due to unachievable income targets associated with Harrow HR Shared Service and payroll service.



(3) The remainder of Resources Portfolio underspent by a net total of £0.5m

The capital position is an underspend of £6.3m, mainly comprising:

- £3.3m underspend/slippage on Technology Projects due to initial delay in implementing Technology Strategy which is now underway
- £1.2m underspend on Aylesbury Study Centre, as decision has been put on hold for Unitary
- £0.6m underspend on Agricultural Estate, as works were delayed pending decision on Rowley Farm sale.
- £0.4m underspend on the conversion of Old Wycombe Library due to a delayed start and asbestos discovery.
- £0.6m of underspend on new Investment Properties, as the budget was calculated slightly high based on estimated costs.

Portfolio: **Planning & Environment**

Member: **Cllr Bill Chapple OBE**



| REVENUE | | CAPITAL | Released | Unreleased | Total Gross |
|-----------------------|---|-----------------------|-----------------|-------------------|---|
| | £000 | | £000 | £000 | £000 |
| Budget | 10,295 | Budget | 2,515 | - 164 | 2,351 |
| Outturn | 8,668 | Outturn | 2,231 | | 2,231 |
| Variance | - 1,627 | Variance | - 284 | 164 | - 120 |
| Variance % | -15.8% | Variance % | -11.3% | -100.0% | -5.1% |
| Financial Performance |  | Financial Performance | | |  |

The revenue year-end position is an underspend of £1.63m

The underspend is due primarily to the overachievement of rental income from our Agricultural Estates, higher income driven by higher film rights, higher income driven by electricity income from EfW, reduced green and food waste costs due to the abnormally hot and dry summer and reduced volumes at the Energy from Waste centre.

Portfolio: **Transportation**

Member: **CLLr Mark Shaw, Deputy Leader**

| REVENUE | | CAPITAL | Released | Unreleased | Total Gross |
|-----------------------|---|-----------------------|-----------------|-------------------|---|
| | £000 | | £000 | £000 | £000 |
| Budget | 28,832 | Budget | 40,929 | 917 | 41,846 |
| Outturn | 28,904 | Outturn | 37,924 | | 37,924 |
| Variance | 72 | Variance | - 3,005 | - 917 | - 3,922 |
| Variance % | 0.2% | Variance % | -7.3% | -100.0% | -9.4% |
| Financial Performance |  | Financial Performance | | |  |

The revenue year-end position is a small overspend of £72k. Total expenditure exceeded the budget by £0.51m due to increased costs associated with the Client & Public Transport HR issues and recommissioning project offset by lower than anticipated spends in parking and streetworks. Total income exceeded the budget by £0.44m, driven by increased section 106 income and recovered expenditure offset by lower income from parking and streetworks.

The capital position is an underspend of £3.0m due to slippage linked to delays on developer funded schemes, the Westcott roundabout, HS2 mitigation and Globe Park projects.

2 Non-Portfolio Costs

The outturn position for non-Portfolio budgets is an underspend of £7.0m. This includes an underspend of £1.5m on Treasury Management costs largely due to an underspend on debt interest costs as a result of debt restructuring, reduced levels of borrowing and the use of internal resources. There were also underspends relating to reduced revenue contributions to capital (£1m), increased business rates contributions, use of earmarked reserves and unreleased corporate contingencies, including those provided for in relation to Adult Social Care (£1.25m), national living wage, pay and adverse weather.

3 Outstanding Debt

| Portfolio | Outstanding Debt | | | | Total Due | Outstanding Debt as a % of Annual Sales |
|--------------------------|------------------|--------------|-------------|--------------------|--------------|---|
| | 0-30 Days | 31-90 Days | 91-180 Days | More than 180 Days | | |
| Children's Social Care | 516 | 114 | 0 | 87 | 717 | 19% |
| Community Engagement | 4 | 2 | 6 | 9 | 21 | 2% |
| Corporate Costs | 0 | 0 | 0 | 21 | 21 | 2% |
| Education & Skills | 680 | 118 | 6 | 32 | 836 | 4% |
| Health & Wellbeing | 1,068 | 745 | 289 | 3,790 | 5,893 | 20% |
| Leader | 2 | 2 | 8 | 5 | 17 | 1% |
| Planning & Environment | 56 | 382 | 228 | 80 | 747 | 13% |
| Resources | 125 | 11 | 68 | 208 | 412 | 4% |
| Transportation | 229 | 23 | 176 | 152 | 580 | 7% |
| Portfolio Not Determined | -74 | -48 | -10 | -131 | -263 | 0% |
| Total Debt | 2,606 | 1,350 | 771 | 4,252 | 8,979 | 11% |

In December 2016 a debt task and finish group was set up to focus on outstanding debt levels. This group focussed on improving invoicing practice and debt recovery processes and to reduce the value of debt outstanding to the Council. At the outset of this project outstanding debt stood at £17.8m, on an annual sales value of £70m. This reflected debt standing at 25% of annual sales.

Through a focus on process improvement and the redirection of staffing resource to address the oldest debt, the level of debt has now been brought down to £9.0m (£9.6m at Q3), 11% of annual sales. A significant proportion (30%) of our debt is secured against property as part of the Adults Social Care charging regime and reflects little risk to the council. The quality of invoicing has improved and processes are being further refined; it is expected that the level of outstanding debt will continue to fall as 'best practice' becomes further embedded.

4 Late Payments

10 Day Late Payments

| Portfolio (Target 90%) | Quarter 4 | | | | Year Total |
|------------------------|--------------|------------|--------------|------------|------------|
| | Total Paid | Paid Late | Paid On Time | % On Time | % On Time |
| Health & Wellbeing | 371 | 36 | 335 | 90% | 92% |
| Children's Social Care | 308 | 30 | 278 | 90% | 90% |
| Education & Skills | 295 | 61 | 234 | 79% | 78% |
| Community Engagement | 252 | 21 | 231 | 92% | 94% |
| Leader | 28 | 9 | 19 | 68% | 80% |
| Planning & Environment | 135 | 18 | 117 | 87% | 85% |
| Resources | 307 | 60 | 247 | 80% | 85% |
| Transportation | 88 | 16 | 72 | 82% | 87% |
| Corporate | - | - | - | 0% | 0% |
| Unallocated | 11 | 3 | 8 | 73% | 86% |
| Total | 1,795 | 254 | 1,541 | 86% | 88% |

The Council aims to make 90% of payments to SME's within 10 days yet only achieved a rate of 88%. Those areas not meeting the target are being reviewed for any systemic / administrative issues

