

BUDGET MONITORING REPORT TO QUARTER ENDING 30 SEPTEMBER 2017

Cabinet Member: Councillor David Watson

Wards Affected: All

Officer contact: Stuart McGregor Email: Stuart.Mcgregor@wycombe.gov.uk
Hasina Shah Email: Hasina.Shah@wycombe.gov.uk

PROPOSED DECISION

- (i) That Cabinet to consider and note the forecast outturn position for the financial year 2017/18 as at end of September 2017.
- (ii) It is recommended that the credit received from the waste contract amounting to £0.225m is set aside in the waste equalisation reserve to fund cost of contract renewal and any new income generation initiatives.

Reason for Decision

1. The Cabinet approves a budget each year within the context of a Medium Term Financial Plan (MTFP) to achieve the Council's priorities. This report updates Cabinet members on the 2017/18 forecast position as at quarter 2.

Corporate Implications

- The financial implications are set out in the report.
- Under the Local Government Act 2003, the Chief Financial Officer is required to report on the robustness of the budget. This monitoring report is part of the Council's financial framework which supports this wider responsibility.
- The main budgetary risks to the Council have been reviewed as part of this report.

Executive Summary

2. This report sets out the Council's financial position as at Period 6 2017/18 (30 September 2017). The cabinet report reflects what has been reported to Senior Management Board.
3. The forecast financial position is summarised in the main body of the report supported by further details in following appendices:
 - a. General Fund Revenue forecast of a favourable variance of £0.547m as at 30 September 2017 (Appendix A);
 - b. The progress in achieving the 2017/18 Efficiency Plan savings (Appendix B); and
 - c. Update on Repairs and Renewals Fund (Appendix C).

General Fund Revenue position

4. The net revenue forecast position at Period 6 (30 September 2017) is showing a favourable variance of £0.547m as summarised in the table below.

Net Cost of Services	Pd 06 Budget £m	Pd 06 Actuals £m	Pd 06 Variance £m	FY Budget £m	FY Outturn £m	FY Variance £m
Income.						
Car Parking	(1.442)	(1.616)	(0.175)	(2.949)	(3.220)	(0.272)
Fees and Charges	(2.577)	(2.719)	(0.142)	(5.154)	(5.532)	(0.377)
Grant	(23.608)	(23.140)	0.468	(47.216)	(45.231)	1.985
Planning	(0.872)	(1.125)	(0.253)	(1.745)	(1.945)	(0.200)
Rents	(3.177)	(3.958)	(0.781)	(6.355)	(6.272)	0.083
Income. Total	(31.676)	(32.558)	(0.881)	(63.418)	(62.200)	1.219
Expenditure						
Controllable						
Employees	6.645	6.729	0.084	13.225	13.445	0.220
Housing Benefit	22.844	22.990	0.146	45.688	42.941	(2.747)
Premises Related Expenses	2.050	1.952	(0.097)	4.077	4.263	0.186
Supplies and Services	5.758	5.499	(0.259)	10.413	10.988	0.575
Waste Contract	2.770	2.704	(0.066)	5.540	5.540	0.000
Controllable Total	40.067	39.875	(0.192)	78.943	77.177	(1.766)
Uncontrollable						
Depreciation	1.461	1.461	0.000	2.923	2.923	0.000
Internal Recharges	4.880	4.880	0.000	9.760	9.760	0.000
Internal Recharges Income	(5.086)	(5.086)	0.000	(10.172)	(10.171)	0.000
Uncontrollable Total	1.255	1.255	0.000	2.511	2.512	0.000
Expenditure Total	41.323	41.130	(0.192)	81.455	79.689	(1.766)
Net Total	9.646	8.572	(1.074)	18.036	17.489	(0.547)

5. The main reasons for variances are detailed below and Appendix A provides further analysis by cabinet portfolio.
- Grant Income** – The additional grant income of £0.705m in respect Homelessness and Elections. Any unspent grant will be carried forward at year end.

- b. **Fees & Charges, Car Parking & Planning** – A total favourable variance of £0.849m due to increase in car parking income, planning fee income and unbudgeted income from waste contract penalties.
- c. **Employees Cost** - Overspend of £0.220m resulting from vacancies being filled by agency and interim staff, work on specific projects and additional work on Housing Benefits, Elections and Homelessness prevention funded from grant income.
- d. **Premises Cost** – Unfavourable variance of £0.186m due to business rates revaluations, unbudgeted repairs of Public conveniences and rent for polling station funded from grant. This is offset by favourable variance on electricity and visitor centre running costs.
- e. **Supplies & Services** – Adverse variance of £0.575m due to additional spends on Housing Benefit processing, Housing prevention work, dangerous structures and additional cost on car parks vandalism. This is offset by favourable variance on Insurance premium.
- f. **Housing Benefit** - Favourable variance of £2.747m on Housing Benefit Payments which is offset by the same value of reduction in grant income. Therefore the overall impact is nil.

Efficiency Plan Savings

- 6. As at period 6 the forecast position for achieving savings and additional income is £0.962m against the total approved savings and income of £1.282. The unfavourable position of £0.320 is mainly resulting from the programme slippage to 2018/19 in respect of CCTV, and Museum. There have also been some delays in generating income from investment properties. Please see Appendix B for further details.

Repairs & Renewals

- 7. The forecast expenditure on the repairs of the Council property assets is £0.632m compared to the budget of £0.863m. The main reasons for favourable variance are the works on cooling system at Swan Theatre is on hold and the contingency for feasibility work is not anticipated to be utilised. This expenditure is funded from the Earmarked reserves, therefore any unspent budgets will not be drawn from the reserve. Appendix C provides further details.

Major Projects Programme

- 8. The programme is forecasting to spend £15.498m against the total budget of £19.093m resulting in a variance of £3.595m (£2.466m+£1.129m) as detailed in the table below:-

PORTFOLIO	Overall Project Position at September 17				In Year Position				
	Total Project Budget	Total Project Spend	Scheme Projected Outturn	Variance	Total in year Budget	Actual to period 6	In year Forecast	Carryover	Variance (Favourable)/Unfavourable
	£m	£m	£m	£m	£m	£m	£m	£m	£m
Community	5.657	0.496	5.657	0.000	0.749	0.162	0.749	0.000	0.000
Economic Development & Regeneration	15.311	4.122	14.162	(1.149)	8.863	0.542	6.730	(0.974)	(1.159)
Planning & Sustainability	6.995	1.956	7.025	0.030	2.881	0.607	2.202	(0.709)	0.030
Housing	7.231	3.074	7.231	0.000	2.269	0.727	2.097	(0.172)	0.000
Leader	14.704	11.581	14.704	0.000	2.068	0.188	1.642	(0.426)	0.000
HR, ICT & Customer Services	1.983	1.409	1.983	0.000	0.912	0.595	0.912	0.000	0.000
External Bodies - S106 and CIL	3.667	0.404	3.667	0.000	1.351	0.066	1.166	(0.185)	0.000
Total	55.548	23.042	54.429	(1.119)	19.093	2.887	15.498	(2.466)	(1.129)

9. The variance includes an under spend of £1.129m resulting mainly due to the deck parking at Globe car park not going ahead as this is now being provided by Marlow Club. The carryover of £2.466 is part due to the multi-year nature of some of the scheme like the Regeneration Fund which is utilised as and when the opportunity arises and contribution to a third party scheme, the timing of which we have little control over. In addition the implementation of direct development schemes such as Aldi and Phase 5 Handy X Hub has slipped against the programme.
10. For the remainder of the year the programme will be monitored to ensure the delivery of all the schemes and its associated expenditure is on track. Any changes to the profile expenditure will be updated and reported to the Cabinet at the earliest available opportunity.

Sustainable Community Strategy / Council Priorities - Implications

11. This report supports delivery of sustainable community strategy and council priorities.

Background Papers

Revenue Budget and Council Tax setting 2017-18 to February 2017 Cabinet and
Major Project Programme to March 2017 Cabinet