

## BUDGET MONITORING REPORT TO QUARTER ENDING 31 DECEMBER 2017

**Cabinet Member:** Councillor David Watson

**Wards Affected:** All

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### PROPOSED DECISION

1. That Cabinet to consider and note the forecast outturn position for the financial year 2017/18 as at end of December 2017.
2. To approve £0.025m additional use of the Wycombe Swan Repairs & Renewals fund for the Cooling System/Boiler works at the Wycombe Swan Theatre. £0.100m is already included in the Repairs & Renewals programme.
3. To approve the transfer from revenue to the Development fund of £0.065m for works to be undertaken at Totteridge recreation ground to improve access to the park and amenities for people with disabilities. This is to compliment the works there that are being funded from s106 monies already allocated.

### Reason for Decision

4. 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 3.

### 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

5. This report sets out the Council's financial position as at Quarter 3 2017/18 (31 December 2017). The cabinet report reflects what has been reported to Senior Management Board.
6. 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 £0.253m as at 31 December 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

7. The net revenue forecast position at Quarter 3 (31 December 2017) is showing a favourable Variance of £0.253m as summarised in the table below.

Net Cost of Services	YTD Budget £m	YTD Actuals £m	Sum of YTD Variance	FY Budget £m	FY Outturn £m	Variance £m	Comments
Income.							
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Car Parking	(2.192)	(2.401)	(0.210)	(2.949)	(3.135)	(0.186)	Charges from daily parking are predicted as being (£0.161m) in surplus, season tickets as being (£0.020m) in surplus and enforcement as being (£0.005m) in surplus.
Fees and Charges	(3.846)	(4.555)	(0.709)	(5.129)	(5.547)	(0.418)	Additional £0.067m back dated rent on Parks. Increase in income from sale of bins of £0.026m, Legal (£0.038m) and Land Charges (£0.037m), Dangerous structure and outreach funding (£0.057m). Offset by unfavourable variance on recycling credits of £0.064m
Grant	(35.412)	(33.433)	1.979	(47.216)	(44.901)	2.315	Additional grant income in respect of Homelessness, General Elections, Electoral Registration offset by reduction in Housing Benefit payments grant
Planning	(1.309)	(1.611)	(0.302)	(1.745)	(2.113)	(0.368)	Favourable variance of £0.300m due to increase in activity and a fee increase for final three months of the financial year. Additional Planning Performance Agreement income of £0.040m.
Rents	(4.766)	(5.552)	(0.786)	(6.355)	(6.357)	(0.002)	
<b>Income. Total</b>	<b>(47.525)</b>	<b>(47.552)</b>	<b>(0.028)</b>	<b>(63.393)</b>	<b>(62.053)</b>	<b>1.340</b>	
Expenditure							
Controllable							
Employees	9.884	10.222	0.338	13.157	13.629	0.472	Vacancies across Finance, Legal and Corporate Director being filled by agency staff. Permanent appointments have been made or being recruited to these posts. Additional work on Elections, Prevent Project and Homelessness Prevention funded from grant income.
Housing Benefit	34.266	33.049	(1.217)	45.688	42.941	(2.747)	Midyear forecast estimates that the council is paying less out in Housing Benefit Payments this is offset by reduction in grant income above.
Premises Related Expenses	3.072	2.748	(0.324)	4.034	4.180	0.146	Higher than budgeted spend on Business rates due to 2017 revaluations and polling stations, unbudgeted spend on repairs of Public Conveniences and Car park security. This is off set by underspends on electricity and visitor centre running costs.
Supplies and Services	7.052	7.545	0.494	9.276	9.812	0.536	Overspend due to increase work on Housing Benefit processing and specific projects such as dangerous structures. Unbudgeted spend on Car Parks cash machine vandalism of £0.080m. Grant funded spend in respect of Community Housing Fund £0.115m, Flexible Homelessness Support £0.235m and Outreach funding £0.054m. One off contribution to earmarked reserve for waste equalisation fund of £0.229m. This is partially offset by savings on Insurance Premiums.
Waste Contract	4.155	4.091	(0.065)	5.540	5.540	0.000	
<b>Controllable Total</b>	<b>58.428</b>	<b>57.654</b>	<b>(0.774)</b>	<b>77.695</b>	<b>76.102</b>	<b>(1.593)</b>	
Uncontrollable							
Depreciation	2.192	2.192	0.000	2.923	2.923	0.000	
Internal Recharges	8.237	8.237	0.000	10.983	10.983	(0.000)	
Internal Recharges Income	(7.628)	(7.628)	0.000	(10.172)	(10.172)	0.000	
<b>Uncontrollable Total</b>	<b>2.800</b>	<b>2.800</b>	<b>0.000</b>	<b>3.734</b>	<b>3.734</b>	<b>(0.000)</b>	
<b>Expenditure Total</b>	<b>61.228</b>	<b>60.454</b>	<b>(0.774)</b>	<b>81.429</b>	<b>79.836</b>	<b>(1.593)</b>	
<b>Net Total</b>	<b>13.704</b>	<b>12.902</b>	<b>(0.802)</b>	<b>18.036</b>	<b>17.783</b>	<b>(0.253)</b>	

8. The main reasons for variances are detailed below and Appendix A provides further analysis by cabinet portfolio.
- Grant Income** – There is additional grant income of £0.178m in respect of Elections and for the Prevent Programme. Any unspent grant will be carried forward at year end.
  - Fees & Charges, Car Parking & Planning** – A total favourable variance of £0.972m due to increase in car parking income, planning fee income and unbudgeted income from waste contract penalties which is to be transferred to a reserve.
  - Employees Cost** - Overspend of £0.472m resulting from vacancies being filled by agency and interim staff, work on specific projects and additional work on, Elections and Homelessness prevention funded from grant income.
  - Premises Cost** – Unfavourable variance of £0.146m 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, water and visitor centre running costs.
  - Supplies & Services** – Adverse variance of £0.536m due to additional spends on Housing Benefit processing, Election expenses, Housing prevention work, dangerous structures and additional cost on car parks vandalism. This is offset by favourable variance on Insurance premium.
  - 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

9. As at period 9 the forecast position for achieving savings and additional income is £1.012m against the total approved savings and income of £1.282m. The unfavourable position of £0.270m is mainly resulting from delays in generating income from investment properties. Please see Appendix B for further details.

## Repairs & Renewals

10. The forecast expenditure on the repairs of the Council property assets is £0.810m compared to the budget of £0.863m. The main reasons for favourable variance is 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

11. The programme is forecasting to spend £17.177m against the total budget of £21.031m resulting in a variance of £3.858m (£2.665m+£1.193m) as detailed in the table below:-

PORTFOLIO	Overall Project Position at 22 December 2017				In Year Position				
	Total Project Budget	Total Project Spend	Scheme Projected Outturn	Variance	Total in year Budget	Actual to period 9	In year Forecast	Carryover	Variance (Favourable)/Unfavourable
	£m	£m	£m	£m	£m	£m	£m	£m	£m
Community	4.996	0.357	4.996	0.000	0.154	0.088	0.148	0.000	(0.006)
Economic Development & Regeneration	33.593	16.442	32.413	(1.180)	11.606	1.532	9.657	(0.901)	(1.049)
Planning & Sustainability	7.417	2.149	7.447	0.030	3.720	0.967	3.121	(0.475)	(0.125)
Housing	7.888	4.305	7.888	0.000	2.269	1.958	2.095	(0.175)	0.000
Leader	0.560	0.072	0.560	0.000	0.032	0.005	0.029	(0.003)	0.000
HR, ICT & Customer Services	1.983	1.558	1.983	0.000	0.912	0.743	0.912	0.000	0.000
External Bodies - S106 and CIL	5.106	1.268	5.106	0.000	2.338	0.780	1.215	(1.111)	(0.013)
<b>Total</b>	<b>61.543</b>	<b>26.151</b>	<b>60.393</b>	<b>(1.150)</b>	<b>21.031</b>	<b>6.073</b>	<b>17.177</b>	<b>(2.665)</b>	<b>(1.193)</b>

12. The variance includes an under spend of £1.193m resulting mainly from the Globe Park Car Park not going ahead as is instead being provided by the Marlow Club.

Other developments and funds such as Handy X Phase 5 has slipped against the programme and 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.

13. 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

14. 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