

## BUDGET MONITORING REPORT FOR PERIOD 2 ENDING 31 MAY 2018

**Cabinet Member:** Councillor David Watson

**Wards Affected:** All

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### PROPOSED DECISION

That:

- (i) Cabinet consider the forecast outturn position for the financial year 2018/19 as at end of May 2018;
- (ii) a virement of £175k between contingency and capital financing charges to correct the baseline budget be approved; and
- (iii) the revised capital programme for 2018/19 as set out in paragraph 15 table 1 and virements as detailed in paragraph 17 be approved.

### Reason for Decision

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 2018/19 forecast position as at period 2.

### Corporate Implications

1. The financial implications are set out in the report.
2. 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.
3. The main budgetary risks to the Council have been reviewed as part of this report.

### Executive Summary

4. This report sets out the Council's financial position as at Period 2 2018/19 (31 May 2018). The cabinet report reflects what has been reported to Senior Management Board.
5. As at period 2, the revenue position is forecasting an adverse variance of £106k as detailed in table under paragraph 8. The Council is determined to stay within budget, therefore the officers will ensure action plans are in place to address adverse variances or find compensating savings to mitigate the forecast variance.
6. At this early stage in the year the capital is forecasting a nil variance against the adjusted profiled budgets as detailed in the table under paragraph 15.
7. The forecast financial position is summarised in the main body of the report supported by further details in following appendices:
  - a. The progress in achieving the 2018/19 Efficiency Plan savings Appendix A; and
  - b. The Capital Programme Appendix B (Part II)

## General Fund Revenue position

8. The net revenue forecast position at Period 2 (31 May 2018) is showing an unfavourable variance of £106k as summarised in the table below.

NET COST OF SERVICES	YTD Budget £000	YTD Actuals £000	Sum of YTD Variance	FY Budget £000	FY Outturn £000	Variance £000
Leader	447	504	57	2,629	2,643	14
Economic Development	-707	-707	0	-4,240	-4,232	8
Community	500	433	-67	2,998	3,012	14
Environment	1,086	1,086	0	6,514	6,564	50
Planning & Sustainability	572	572	0	3,433	3,438	5
HR, ICT & Shared Support Services	105	105	0	630	645	15
Finance	405	405	0	2,253	2,253	0
Housing	428	428	0	2,560	2,560	0
Young People	13	0	-13	78	78	0
<b>Totals</b>	<b>2,849</b>	<b>2,826</b>	<b>-23</b>	<b>16,855</b>	<b>16,961</b>	<b>106</b>
Interest Receipt	0	0	0	-539	-539	0
Capital Financing Charges	0	0	0	-2,018	-2,018	0
To/from Earmarked Reserves	0	0	0	-587	-587	0
Revenue Contribution to Capital	0	0	0	685	685	0
Payment to Parishes	0	0	0	94	94	0
<b>Budget Requirement</b>	<b>2,849</b>	<b>2,826</b>	<b>-23</b>	<b>14,490</b>	<b>14,596</b>	<b>106</b>

9. There are various minor adverse variances across all the services except environment services which is forecasting an unfavourable variance of £50k resulting from car park standard charges for which the activity has dropped for the first two months and therefore are predicted to be under achieved.
10. In addition to the above, the capital financing budget was forecasting an adverse variance of £175k resulting from a review of accounting and funding costs for Higginson Park Trust. To eliminate this variance a virement of £175k has been made between the contingency fund and capital financing charges.
11. As we are only two months into the financial year, it is assumed the remaining contingency budget of £365k will be required to cover risks such as homelessness and some of the income streams which are volatile to economic conditions. If the contingency is not required then the forecast position would be a favourable variance of £259k.

## Efficiency Plan Savings

12. A five year efficiency plan was considered by Cabinet on 11<sup>th</sup> July 2016 and approved by the Council on 18<sup>th</sup> July 2016 as part of the condition for the four year Local Government Finance Settlement. This plan was updated and reported to Cabinet in March 2017. The forecast position as at period 2 for achieving savings against the updated plan is attached at Appendix A. Targeted Savings were £535k and actual savings are £667k. The favourable position of £132k is mainly due to the rental income.

## Repairs & Renewals Programme

13. The current budget status is on target at this time in the financial year. The annual budget of £525k is predicted to be fully committed by the year end. Due to the nature of the programme which involves risks and delays, the projects will be monitored monthly with any surplus funds identified and re-allocated as and when the need arises to maximise commitment & expenditure within the financial year.

14. A condition survey contract is currently out to tender and completion of the surveys are expected in Sept/Oct 2018. This will aid in compiling the future medium term programme for repairs and renewals.

## Capital Programme

15. The revised Capital Programme is set out in **Table 1** below, which has been reviewed by officers in detail and has been adjusted to reflect final slippage from 2017/18, budget reprofiling where better knowledge of scheme progress is now available, a number of proposed virements (set out in **Table 2** below), approved additions and changes since the February Plan was published, and some corrections resulting from robust scrutiny of the opening budget including ICT revenue items had been included in error, the Broadband scheme which had been omitted, and prior year underspend for a CIL scheme that had not been fully taken into account.

**Table 1**

**Capital Plan Summary  
2018/19 - 2022/23**

Area	Original Budget 2018/19	Adjts to Orig Budget	PY Slippage	In-Year Additions	PY Adv Funding	2018/19 Virements	2018/19 Adjts Sub Total	2018/19 Reprofiting	Revised Budget 2018 / 2019	Draft Prog 2019 / 2020	Draft Prog 2020/2021	Draft Prog 2021/2022	Draft Prog 2022/2023	Total Budget 2018/19 - 2023/24
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
Community	2,111	(2)	19				17	(755)	1,373	2,767	145	145	145	4,575
Economic Development & Regeneration	17,856	587	3,949		(110)		4,426	696	22,978	8,979	2,000	2,000	2,000	37,957
HR, ICT & Customer Services	1,148	(334)					(334)	(19)	795	919	210	100	225	2,249
Leader	463								463	400				863
Housing	5,038	(18)	9				(9)	(1,673)	3,356	4,240	4,165	800	800	13,361
Planning & Sustainability	153								153	15,000	15,000	15,000		45,153
CIL, S106, HIF, LGF & other external funding	18,589	677	464	514	(3)		1,652	(8,158)	12,083	10,619	14,234	11,015	3,190	51,141
Capitalised Staff Costs				308			308		308	308	308	308	308	1,540
<b>Grand Total</b>	<b>45,358</b>	<b>910</b>	<b>4,441</b>	<b>822</b>	<b>(113)</b>	<b>-</b>	<b>6,060</b>	<b>(9,909)</b>	<b>41,509</b>	<b>43,232</b>	<b>36,062</b>	<b>29,368</b>	<b>6,668</b>	<b>156,839</b>

Plan Published in February Cabinet	45,358									37,812	31,353	29,458	6,758	150,739
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Overall Change in Budget from February Plan 5,420 4,709 (90) (90) 6,100

**Comprising:**

2018/19 Changes: Slippage c/f, reprofiling and other adjts	6,060
(Please refer to Appendices CAP1 and CAP2 for detailed movements by area and scheme)	
2019/20 Correction of Broadband (added)	400
Removal of £398k per annum IT 2019/20+ (revenue)	(1,592)
Addition of £308k 2019/20+ for capitalised staff costs	1,232
	<b>6,100</b>

Note: Virements will net to nil if within the same Area

16. Project Leads are currently forecasting the 2018/19 outturn to the revised plan and this will be reviewed, updated and reported to Cabinet quarterly.

17. The following virements are proposed for approval

**Table 2 Virements**

Cost Centre	Description	Reason	Amount
			£'000
From EDBB03	Wycombe Workspace Developments	Move remaining feasibility budget to Main Scheme	(20)
To EDBC52	Bellfield - Hqube Phase 1 and 2		20
From EDFA01	Westbourne Street Link Road	Move forecast underspend on Link Rd to HWTC Master plan to meet full cost of Plan	(100)
To EDBC40	HWTC Masterplan - Alternative Route		100
From EDFA21	Marlow Decluttering	Aggregate Budget and close down Marlow decluttering scheme	(18)
To EDFA20	Spittal Street, Marlow		18
From EDFA26	Hughenden Qtr Feasibility -Green Infrastructure	Move forecast underspend on Hughenden Qtr Green Infrastructure to Tree Planting General (currently £nil budget)	(10)
To EDFA34	Tree Planting - General		10

18. The detailed revised programme is set out in **Appendix B CAP 1** by scheme.

## **Sustainable Community Strategy / Council Priorities - Implications**

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

### **Background Papers**

Revenue Budget and Council Tax setting 2018-19 to February 2018 Cabinet and

Capital Programme to February 2018 Cabinet