



WYCOMBE
DISTRICT COUNCIL

Report For:	Cabinet
Date of Meeting:	Cabinet 16 September 2019
Part:	Part 1 - Open

SUMMARY	
Title of Report:	BUDGET MONITORING REPORT FOR QUARTER 1, ENDING 30 JUNE 2019
Cabinet Member: Officer Contact: Direct Dial: Email:	Councillor David Watson David Skinner 01494 421322 David.Skinner@wycombe.gov.uk
Wards affected:	All
Reason for the Decision:	The Cabinet approves a budget each year within the context of a Medium Term Financial Strategy (MTFS) to achieve the Council's priorities. This report updates Cabinet members on the 2019/20 forecast position for Quarter 1, including relevant information from July 2019.
Proposed Decision:	That: (i) Cabinet consider the forecast outturn position for the financial year 2019/20 as at end of June 2019; and (ii) Approve the virements for 2019/20 as set out in paragraph 2.4 Table 2.
Sustainable Community Strategy/Council Priorities - Implications	Risk: Contained within the main body of the report. Equalities: N/A Health & Safety: N/A
Monitoring Officer/ S.151 Officer Comments	Monitoring Officer: The Local Government Act 2003, section 25 requires the council's Section 151 officer to report to the council on the robustness of the estimates made and the adequacy of the proposed financial reserves assumed in the budget calculations. S.151 Officer: This is a Section 151 Officer report and all the financial implications are included in the report.
Consultees:	N/A
Options:	N/A
Next Steps:	N/A

Background Papers:	Revenue Budget and Council Tax setting 2019-20 to February 2019 Cabinet
Abbreviations:	HMO: House in Multiple Occupation MLG: Modernising Local Government QVR: Queen Victoria Road SLA: Service Level Agreement CIL: Community Infrastructure Levy

1. Executive Summary

- 1.1. This report sets out the Council's Revenue projection for the year based on the position at 30 June 2019, updated for key changes in July 2019. The report reflects what was reported to Senior Management Board.
- 1.2. The forecast is for a balanced budget, as detailed in Table 1 below.

2. General Fund Revenue position

- 2.1. The net revenue forecast position shows a balanced budget as summarised in Table 1 below.

Table 1 Revenue Projection by Portfolio 2019/20

Portfolio	Actuals Year to Date £k	Budget Year to Date £k	Variance Year to Date £k	Forecast Outturn 2019/20 £k	Revised Budget Full Year £k	Variance £k
Community	606	591	15	1,737	1,773	(36)
Environment	1,597	1,562	35	5,322	4,687	635
Economic Development & Regen	(1,621)	(1,392)	(229)	(4,108)	(4,177)	70
Planning and Sustainability	309	421	(112)	1,310	1,262	48
Digital Development and Customer Services	1,703	1,780	(77)	5,383	5,340	42
Housing	663	743	(80)	1,933	2,229	(296)
Strategy and Communications	1,154	1,511	(358)	4,512	4,534	(22)
Young People	5	26	(21)	78	78	-
Finance and Resources	(1,743)	2,001	(3,744)	5,661	6,003	(342)
NET COST OF SERVICES	2,672	7,243	(4,570)	21,828	21,728	100
Corporate items						
Interest receipt				(1,028)	(928)	(100)
Capital financing charges				(2,017)	(2,017)	-
Movement to/from Earmarked reserves				(2,482)	(2,482)	-
Revenue Contribution to Capital Outlay				660	660	-
Budget Requirement				16,961	16,961	(0)

2.2. Significant variances are summarised by Portfolio below:-

- **Community** – Underspend of £36k. £82k net underspend on staffing mainly relating to 'Prevent' activity, now transferred to BCC. £40k pressure on Community Centre rents; emerging underspend on general maintenance planned to mitigate impact of extension to Maintenance contract.
- **Environment** - Pressure of £635k. In Parking, estimated increased income of £900k against 2018/19 budget of £2826k currently resulting in £353k pressure on income if Q1 trend continues. This is due to lower usage and season ticket activity; £281k net pressure on planned savings and operational issues; and £94k pressure on business rates. There are ongoing discussions with Unitary working groups in relation to the equipment replacement capital programme which could affect the net pressure on planned savings. In the Environment Service £68k underspend on staffing, £35k on Street Wardens, funded from earmarked reserve.
- **Economic Development and Regeneration** – Pressure of £70k. £68k rental income pressure from a tenant in administration and a lease commencement delay.
- **Planning** – Pressure of £48k. £22k on staffing budgets from permanent recruitment of apprentices. £24k net unachievable income across service.
- **Digital Development & Customer Services** – Pressure of £42k. £57k overspend on ICT licences. £12k saving on HR occupational development.
- **Housing** – Underspend of £296k. £201k net underspend on Bed and Breakfast from Homelessness Prevention activity placing households in private accommodation. The government have not yet confirmed whether Homelessness Prevention Grant will continue into 2020/21. So £134k of that Grant is to be carried forward to continue the current level of service delivery and associated Bed and Breakfast savings up to August 2020. Pressure on rent deposits £35k.
- **Strategy and Communications** – £22k underspend. £227k grant for EU election and IER, partly offset by £205k additional staffing and supplier costs.
- **Young People** – Nil variance and no risks to report at this stage.
- **Finance** – £342k underspend. £206k pressure on agency staff; £190k underspends in HB payments and bad debt provision. Underspend of £311k on contingency budget.

2.3 Significant Budget Risk areas

2019/20 Year	£k	Budget	Forecast	Variance
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ENVIRONMENT: Parking Income	(3,920)	(3,567)	353
£900k increase in income budget for tariff increases			
Volumes for Quarter 1 are down by average of 2.95% compared to 2018/19. Some of this pressure is mitigated by the tariff increases. The position will be monitored closely in the coming months.			

ENVIRONMENT: Parking Operations	1,784	2,034	250
£250k operating savings from new car park equipment			
Delays have impacted deliverability of the related £250k savings target, as a result of Unitary considerations. Implementation will not be complete until Jan 2020 at the earliest which means that realised savings will be negligible this financial year.			

PLANNING - Income (excludes grants)	(3,103)	(3,079)	24
£450k additional income from 'Fit For' programme			
There is a pressure in Building Control income of £31k relating to current market conditions, mitigated by smaller variances elsewhere.			

PORTFOLIO - Rental Income	(6,838)	(6,770)	68
Property rents: – A £68k pressure is reported, due to a tenant in administration and a delayed lease commencement.			

- Un-budgeted risks
None at present.
- Opportunities
None at present.

2.4 Virements

2.4.1 The following virements are proposed for approval; key reasons are included in Table 2 below:

Table 2 - Virement Summary

Portfolio	Description of key movements	Total Net Cost of Services
Community	Service disaggregation	-276
Community	Transfer future years street warden funding to Reserves	-315
Digital Development and Customer Services	Restructure	-67
Economic Development and Regeneration	Service disaggregation	365
Environment	Funds to address traveller incursions, from Contingency	100
Finance		8
Strategy and Comms	Project funding	35
Total Net Cost of Services		-150
Net transfer to Earmarked Reserve		150
Grand Total		0

3. Repairs & Renewals Programme

3.1. The total allocated budget for the programme is £633k. The forecast spend for the year is £659k. The £26k net pressure relates to the Rockery Gardens Wall repair project which has increased by £38k to match tenders received, partially offset by minor savings across other repairs projects. Due to the nature of the projects, which involve risks and delays, any unspent commitments will be considered for carry forwards at year end.