



WYCOMBE
DISTRICT COUNCIL

Report For:	Cabinet
Date of Meeting:	Cabinet 11 November 2019
Part:	Part 1 - Open Report with Part 2 Appendices
If Part 2, reason:	Para 3 - Information about the financial or business affairs of any particular person (including the authority holding that information).

SUMMARY

Title of Report:	REVENUE AND CAPITAL BUDGET MONITORING REPORT FOR PERIOD 6 / QUARTER 2 ENDING 30 SEPTEMBER 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 2.
Proposed Decision:	That Cabinet consider the forecast outturn position for the financial year 2019/20 as at end of September 2019.
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:	1. Revenue Budget and Council Tax setting 2019-20 to February 2019 Cabinet

	<ol style="list-style-type: none">2. Capital Plan approved Cabinet February 20193. Capital Refresh Cabinet September 2019
Abbreviations:	BCC: Buckinghamshire County Council

Appendices to this report are as follows:

Revenue:

Appendix 1 – Savings Tracker

Capital:

Appendix C1 - Scheme Forecast detail (Part 2)

Appendix C2 - Major Projects Extract (Part 2)

Appendix C3 - Capital Receipts (Part 2)

1. Executive Summary

1.1. This report sets out the Council's Revenue projection for the year based on the position at 30 September 2019. The report reflects what was reported to Senior Management Board.

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	Budget Year to Date	Variance Year to Date	Forecast Outturn 2019/20	Budget Full Year	Variance
	£k	£k	£k	£k	£k	£k
Community	764	887	(123)	1,676	1,773	(97)
Environment	2,633	2,343	289	5,322	4,687	635
Economic Development & Regen	(2,809)	(2,089)	(721)	(4,109)	(4,177)	68
Planning	702	631	71	1,427	1,262	165
Digital Development and Customer Servs.	2,421	2,670	(249)	5,325	5,340	(15)
Housing	877	1,114	(238)	1,952	2,229	(277)
Strategy and Communications	1,785	2,267	(482)	4,447	4,534	(86)
Young People	5	39	(34)	78	78	-
Finance	(1,621)	3,001	(4,622)	5,610	6,003	(393)
TOTAL NET COST OF SERVICES	4,756	10,864	(6,108)	21,728	21,728	(0)
Corporate items						
Interest receipt				(928)	(928)	-
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)

Significant variances are summarised below:-

- **Community** – Underspend of £97k. Vacancy savings of £42k; £100k underspend on grounds maintenance; £40k pressure on Community Centre rents. £125k loss on Leisure Centre income from refurbishment scheme, and £69k surplus on Crematorium income.
- **Environment** - Overspend of £635k. In Parking, £407k pressure on income, from lower usage and season ticket activity; £239k net pressure against £250k operating savings; and £94k pressure on business rates. Vacancy savings of £67k on Street wardens, Regulatory services and Emergency planning.
- **Economic Development and Regeneration** – Overspend of £68k. £67k staffing pressures in Property Development.
- **Planning and Sustainability** – Overspend of £165k. £140k pressure on planning application income, £161k staffing pressure, £100k reduced feasibility study expenditure.
- **Digital Development & Customer Services** – Underspend of £15k. £115k staffing pressure from agency spend offset by £100k underspend on consultants budget in Supplies

& services. £45k pressure on licences, and £48k savings on Capita contract. £42k net vacancy, training and miscellaneous savings in HR and Processing.

- **Housing** – Underspend of £277k. £173k net underspend on Bed and Breakfast from Homelessness Prevention activity placing households in private accommodation. £325k staffing pressure in Homelessness Prevention, offset by £284k new Rough Sleeper grant funding. £43k pressure on HMO licenses and £33k on WDC licensed properties.
- **Strategy and Communications** – £86k underspend. £227k grant for EU election and IER, with associated £205k additional staffing and supplier costs. £161k vacancy savings, including Chief Executive, £50k shortfall on land charges income
- **Young People** – Nil variance and no risks to report.
- **Finance** – £393k underspend. Net £294k pressure on staffing due to agency staff offset by £151k underspend in Housing Benefit bad debt provision and £514k on contingency budget.

3. Savings and New Income Tracker – Appendix 1

The 2019/20 budget has a savings target of £853k and new income target of £2,444k. This in total represents 15.7% of the net cost of service budget. Overall, most of the savings and income are on track to achieve budgeted target, except for Parking operations where both the savings and new income targets are facing challenges as summarised below:-

- Service review in Parking Operations - £250k Pressure – Delayed implementation of new Parking system
- New income from increase parking tariffs - £400k pressure from reduced activity

The above pressures are contained within the overall monitoring position.

Pressure on Planning income reported above does not relate to the 'Fit for Competition' target of £450k included in the Tracker; indications are that this is on target.

4. Council Revenue Summary – by Subjective

Subjective Summary						
	Actuals Year to Date	Budget Year to Date	Variance Year to Date	Forecast Outturn 2019/20	Budget Full Year	Variance
	£k	£k	£k	£k	£k	£k
TOTAL Income						
Fees & Charges	(2,131)	(3,128)	997	(6,193)	(6,255)	62
Rental Income	(3,951)	(3,704)	(247)	(7,363)	(7,408)	46
Car Parking Income	(1,618)	(1,960)	342	(3,513)	(3,920)	407
Planning Income	(1,081)	(898)	(183)	(1,655)	(1,796)	140
Government Grants	(20,676)	(22,316)	1,640	(38,316)	(44,633)	6,317
Income Total	(29,457)	(32,006)	2,549	(57,040)	(64,012)	6,973
TOTAL Expenditure						
Employee Costs	7,604	7,082	522	15,108	14,163	945
Premises Related Expenses	1,877	2,083	(206)	4,235	4,167	68
Supplies and Services	7,250	10,872	(3,622)	20,722	21,744	(1,022)
HB Payments	17,385	21,467	(4,082)	35,971	42,934	(6,964)
Capital Financing	97	1,366	(1,269)	2,732	2,732	(1)
Expenditure Total	34,213	42,870	(8,657)	78,767	85,740	(6,973)
TOTAL	4,756	10,864	(6,108)	21,728	21,728	(0)
Corporate items						
Interest receipt				(928)	(928)	-
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)

Significant variances are summarised below:-

Car parking income – Pressure £407k. From lower usage and season ticket activity.

Planning income – Pressure £140k. From reduced projections of planning applications for the year.

Government grants (in Income) & HB Payments (in Expenditure) – These variances offset to a large extent; they relate to payments to HB claimants and significant variance is due to claimants transferring to Universal Credits.

Employees – Pressure £945k. Key overspends in Planning (161k), Economic Development & Regen (£197k), Housing (£325k) and Finance (£294k). The main reasons for variance are agency staff used to fill permanent vacancies and also for project work.

Supplies and Services – Underspend £1,022k. Key underspends in Planning (134k), Digital Development & Customer services (£128k), Housing (£534k) and Finance (£565k). Details are given in the variance narratives in the Portfolio Summary schedule above.

5. Repairs & Renewals Programme

The total allocated budget for the programme is £733k, including £100k supplementary budget for car park resurfacing. The forecast spend for the year is £562k. The saving of £171k derives from two delayed projects costing £198k offset by a £55k temporary housing refurbishment. Due to the nature of these projects, subject to risks and delays, any unspent commitments will be considered for carry forward at year end.

Capital position

6. Background

In February 2019 Council agreed a Capital programme for 2019/20 of £51.8m and an overall programme from 2019/20 to 2023/24 of £112.7m (£134.293m including 2018/19). Table 1 below shows the original profile, the revised profile following the 2018/19 outturn and subsequent carry forwards, and the current position which incorporates bringing forward funding of £0.979m, reprofiling of £34.996m from 2019/20 to later years based on current assessments, and the virements agreed at the September 2019 Cabinet.

The forecast estimates are provided by the scheme project managers. Responsibility for the accuracy of the forecast ultimately sits with the scheme budget holder who will also report to the relevant Programme Board.

The 2019/20 forecast outturn of £28.059m (see section 3) still contains a significant degree of uncertainty.

Table 1 Capital Outturn 2019/20 and overall Capital Plan

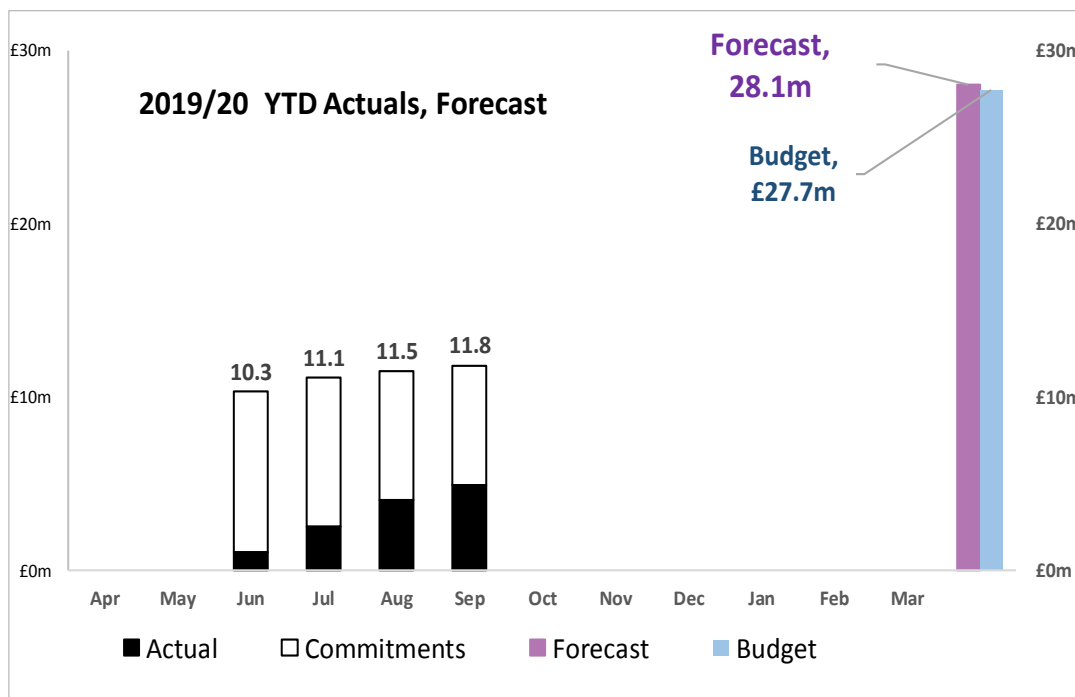
Portfolio	Original 19/20 Budget Feb 2019 Cabinet	Revised Programme 2019/2020	2019/2020 Outturn	2019/2020 Outturn Var	Total Cap Plan Outturn	Total Cap Plan Outturn Var
	£m	£m	£m	£m	£m	£m
Community	3.825	4.217	4.376	0.159	8.199	0.235
Environment	2.130	2.130	2.130	-	8.344	-
Housing	7.300	4.898	5.356	0.458	15.362	-
Econ. Devt and Regen.	25.245	8.850	8.761	(0.089)	37.999	(0.167)
Planning	11.266	5.919	5.740	(0.179)	54.696	-
Finance and Resources	0.308	0.308	0.308	-	1.232	-
Digital Devt. & Cust. Services	1.671	1.388	1.388	-	1.923	-
Grand Total	51.745	27.710	28.059	0.349	127.755	0.068

Funding:			
Borrowing		-	-
Grants & Contributions	(24.511)	(9.653)	(9.337)
Capital Receipts	(15.748)	(4.627)	(5.291)
Revenue Financing	(11.486)	(13.430)	(13.430)
Total	(51.745)	(27.710)	(28.058)
			(127.755)

Please refer to **Appendix C1** for the detailed outturn by scheme and **Appendix C2** for a detailed overview of the Major Projects.

Please note that the reduction in the 2019/20 budget to £27.710m is largely due to the reprofiling adjustments as set out in the September 2019 Cabinet.

The graph below gives an overview of the year to date spend profile. The £11.8m YTD figure comprises actual spend of £4.9m and open commitments of £6.9m.



Given this leaves a further £16.3m to procure and spend in the next 6 months in order to realise the forecast project managers are being asked to ensure their forecasts are realistic and backed up by procurement and project plans.

Key Variances (relative to total project budget)

Please refer to Appendix C1 and C2 for the detailed variances by scheme.

In terms of the Capital Plan running through to 2022/23 the greatest degree of uncertainty relates to the Princes Risborough Relief Rd scheme. A further separate report outlining the latest cost estimates, overall feasibility, key risks and next steps for this scheme is being presented to November Cabinet.

7. Impact of Programme on MTFS

The delivery of some capital schemes are linked to savings and income generation in the Medium Term Financial Plan. In particular, there are two major schemes in development which, once the projects are complete, are expected to generate an additional rental income of £1.3m, and which are not yet factored into the MTFS.

At this stage there are no material overall variances from the expected benefits realisation profile and this is kept under close and regular review.

8. Capital Receipts and Funding

The expected Capital receipts over the 4 period to 2022/23 are detailed in Appendix C3.

The profile has been reviewed and adjusted to reflect latest expectations of the value and timing of receipts. In 2019/20 receipts of £10.5m are currently expected. Although this is a reduction of £3.6m compared to the original plan, the majority of this comprises a reprofiling on one scheme to 2020/21 and an increase in the expected receipts for the remaining schemes.