

## **BUDGET MONITORING REPORT TO QUARTER ENDING 30 JUNE 2017**

**Cabinet Member:** Councillor David Watson

**Wards Affected:** All

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### **PROPOSED DECISION**

1. That Cabinet consider the forecast outturn position for the financial year 2017/18 as at end of June 2017.

### **Reason for Decision**

2. 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 1.

### **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**

3. This report sets out the Council's financial position as at Period 3 2017/18 (30 June 2017). The cabinet report reflects what has been reported to Senior Management Board and incorporates the new format of subjective reporting.
4. 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 £0.685m as at 30 June 2017 (Appendix A);
  - b. The progress in achieving the 2017/18 Efficiency Plan savings (Appendix B);
  - c. Update on Major Projects Programme reporting a forecast slippage of £5.824m and an overspend of £0.124m (Appendix C); and
  - d. Update on Repairs and Renewals Fund (Appendix D).

## General Fund Revenue position

5. The net revenue forecast position at Period 3 (30 June 2017) is showing a favourable variance of £0.685m as summarised in the table below.

	YTD Actuals	FY Budget	FY Outturn	Variance
	£m	£m	£m	£m
<b>Net Cost of Services</b>				
<b>Income</b>				
Fees and Charges	(0.667)	(5.154)	(5.227)	(0.073)
Grant	(8.472)	(47.216)	(47.965)	(0.749)
Planning	(0.539)	(1.745)	(1.745)	0.000
Rents	(2.345)	(6.355)	(6.355)	0.000
Car Parking	(0.823)	(2.949)	(3.171)	(0.222)
<b>Income Total</b>	<b>(12.846)</b>	<b>(63.419)</b>	<b>(64.463)</b>	<b>(1.045)</b>
<b>Expenditure</b>				
<b>Controllable</b>				
Employees	3.355	13.225	13.410	0.184
Housing Benefit	10.236	45.688	45.688	0.000
Premises Related Expenses	1.036	3.214	3.289	0.075
Supplies and Services	3.330	9.178	9.275	0.097
Waste Contract	(0.076)	5.540	5.540	0.000
<b>Controllable Total</b>	<b>17.880</b>	<b>76.845</b>	<b>77.202</b>	<b>0.357</b>
<b>Uncontrollable</b>				
Depreciation	0.000	2.923	2.923	0.000
Internal Recharges	0.013	10.996	10.999	0.003
Internal Recharges Income	0.000	(9.308)	(9.308)	0.000
<b>Uncontrollable Total</b>	<b>0.014</b>	<b>4.610</b>	<b>4.613</b>	<b>0.003</b>
<b>Expenditure Total</b>	<b>17.894</b>	<b>81.455</b>	<b>81.815</b>	<b>0.360</b>
<b>Net Total</b>	<b>5.048</b>	<b>18.036</b>	<b>17.351</b>	<b>(0.685)</b>

6. The main reasons for variances are detailed below and Appendix 1 provides further analysis by cabinet portfolio.
- Grant Income** - Additional grant income of £0.749m in respect of Housing Benefit, Homelessness and Elections. This income will be used for specific purposes and some of this funding has already been used resulting into adverse variances on the expenditure. Any unspent grant will be carried forward at year end.
  - Car Parking Income** – Favourable variance of £0.222m is mainly due to forecast increase in income from daily parking, season tickets, enforcement and additional revenue from Car Parks which remained open past the assumed closure date.
  - Employees Cost** - Overspend of £0.184m resulting from vacancies being filled by agency staff and additional work on Housing Benefits, Elections and Homelessness prevention funded from additional grant income.

- d. **Premises Related Expenses** – The overspend of £0.075m in the main relates to rental expenditure resulting from General and County elections.
- e. **Supplies and Services** - Adverse net variance of £0.97m is resulting mainly from increase in housing benefit processing costs of £0.127m, homelessness prevention expenditure of £0.114m, £0.069m due to new burdens grant funding and £0.062m on dangerous structure. This is offset by favourable variance on Insurance Premium of £0.060m and £0.230m on Bed & Breakfast (B&B) resulting from reduction in demand, prevention work and shorter turnaround time of transfer to Temporary Accommodation.

### **Efficiency Plan Savings**

- 7. As at period 3 the forecast position for achieving savings and additional income is £0.967m against the total approved savings and income of £1.282. The unfavourable position of £0.315 is mainly resulting from the programme slippage to 2018/19 in respect of CCTV, Tourist information service and Museum. There have also been some delays in generating income from investment properties.

### **Major Projects Programme**

- 8. The programme is forecasting to spend £16.462m against the total budget of £22.162m resulting in a variance of £5.7m. Most the variance is in respect of slippage of £5.824m resulting mainly from Facilities for young people, Totteridge recreation grounds, Globe car park, Collins House and Frogmoor. Most of these projects are under review or on hold. There is a minor overspend of £0.124m.

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

- 9. 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