



## Finance & Resources Select Committee agenda

Date: Thursday 26 November 2020

Time: 2.00 pm

Venue: Virtual meeting via MS Teams

### Membership:

R Bagge (Chairman), J Jordan (Vice-Chairman), D Anthony, M Appleyard, M Bateman, T Butcher, S Chhokar, A Christensen, R Gaffney, G Harris, H Mordue, D Shakespeare OBE, M Smith, M Stannard and C Whitehead

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Agenda Item	Time	Page No
<b>1 Apologies for absence / Changes in membership</b>	<b>14:00</b>	
<b>2 Declarations of Interest</b>		
<b>3 Minutes</b> The minutes of the meeting held on 1 October 2020 to be confirmed as a correct record.		<b>5 - 10</b>

- 4 Public Questions**  
No public questions have been received.
- 5 Chairman's update**
- 6 Property Assets Update** **14:10** **11 - 36**  
The Committee will receive an update on the property and assets portfolio following unitary transition.
- Contributors:**  
John Chilver, Cabinet Member for Property and Assets  
Ian Thompson, Corporate Director for Planning, Growth and Sustainability  
John Reed, Service Director for Property and Assets
- Papers:**  
Property Assets Update report  
Property Assets Presentation
- 7 Section 106 (S106) and Community Infrastructure Levy (CIL) update** **14:55** **37 - 48**  
The Committee will receive an update on S106 and CIL funds held by the Council.
- Contributors:**  
Katrina Wood, Deputy Leader and Cabinet Member for Resources  
Ian Thompson, Corporate Director for Planning, Growth and Sustainability  
Richard Ambrose, Service Director for Corporate Finance and s.151 Officer
- Papers:**  
Section 106 and CIL report  
Detailed summary with notes
- 8 Q2 Budget Monitoring Report** **15:15** **49 - 68**  
The Quarter 2 Budget Monitoring Report as presented to Cabinet at its meeting on 10 November is attached for the Committee to consider.
- Contributors:**  
Katrina Wood, Deputy Leader and Cabinet Member for Resources  
Richard Ambrose, Service Director for Corporate Finance (Section 151 Officer)

**Paper:**

Q2 Budget Monitoring Report

- |          |   |              |                |
|----------|---|--------------|----------------|
| <b>9</b> | <b>Budget Scrutiny Inquiry Group Scoping Paper</b><br>The Committee will discuss the budget scrutiny inquiry group proposals. | <b>15:35</b> | <b>69 - 72</b> |
|----------|---|--------------|----------------|

**Contributors:**

All Committee Members

**Papers:**

Budget Scrutiny Inquiry Group scoping paper attached

- |           |  |              |                |
|-----------|--|--------------|----------------|
| <b>10</b> | <b>Work Programme</b><br>The Committee will discuss the work programme and agree the items for the next meeting. | <b>15:45</b> | <b>73 - 74</b> |
|-----------|--|--------------|----------------|

**Contributors:**

All Committee Members

**Papers:**

Work Programme attached

- |           |  |              |
|-----------|--|--------------|
| <b>11</b> | <b>Date and time of the next meeting</b><br>The next meeting will take place on Thursday 28 <sup>th</sup> January 2020 at 2 p.m. | <b>15:55</b> |
|-----------|--|--------------|

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| <b>12</b> | <b>Exclusion of the public - Property Assets Update (if required)</b><br>To resolve that under Section 100(A)(4) of the Local Government Act 1972 the public be excluded from the meeting on the grounds that discussion will involve the likely disclosure of exempt information as defined in Part I of Schedule 12A of the Act. |
|-----------|--|

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Agenda Item 3  
**Buckinghamshire Council**  
**Finance & Resources Select**  
**Committee**

## Minutes

**MINUTES OF THE MEETING OF THE FINANCE & RESOURCES SELECT COMMITTEE HELD ON THURSDAY 1 OCTOBER 2020 VIA VIDEO CONFERENCE, COMMENCING AT 2.00 PM AND CONCLUDING AT 3.32 PM**

### **MEMBERS PRESENT**

R Bagge (Chairman), D Anthony, M Appleyard, M Bateman, T Butcher, S Chhokar, A Christensen, G Harris, H Mordue, D Shakespeare OBE, M Smith, M Stannard and C Whitehead

### **OTHERS IN ATTENDANCE**

J Chilver, M Tett and K Wood

### **Agenda Item**

#### **1 APOLOGIES FOR ABSENCE/CHANGES IN MEMBERSHIP**

Apologies had been received from Mrs Jilly Jordan. The Chairman welcomed Mr Mike Appleyard as a new member of the committee, replacing Mr Brian Roberts.

#### **2 DECLARATIONS OF INTEREST**

There were no declarations of interest.

#### **3 MINUTES**

The minutes of the meeting held on 25 June 2020 were agreed as an accurate record.

#### **4 PUBLIC QUESTIONS**

No public questions had been received.

#### **5 CHAIRMAN'S UPDATE**

The Chairman explained to the Committee that initial discussions had taken place with officers in preparation for the budget scrutiny inquiry taking place in January. A budget briefing would be arranged with members in November/December and a scoping document would be presented to this committee for agreement at its next meeting.

## 6 RETURN OF STAFF TO THE OFFICE ENVIRONMENT AND UPDATE ON FUTURE WAYS OF WORKING

Ms Katrina Wood, Deputy Leader and Cabinet Member for Resources provided an overview of the return of staff to the office environment. Ms Wood summarised the slides appended to the agenda pack and updated the Committee of the progress made to date. Much of the work which had commenced had to be reviewed following the updated Government advice issued on 22 September that people should remain working at home, where possible. The following points were highlighted:

- A return to office steering group, chaired by the Corporate Director for Planning, Growth and Sustainability was in place and developing a dynamic action plan.
- Employees had been categorised to understand the numbers who needed to be in the office to undertake their role, who would predominantly be home based, whose role was community based and who needed to be office based because their home environment was not suitable. Signage had been installed in all council buildings, along with screens where customer contact would take place, there was a system for staff to sign in to maintain track and trace requirements and desks had been colour coded so staff knew where they could work when in the office.
- Increased support was in place for staff working from home including the Employee Assistance Programme which provided counselling, a number of Health and Wellbeing Champions, Webinars and eLearning courses and online wellbeing and fitness activities organised by staff. Staff had also been supplied with the appropriate software and hardware to undertake their roles from home.
- There had been comprehensive communications and engagement for staff including regular vlogs from the Chief Executive, virtual roadshows for staff, regular updates on the intranet, consultations with employee reps and trade unions respectively, and surveys to understand staffs experience at home.
- With government guidance changing to reflect the number of cases locally, guidance was kept under regular review and the impact of staff working from home was being considered as part of a longer term strategy.

The following key points were raised by the Select Committee members during discussion:

- A member queried what the workplace financial implications had been and the committee was advised that colleagues in facilities management had kept track of covid related spend and the Council would continue to lobby Government to cover these actual costs.
- The number of staff in each of the work place categories was queried. The Committee was advised that the vast majority of staff were working from home, role permitting but many staff did have to be in the offices, which had been made covid secure, for a variety of reasons. Mr I Thompson, Corporate Director for Planning, Growth and Sustainability advised that he would circulate numbers of staff in each category to members following the meeting.  
**Action:** I Thompson
- The Committee was advised that 800 was the maximum occupancy within the offices, although not all space was necessarily utilised each day. There was a system in place to keep track of numbers in the offices on a daily basis and a requirement for staff to sign in and out. Mr Thompson agreed to circulate a typical week's figures for office use following the meeting.  
**Action:** I Thompson
- In terms of the responsibility the Council had for the health and safety of its staff, Ms

Wood clarified that staff working at home had completed risk assessments. Capturing covid related sickness was also discussed. The committee was advised that covid had been recorded as a sickness code since July and the recorded numbers of staff taking time off due to the sickness was low, reflecting the rate of covid within the county. The overall sickness rate over the lockdown period was significantly lower than what would normally be expected over those months, a theme seen across many office based employers. The Committee gave thanks to all staff who had continued to deliver business as usual services in challenging circumstances and noted that the physical measures, signage and staff interactions had been exemplary.

- Future use of office space was an area officers were starting to look at with options for the entire Council estate being reviewed. It was expected that this work would take place over the next 12 months and options would be presented to members.

## **7 6 MONTH REVIEW OF RECOMMENDATIONS FROM THE 2020 BUDGET SCRUTINY TASK & FINISH GROUP**

Mr M Tett, Leader presented the report and placed on record his thanks to the Finance and Resources Committee for their work in scrutinising the budget. The update paper appended to the agenda pack provides an update to each of the recommendations made by the 2020 Budget Scrutiny Task and Finish Group.

The following key points were raised by the Select Committee members during discussion:

- A member asked what steps the council had taken in its strategy to reduce agency staff, particularly in the planning service. Mr Tett and Ms Wood affirmed that addressing agency numbers was a priority of the Council. The Committee was advised that work had been undertaken to identify the number of agency workers and understand whether their roles were to cover established posts or whether they had been employed to focus on particular projects. It was confirmed that the council used one single supplier for agency staff and the use of agency staff was understood and controlled. Work was underway to promote the Council as an excellent place to work, this included a successful social media campaign that had helped recruit other national shortage occupations within the Council, notably children's services and adult social care. Attempts were made to convert agency staff to permanent contracts where appropriate and the wider picture of looking at reward structures and creating an excellent culture were ongoing areas of work HR were undertaking in partnership with service areas. The planning service was currently in the first wave of service transformation and as part of the transition to a larger authority some experienced staff had been moved across teams to maximise performance.
- Mr Tett advised the Committee that much of the transformation progress planned for the April to August period had been significantly affected due to the Council's efforts being focused on its covid response. Due to the potential of a second wave, the Committee were informed that this may further affect progress with staff potentially having to move from their business as usual roles to once again support the covid response. Cabinet Members had been asked to re-visit priorities as significant resources set aside to deliver all priorities were expected to be diverted to the covid response.
- A member questioned the Council's strategy for dealing with and allocating monies received from section 106 and community infrastructure levy (CIL) developer contributions and queried the influence members had over this funding. The Committee was advised that the recently published Government consultation on planning, the Planning White Paper, proposed s106 and CIL be abolished and replaced with a levy on developments over a certain threshold. Discussions had been held with the portfolio

holder about harmonising the legacy councils' approaches with the intention of involving local members.

- Key worker housing was listed as a priority in the update report and the Committee noted that a report had been proposed for autumn to assess possible business cases. The Committee was advised that a paper to develop a strategy on affordable housing was in progress, although had been delayed, in part due to the covid pandemic. It was hoped that the report would be available this side of Christmas. Mr J Chilver, Cabinet Member for Property and Assets advised that a survey was about to commence to establish the need for key worker housing and to collect evidence so that the Council could focus on where it is needed the most and identify any further barriers to recruitment and retention of staff.
- In response to a query around parking restrictions being the responsibility of Community Boards, Mr Tett explained that whilst TfB were funded by the Council there was no central budget for certain areas of need, including parking restrictions. These had been devolved to the former County Council Local Area Forums so that local members could look at restrictions in their areas and address whether they could be part funded through the LAF along with match funding from town and parish councils. Town and parish council partnership working remained key with community boards now exploring local parking needs and options. It was explained that introducing restrictions involved significant costs such as staff and legal costs and various cycles of local consultation. The Committee was advised that local residents' expectations had to be managed appropriately.
- Members were informed that the development of a parking strategy had not progressed as it had been hoped due to covid-19 and the impact the pandemic had had on residents travel patterns. A significant loss of income in parking had been evident with charges suspended into July to support retail businesses and car parks not being utilised at the level they were pre-lockdown. A strategy would be developed once post-pandemic travel patterns emerged.
- A question was put to the Leader and Deputy Leader on the success of Community Boards to date. It was explained that due to the ongoing pandemic, many of the Boards had only recently been stood up, with many having only held one meeting so far. Mr Tett advised that success of the Boards was dependant on having a good chairman and a membership group where every voice was heard and the full membership felt able to participate. Initial meetings had been well attended, early funding applications made and a number of Boards had already started the process of setting subgroups up to look at strategic issues affecting their areas. Local consultation in decision making was recognised as being important and cabinet reports were in the process of being updated to ensure they captured the views of community boards.

## **8 Q1 BUDGET MONITORING REPORT**

Ms K Wood, Deputy Leader and Cabinet Member for Resources presented the Q1 Budget Monitoring Report which was presented to Cabinet at its meeting on 28 July. Ms Wood summarised the report which reflected the business as usual and covid pressures faced during that period.

The forecast revenue outturn was an overspend of £5.97m. Many pressures were covid related with not all costs being recovered and not all lost income being offset by Government. 'Business as usual' pressures were noted in adult services within learning disability budgets, childrens services within home to school transport budgets and in staffing budgets within the Planning, Growth and Sustainability directorate. A quarter 2 update report would be presented to Cabinet at the end of October and the Committee was advised that figures were not expected to be

significantly different with many income streams still yet to have been stood up by the end of Q2. The committee was advised that it was difficult to predict additional lost income and further Government support at the present time with covid cases on the rise again locally, and nationally. Further, it was noted that there may be slippage on capital increases due to the impact of covid.

The following key points were raised by the Select Committee members during discussion:

- In relation to Government support, the committee was advised that the council had been lobbying where it could and awaited the rules and regulations to be shared around lost income. Local Members of Parliament were aware of the council's concerns, particularly around the reimbursement of fees and charges and concerns around the collection of council tax and business rates, all of which lead to difficulties with forecasting for the next financial year. The Council had received information from Government on the income protection scheme, however this scheme applied only to the current financial year and there was a lack of clarity on support to local authorities in the next year.
- Leisure centres were recognised as a significant strain on this year's budget, and potentially could be an issue in the next year, dependant on the local and national situation. Central Government was being lobbied on this issue which was a significant concern for many local authorities, with leisure centres being outsourced and the Council receiving an income from leisure operators.
- Clarity was provided on the difference between the transformation delivery programme and transition funding in such that a transition budget was created in the lead up to becoming a unitary authority and at the beginning of the year this had an underspend which was moved to the transformation programme which the Shadow Authority had previously approved to focus on bringing teams and systems together to deliver further savings. The balance of the transition fund had been added to the 14m transformation pot to total 16.7m. Covid had delayed some of the transformation work although service reviews had commenced and remained closely monitored.
- Concern was raised that since the return to school in September, home to school transport could be further overspent than noted in the Q1 update. The Committee was advised that covid had significantly affected this income stream and support had to be given to providers. Further pressures were expected in this area within the next monitoring report.
- Childrens services remained a substantial concern due to the sensitivity and importance of the service and its demand driven nature where individual cases can have significant associated costs. As a result of the lockdown period and increased family tensions, severe financial pressure were anticipated.
- In comparison to other local authorities, the Committee was advised that in relation to national emergency funding it had received from Government, the Council was not in as difficult a position as many other local authorities found themselves and were not at any present risk of having to publish a section 114 notice. It was confirmed that there was still a large funding gap and Government lobbying would continue to ensure covid related costs were fully recovered.

The timing of the report was discussed and the Committee was advised that the calendar of meetings had not tied in well with the monitoring report this meeting cycle, however the November meeting would be more timely for the Q2 report to be discussed.

## **9 WORK PROGRAMME**

The Committee noted the work programme as appended to the agenda pack. The Committee was advised that the climate change strategy was an area of work on the work programme of the Transport, Environment and Climate Change Select Committee. The scrutiny officer would circulate reports to members of this Committee for their information and if any member wished to attend to contribute to those meetings this could be explored.

The Committee requested a report on section 106 and CIL contributions to understand the level of contributions the Council had at present and the proposals and associated timelines for spending. Members were concerned that these payments were time limited and that some funds were held on behalf of town and parish councils who may not be aware of timescales for spending. This issue had also been raised at Community Board meetings.

The Committee also requested a further covid update report be provided at its next meeting so that it could assess how the situation had changed since the last update report was presented in June.

## **10 DATE OF NEXT MEETING**

Thursday 26 November 2020 at 2 p.m.



## Report to Finance and Resources Select Committee

**Date:** 26<sup>th</sup> November 2020

**Title:** Property Assets Update

**Relevant councillor(s):** Cllr John Chilver

**Author and/or contact officer:** John Reed & Robert Daniels

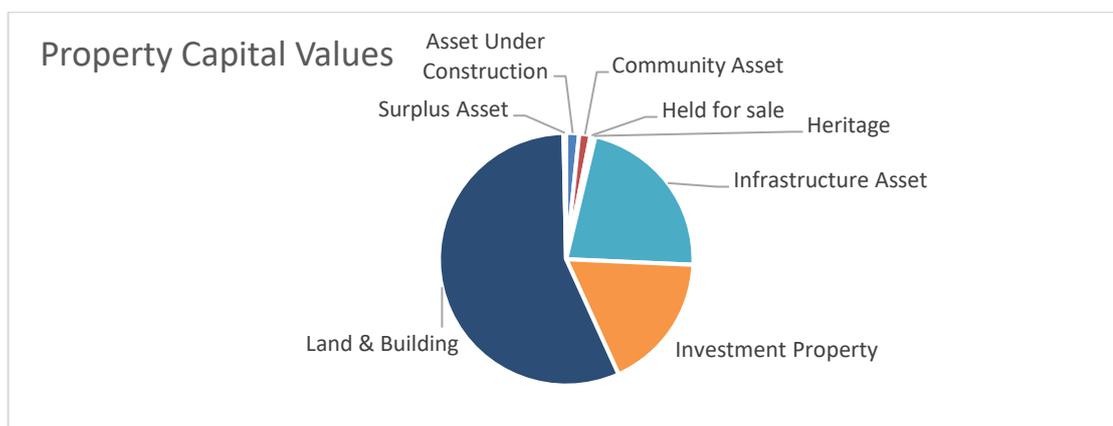
**Ward(s) affected:** All

### Executive summary

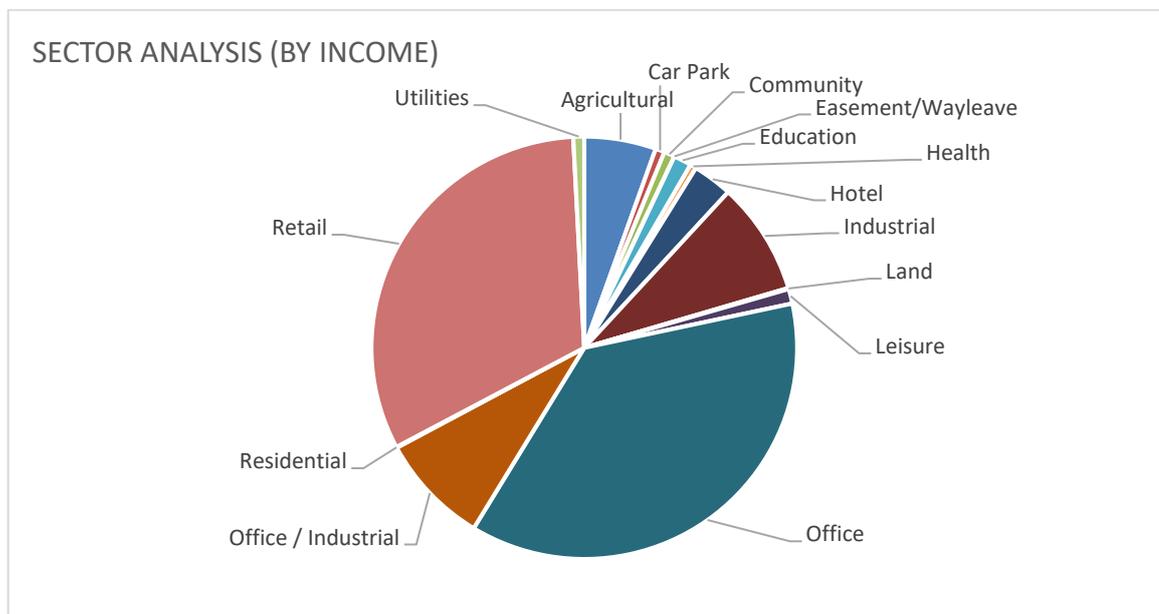
- 1.1 An update on the Property & Assets Portfolio and the medium to long term plans for the Council’s assets. The report provides a high level summary breakdown of the current portfolio, Covid-19 response and future opportunity areas, together with an update on transformation and regeneration. A confidential appendix sets out detail of specific projects.

### Portfolio Summary

- 1.2 The Council’s Property Portfolio comprises c.1,800 properties and is currently valued at just under £2.06 billion. This is made up of the following as shown in the 19/20 draft accounts:



- 1.3 Within the portfolio c.£361m relates to the Council’s Commercial and Investment Property with an income of c.£19.5m pa projected for the 20/21 financial year subject to any additional Covid-19 bad debt pressures. Detail for this is set out in Part 2 of the report.
- 1.4 In addition to the Council’s directly managed portfolio income is also generated from two property companies, Consilio and Aylesbury Vale Estates (AVE). Valuation figures are included in Part 2 and a report on the property companies is due to go to Finance and Resources Scrutiny Committee in January.
- 1.5 We also have assets held in trust, for example the Higginson Park Trust, which makes up the land holding at Higginson Park in Marlow, which generates an additional £145k pa and is valued at £5.4m
- 1.6 Additional income is generated from our Operational Estate (e.g. nursery lettings at schools) with the income from these supporting or offsetting costs within the service area directly.
- 1.7 A significant proportion of the Council’s income comes from the office and retail sectors. These areas have historically been favoured for security of income and levels of return coupled with local authority focus on retail driven regeneration, however the property market is undergoing a dramatic shift. The apportionment of the portfolio is a key consideration in any future acquisitions and disposals to ensure that the make-up of the portfolio is well balanced and resilient to market change.



1.8 Major tenants within the portfolio include:

Waitrose	Eden Commercial Ltd	ASDA
John Lewis	Telefonica	NHS
Aldi	FM Insurance Co	Bucks Education, Skills and Training
Tesco	Homebase	Modul-System Ltd
ASDA	Takada UK Ltd	Costa Coffee
Aldi	Hovis	Travelodge
Tesco	Energizer Group	Kyowa Kirin Ltd
Dunelm	Ultra-Electronics Ltd	Amicus Therapeutics UK Ltd

1.9 The Asset Management team following unitary is highly experienced and includes 6 qualified surveyors, of whom 3 are registered valuers. This is further supported by officers in Transformation and Regeneration, Capital and Special Projects, and Facilities and Property Services making up the wider Property and Assets department. This provides an excellent internal resource for the strategic delivery of the portfolio and support to internal service areas. The internal team is supported through external consultancy where required, either through the existing Carter Jonas contract or other local and national commercial surveying practices. The Agricultural Portfolio, an area requiring specialist expertise and knowledge, is externally managed by Carter Jonas reporting in to the Asset Management team.

1.10 The Corporate Landlord programme continues to be developed as the legacy authority assets are aligned within the new Council structure. This will develop over time to better coordinate direct day-to-day responsibilities, strategic advice and budgetary controls.

### Covid-19 Response

1.11 The Commercial and Investment Portfolio has been impacted by the Covid-19 with an impact on budgets. These include particular pressures where the Council has turnover rents (where the rent paid is linked to the financial performance of the tenant), tenant CVAs and bad debt provision.

1.12 The Council has undertaken a proactive and balanced approach with our tenants as a result of Covid-19 to both support their continued occupation and trading with the collection of rent and other sums due to the Council. This includes:

- Providing guidance and signposting to sources of government and external funding;
- Directing tenants to our business rates colleagues to secure business rates support;
- Providing external seating licences to retail tenants at no charge until March 2021; and
- Supporting flexible payment plans both in terms of payment dates (e.g. agreeing to monthly payments) and deferring rent payments in full with repayment plans.

### Active Management and realising opportunities

1.13 Undeniably the impact of Covid-19 has had a significant impact on staff capacity and prioritisation, which along with a volatile and highly evolving property market, has created an extremely challenging environment. Nonetheless, significant progress has been made in progressing existing and future opportunities within the portfolio.

1.14 Significant 'sites with potential' have been actively identified and a programme of bringing these forward is being progressed. This comprises the optimisation and promotion through planning allocation of a number of high-profile strategic sites throughout the portfolio through to either disposal for capital receipt or direct delivery. This is set out in more detail in the Part 2 report in the confidential section of this agenda.

1.15 A refresh of the Agricultural Policy has been commissioned to review the Council's Agricultural land holdings incorporating former District assets. The refresh will look closely at how the agricultural estate can contribute towards the wider corporate objectives of the Council. The updated policy refresh is anticipated for first quarter 2021.

1.16 In addition to the refresh of the Agricultural Policy further development of the Asset Management Plan is continuing. Whilst potential high value and prominent sites have been identified early on, all property assets are being reviewed on a site-by-site basis in the preparation of an Asset Management Action Plan. This brings together a review of the legacy authorities' plans, identification of smaller scale 'low hanging fruit' prospects and longer-term opportunities. It is intended that this will be completed by the end of the financial year.

- 1.17 On a day-to-day basis the Asset Management team is currently undertaking over 70 lease renewals, 50 rent reviews and 30 live transactions (lettings/disposals). In addition to this are a significant number of general property management actions including general landlord and tenant matters (e.g. licences for consent, alterations etc), covenant variations, overage negotiations grant of wayleaves/easements, temporary licences and lease re gearing negotiations amongst others.
- 1.18 Void management is a key area of property management delivered by the Asset Management team. Voids over 12 months currently comprise 0.78% of the Council's property holdings, with 0.45% having been vacant for over 24 months. This excludes those property assets 'held vacant' for project delivery (e.g. re-development) where there is already a corporately agreed action plan in place. Vacant property assets are actively managed to minimise the Council's holding costs, including business rates exposure, and to secure new tenants/purchasers.
- 1.19 New investment opportunities for the Council continue to be explored with due regard to the impact of Covid and changes in the marketplace. Acquisitions would look to add to our regeneration opportunities or income and capital appreciation.

### Capital Disposals Programme

- 1.20 The Council has an active capital disposal programme with a target of generating c.£67m of capital receipts within the next three years. This comprises a number of schemes delivering commercial, residential and community developments supporting economic growth within the County. This includes the LASR programme and One Public Estate programme (A programme of projects designed to maximise potential income and capital receipt across the wider Public Estate), along with the Council's wider capital disposal programme. The live programme is set out in Part 2.

### Support of Service Areas

- 1.21 The Asset Management team actively support internal service areas, acting as in-house consultancy and as intelligent client, and are active in the delivery of a number of key projects including:-
- Highways – Support on the CPOs of land for major infrastructure delivery (e.g. South East Area Link Road, Princes Risborough, Abbey Barn Lane)
  - Strategic national infrastructure (e.g. HS2, Heathrow expansion) – Provision of strategic advice on the potential CPOs of land from the Council in the delivery of national infrastructure projects.

- Communities – Supporting in the assessment and delivery of the Council’s devolution programme.
- Children’s Services – Re purposing of former Children’s Centres and continued support of the transition of schools to academy status and lettings and lease renewals to statutory delivery bodies and organisations.
- Wider strategic property consultancy and general landlord and tenant advice for the Council’s operational estate including schools, children’s centres, community centres, leisure facilities etc

## Transformation

- 1.22 The Council continues to be responsive to the changing Covid situation, ensuring that both its operational buildings and community centres follow Government and Public Health guidance. The pandemic is providing valuable experience and data on home working for staff and members and different ways of delivering services to customers. This information is being used to inform and shape the longer-term workspace strategy. The strategy will seek to achieve a number of outcomes including more flexible working for staff, reducing carbon footprint by reducing the need for travel to work, as well as the rationalisation of the operational estate to deliver savings/efficiencies. The strategy will be developed over next 12 months and is expected to start to be delivered in 2021.

## Regeneration

- 1.23 Property & Assets are working closely with the Economic Development & Regeneration team and are actively engaged in the Aylesbury Garden Town programme. A socio-economic assessment of Aylesbury town has just been completed. The findings will help inform the next piece of work which is the commissioning of a masterplan for two key opportunity areas in the town centre known as the Station Quarter and Exchange/Waterside North. The council owns substantial assets within these two areas which will be included in the brief.
- 1.24 During the summer, an extensive internal and external stakeholder engagement programme commenced to help shape the concepts for improving these two historic public spaces at Market Square and Kingsbury Square in the centre of Aylesbury town centre. £4.5m has been committed in the Council’s capital programme for the work. A detailed planning application is expected to be submitted in spring 2021 with work starting on site later in the year.

- 1.25 The Planning Application for the development of the Old Council offices for 47 residential units has been submitted. This marks an important first step in the regeneration of Aylesbury town centre.
- 1.26 On 10 November Cabinet agreed the formation of a new High Wycombe Regeneration Board, and already have one for Aylesbury comprising of cabinet members, local councillors and representatives of local key stakeholders. The board will give a strategic steer to regeneration activity in the town.
- 1.27 Work continues on the High Wycombe Eastern Quarter Regeneration Programme (EQRP), focused on land near High Wycombe Station. Plans for a significant commercial development are taking shape and once a business case has been established will be taken through the board and decision making process to agree the next steps.
- 1.28 As the first phase in EQRP the regeneration of the Brunel Shed at Wycombe Station is continuing with contractors now on site. The refurbishment of the Grade II listed building acts as an important step towards the wider programme bringing the iconic building back into use.
- 1.29 Following a successful application for feasibility funding in 2019, a further bid has been submitted for approximately £17m of government capital grants under the Future High Street Fund. If granted, this money will be spent on a range of projects to support the regeneration of High Wycombe town centre. A decision is expected from central government imminently.
- 1.30 In September Cabinet authorised progression of the Winslow Regeneration project committing to progressing the Planning Application which will deliver improved sports facilities, new community facilities and housing.

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By virtue of paragraph(s) 3 of Part 1 of Schedule 12A  
of the Local Government Act 1972.

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# Property & Assets Portfolio Update Finance & Resources Select Committee

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Author: John Reed/Robert Daniels

26/11/20

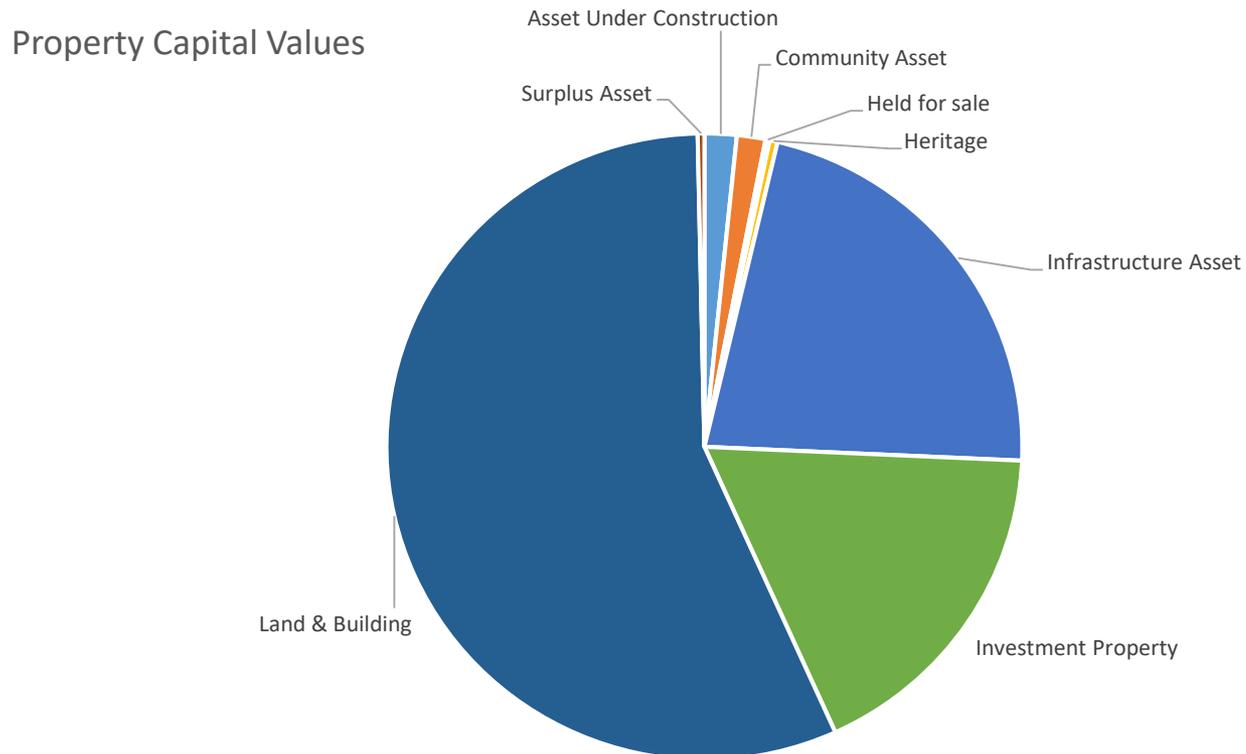


Appendix

# Portfolio Summary

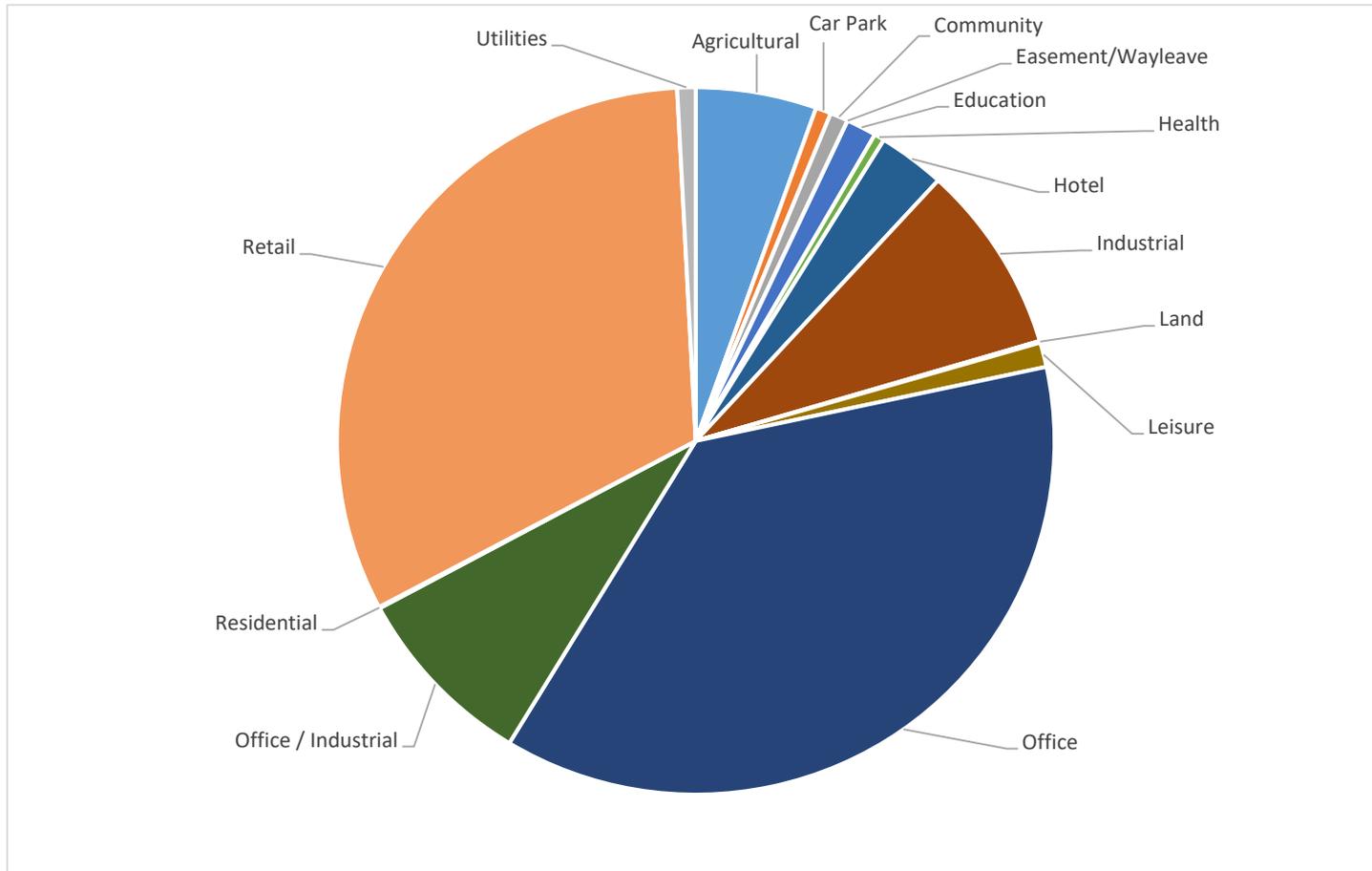
Current Portfolio Capital Value - £2.06 billion

Investment Properties Capital Value - £361 million



# Portfolio Summary

Income from Commercial and Investment Properties in 2020/21 - £19.5 m



# Portfolio Summary

## Major Tenants within the Portfolio

**Waitrose**

**Eden Commercial Ltd**

**ASDA**

**John Lewis**

**Telefonica**

**NHS**

**Aldi**

**FM Insurance Co**

**Bucks Education, Skills and Training**

**Tesco**

**Homebase**

**Modul-System Ltd**

**ASDA**

**Takada UK Ltd**

**Costa Coffee**

**Aldi**

**Hovis**

**Travelodge**

**Tesco**

**Energizer Group**

**Kyowa Kirin Ltd**

**Dunelm**

**Ultra-Electronics Ltd**

**Amicus Therapeutics UK Ltd**

# Covid-19 Response

The Council has undertaken a proactive and balanced approach with our Tenants as a result of Covid-19 to both support their continued occupation and trading with the collection of rent and other sums due to the Council.

This includes:

- Providing guidance and signposting to sources of government and external funding;
- Directing Tenants to our business rates colleagues to secure business rates support;
- Providing external seating licences at no charge until March 2021; and
- Supporting flexible payment plans

# Active Asset Management

- Strategic Reviews
  - Agricultural Policy review
  - Asset Management Action Plan
  - Sites with Potential
- Day-to-Day Asset Management
  - New Leases/Agency
  - Lease Renewals
  - Rent Reviews
  - Landlord & Tenant
  - Property Management
  - Strategic Consultancy Advice
  - Void Management

# Active Asset Management

- Capital Disposals Programme
- Revenue Income Programme
- Service Area Support
  - Highways
  - Children's Services
  - Adult Social Care
  - Communities & Leisure
  - Economic Growth & Regeneration

# Transformation

- Ensuring the Council's operational buildings are managed in accordance with government advice
- Collecting and analysing data on changes to working patterns to endorse future ways of working
- Rationalisation of the Council's operational buildings
  - Flexible working patterns
  - Reducing carbon footprint
  - Delivering savings and efficiencies

# Regeneration

- Aylesbury
  - Station Quarter
  - The Exchange/Waterside North
  - Old Council Offices
  - Old County Court
  - Woodlands
- High Wycombe
  - Eastern Quarter
  - Brunel Shed
  - Future High Streets Fund
- Winslow
  - Winslow Regeneration Project

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## Report to Finance & Resource Select Committee

<b>Date:</b>	26 November 2020
<b>Title:</b>	<b>Section 106 and CIL Report</b>
<b>Relevant councillor(s):</b>	Councillor Warren Whyte
<b>Author and/or contact officer:</b>	<b>Darran Eggleton</b>
<b>Ward(s) affected:</b>	All Wards
<b>Recommendations:</b>	<b>It is recommended that the Committee note the report for information.</b>

### 1. Executive summary

- 1.1 This report is prepared in response to the request from the F&R select committee to review monies held by Buckinghamshire Council for S106 and CIL.
- 1.2 The report provides an overview so as to update Members of the Council's position in relation to financial contributions required by section 106 planning agreements and the Community Infrastructure Levy (CIL). The report sets out the current financial status of developer contributions currently held, and what systems are in place to assure that risk of contributions being returned is minimal.

### 2. Content of report

Whilst Buckinghamshire Council is in its infancy, the different areas and their responsibilities for the collection and spending of s106 and CIL financial contributions remain the same.

- 2.1 There are only two areas in Buckinghamshire Council which have adopted the CIL, the Planning West Area which adopted the CIL in 2012 and Planning East and South Areas which adopted the CIL in January 2020. The collection of CIL funds can take time to accumulate and for East and South areas, as CIL is in the first year of operation a delay in income is anticipated. It should also be noted that CIL payments can take time to be collect. This is because CIL payment 'triggers' are subject to commencement as well as instalment policies.

- 2.2 In relation to CIL, Parishes receive 15% or 25% (depending whether they have an adopted Neighbourhood Plan) of the CIL collected for developments that takes place in the Parish area. The Parish Neighbourhood portion is passed to the Parishes twice annually (April and October) and must be spent within 5 years of receiving the payment. For the West area, the Parishes are aware of the time limit and that unspent monies will be recovered by the Council. As a result, there is no funds due back.
- 2.3 By comparison, the majority of s106 legal agreements have a clawback date which provides that monies that are not spent within a certain period (this can range from 5 to ten years) can be clawed back by the developer. However, unlike CIL payments, s106 agreements are specific on what the contributions are to be spent on. Bearing in mind that some projects can take longer to deliver, especially large projects such as highway/transport and education, the contributions on receipt are ring fenced and allocated to specific projects to minimise the risk of any contributions being returned.
- 2.4 While not all contributions received for the various infrastructures have been spent to date, this is to be expected due to the nature of the projects. There are a number of contributing factors to unspent sums. Significant projects may have mitigating factors and/or the need for additional funding from other S106 agreements. For Affordable Housing, it may be that the provision of affordable housing is to be funded from different s106 agreements which are at different stages of development and when the affordable housing contribution is to be received. As such, the sums received will not have been spent until the remaining sums are received, however they are committed to a project.
- 2.5 S106 contributions are specific on what it is to be spent on so there is no room for it to be spent other than what it's intended for. The only way this can be done is if the Developer agrees to it by means of a Deed of Variation or an agreement in writing. Clawbacks are normally 5 or 10 years where the money can be returned to the Developer and usually starts from the date the money is received. Where money has not been spent, they are ring fenced for a specific project in accordance with the S106 agreements.
- 2.6 Monies that are not allocated are not subject to clawback. For example, with education contributions, some projects take a number of years to deliver and are funded from multiple sources. The S106 Agreements allow for a ten-year period starting the date of receipt for the money to be confirmed as either spent against a project or committed to a project. The money is ring fenced and if not spent in a specific year for any reason it is not made available for any other project.

2.7 Financial obligations for East and South areas predominantly relate to affordable housing contributions and financial contributions. Other infrastructure such as education, highways and open space to name a few are rare. Where there have been financial contributions towards services which were outside of the previous district council's responsibilities such as education, highway improvements, they were paid directly to what was former Buckinghamshire County Council.

A summary in Table 1 and Table 2 below provides a breakdown of the financial standing from the various areas of Buckinghamshire Council.

The current money held equates to S106 monies totalling £66m and CIL monies totalling £5.79m.

**Table 1 Summary of S106 Financial contributions (table with notes are added as background paper)**

Area	Obligations/Infrastructure	Amount currently held
North & Central	Affordable Housing	£2.057m
	ALUTS (transport schemes in/around Aylesbury)	£1.094m
	Leisure	£15.539m
	Other	£2.121m
Former BCC	Education	£26.620m
	Highways/Transport	£14.934m
East	Affordable Housing	£2.300m
	Affordable Housing confirmed committed	£1.922m
	Affordable housing not uncommitted	£0.378m
South	Affordable Housing	£2.079m
	Affordable Housing confirmed committed	£1.235m

	Affordable Housing uncommitted	£0.843m
West	Overall	£4.9m (based on calculation from June 2020 report)
<b>TOTAL</b>		<b>£76,024,153.30</b>

Table 2: Summary of CIL funds currently held

Area	CIL Strategic (main CIL pot)	Neighbourhood Portion (Parishes)
West	£4.952m (retained at the end of 2018/2019 financial year)	£847,063
East and South	£0	£0
<b>TOTAL</b>	<b>£4,952,079</b>	<b>£847,063</b>

- 2.8 There are some schemes where repayment would arise within one year for Aylesbury, with a total sum of £563,804. These are listed in Appendix 1. There may be risks of unspent monies being returned. This can be rendered less likely by ring-fencing the monies to the specific projects.

### 3. Legal and financial implications

#### 3.1 Financial Implications

S106: The finance aspects are covered in the main body of the report, however members should be aware that should contributions not be spent within the period of time as set out in the legal agreements, developers have the option to clawback the fund.

- 3.2 Financial contributions received from s106 agreements and CIL are used to support the delivery of a range of environmental and physical infrastructure as well as affordable housing. It is important to have a strong monitoring system in place to ensure the availability of capital, that contributions are collected and spent

effectively for their intended purpose in timely manner and are tied to a project to ensure there is no threat of the monies having to be returned.

- 3.3 Unlike s106 financial contributions, CIL funds do not have a time restriction on their spending, except the Parishes neighbourhood portion which must be spent within 5 years of receiving it.
- 3.4 The current operation of S106 is dependent upon monitoring, reporting and allocation procedures being carried out in a timely manner and functions to enable this cut across Council services.

### **Legal Implications**

- 3.3 The legislation governing the development, adoption, and administration of a Community Infrastructure Levy (CIL) is contained within the Planning Act (2008) and the Community Infrastructure Levy Regulations 2010 (as amended) and reforms to the CIL Regulation (2019). The associated government National Planning Policy Guidance is also important in guiding this process. There are other areas of law which should be considered when assessing certain developments for CIL liability and determining the appropriate sum due. These include matters relating to social housing, procurement, charitable institutions and state aid.
- 3.4 Section 106 of the Town and Country Planning Act 1990 enables a local planning authority to enter a legally binding planning obligation with a developer called a Section 106 agreement. The City Council can, through these agreements, secure financial support for projects that benefit the people of the borough.
- 3.5 Whilst there are legal implications around the legislative and legal framework of CIL and S106, there are no direct legal implications in relation to the content of this report.

## **4. Corporate implications**

- 4.1 Whilst there are corporate implications in relation to the collection, allocation and spending of CIL and Section 106 monies, there are no direct corporate implications in relation to the content of this report.

## **5. Consultation with local councillors & community boards**

- 5.1 This report is for information only and whilst the relevant cabinet members are aware of the content of the report, no formal consultation has taken place with local councillors or community boards.

## **6. Communication, engagement & further consultation**

- 6.1 No further consultation or engagement has been carried.

## **7. Next steps and review**

- 7.1 This paper is for information and therefore recommends that the committee note its content.

## **8. Background papers**

- 8.1 Detailed CIL Summary report with notes.

## **9. Your questions and views (for key decisions)**

- 9.1 If you have any questions about the matters contained in this report please get in touch with the author of this report. If you have any views that you would like the cabinet member to consider please inform the democratic services team. This can be done by telephone email [darran.eggleton@buckinghamshire.gov.uk](mailto:darran.eggleton@buckinghamshire.gov.uk)

<b>S106 Areas</b>	<b>Obligations/Infrastructure</b>	<b>Amount currently held</b>	<b>Notes</b>
<b>Aylesbury</b>	Affordable Housing	£2.057m	
	ALUTS (transport schemes in/around Aylesbury)	£1.094m	All funds have been allocated to projects through a BCC Cabinet Report.
	Leisure	£15.539m	These reports would usually be circulated to Senior Colleagues on a quarterly basis. In the meantime, a manual process is in place to report on S106 monies within a year of expiry and this would include actively chasing Parish Councils on S106 Leisure monies which were generated within their Parish.
	Other	£2.121m	
<b>Former BCC</b>	Education	£26,620,181m	All Education s106 is Ring-fenced to education projects as outlined in the s106 agreements and MTFP
<b>Former BCC</b>	Highways/Transport	£4,934,532.34	Reserved at the end of March 2020. Where money has not been spent, they are ring fenced for a specific project in accordance with the s106 agreement.
<b>Chiltern and South Bucks</b>	Affordable Housing	£2,300,138.52	
	Affordable Housing confirmed committed (see notes)	£1,922,045.70	Funds received where there are conditions attached to the legal agreements are prioritised to be allocated (committed) to a spending project
	Affordable housing not uncommitted (see notes)	£378,092.82	This amount is not committed, however, it is to be noted that these are from legal agreements where there are no conditions (clawback) attached to the legal agreements whereby there is a risk they can be returned.
<b>South Bucks area</b>	Affordable Housing	£2,079,081.46	
	Affordable Housing confirmed committed (see notes)	£1,235,490.76	Funds received where there are conditions attached to the legal agreements are prioritised to be allocated (committed) to a spending project
	Affordable Housing uncommitted (see notes)	£843,590.70	This amount is not committed, however, it is to be noted that these are from legal agreements where there are no

			conditions (clawback) attached to the legal agreements whereby there is a risk they can be returned.
<b>Wycombe</b>	Overall	£4.9m (based on calculation from June 2020 report)	All s106 allocations in the former WEC area were allocated through the financial budget setting process i.e Cabinet. All capital schemes are published on line via the Capital Plan.

<b>Area</b>	<b>CIL Strategic</b>	<b>Neighbourhood Portion (Parishes)</b>	<b>Notes</b>
Wycombe	£4,952,079 (retained at the end of 2018/2019 financial year)	£847,063	<p>There are no funds due back from parishes as there was a big push a year or so ago to ensure parishes were aware if they did not spend within the 5 year period (from when they receive it), the Council would recover the unspent fund.</p> <p>The Council is able to keep track on the Parishes receipt and expenditure through the annual Parish CIL reports as required under the CIL Regulation.</p>
Chiltern and South Bucks	£0	£0	<p>We are expecting several payments and invoicing for CIL.</p> <p>The Council is able to keep track on the Parishes receipt and expenditure through the annual Parish CIL reports as required under the CIL Regulation.</p>

**Notes:**

It is to be noted that whilst Buckinghamshire Council is in its infancy, the different areas and their responsibilities for the collection and spending of s106 financial contributions remain the same. Each of the areas have in place a robust system and rules to ensure that all money received is spent on the allocated project in line with the terms of the legal agreement

The majority of the s106 legal agreements have a clawback date, that is the monies are to be spent within a certain period, this can range from 5 to ten years. However, s106 agreements are specific on what the contributions are to be spent on, bearing in mind that some projects can take longer to deliver, especially large projects such as highway/transport and education, so the contributions on receipt are ring fenced to specific projects to minimise the risk of any contributions being returned to the developer.

While not all contributions received for the various infrastructures have been spent to date, this is to be expected as some projects can take a number of years to be delivered. There are a number of contributing factors to unspent sums; with significant projects it may be due to mitigating factors and the requirement of additional funding. For Affordable Housing, it may be that the provision of affordable housing is to be funded from different s106 agreements which are at different stages of development and when the affordable housing contribution is to be received. As such, the sums received will not have been spent until the remaining sums are received, however they are committed to a project. S106 contributions are specific on what it's to be spent on so there is no room for it to be spent other than what it's intended for. The only way this can be done is if the Developer agrees to it by means of a Deed of Variation or an agreement in writing. Clawback are normally 5 or 10 years where the money can be returned to the Developer and usually starts from the date the money is received. Where money has not been spent, they are ring fenced for a specific project in accordance with the S106 agreements.

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## Appendix 1

Obligation	Projects	Amount
ALUTS	Aylesbury College Oxford Road Aylesbury Buckinghamshire	£35,600
	Former Territorial Army Site Oxford Road Aylesbury 1	£89,798
Open Space-Leisure	Land At Nash Road Thornborough Buckinghamshire local projects	£6,244
	Land At Home Farm College Lane Thornton local projects	£10,078
	Land Adj Manor Farm Main Street Poundon local facilities	£19,248
	Land at Verney Road, Winslow local sport & leisure facilities	£341,368
Other	Land at London Road, Buckingham local Policing Services	£19,386
	Land at London Road, Buckingham local Policing Services	£41,357
	Weedon Hill MDA Phase 3£725 non profit making elements of programming policy for new	£725
<b>TOTAL</b>		<b>£563,804</b>

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## Report to Cabinet

<b>Date:</b>	10 November 2020
<b>Title:</b>	<b>Quarter 2 Budget Monitoring Report</b>
<b>Relevant councillor(s):</b>	Cllr Katrina Wood
<b>Author and/or contact officer:</b>	Matt Strevens, Head of Corporate Finance, ext. 3181
<b>Ward(s) affected:</b>	None specifically
<b>Recommendations:</b>	<b>Cabinet are asked to note the current forecast outturn for the financial year 2020/21 and the latest estimates of impacts and funding related to Covid-19.</b>
<b>Reason for decision:</b>	To understand the current financial position of the Council.

### 1. Executive summary

- 1.1 This report sets out the Revenue and Capital outturn position for Buckinghamshire Council for the financial year 2020/21.
- 1.2 A full analysis of the forecast outturn for each of the Council's six Directorates is contained within the appendices to this report. As well as narrative information, the financial performance against their associated targets is shown.
- 1.3 Forecast Revenue outturn is an overspend of **£4.9m**, which has reduced from the £6.0m reported for Quarter 1 through additional funding and active management of overspends.
- 1.4 The forecast Capital outturn is **£174.7m**, representing slippage of **£15.7m**. This is an increase of £10.5m from the £5.2m reported at Quarter 1.
- 1.5 Mitigating actions to address the in-year forecast revenue overspend include continued lobbying of government for the full recovery of all additional expenditure and lost income in relation to Covid-19, action within Directorates to identify additional mitigations, as well as the review of commitments against earmarked

reserves and corporate contingencies included within the budget. Actions already identified have contributed to the reduction in the forecast overspend.

## 2. Content of report

### 2.1 Revenue Budget Outturn

The forecast revenue budget outturn is summarised in Table 1 below. The key Directorate variances are explained in Appendix 1. The outturn forecasts represent the anticipated year end position reflecting knowledge and understanding about the outcome of events and management actions within the remainder of 2020/21, and variances are split between Business as Usual and those relating to the Covid-19 response. Clearly circumstances are continuing to change and consequently the forecast outturn position will continue to be monitored closely.

Nationally many Councils find themselves in difficult financial positions, both as a result of existing pressures, and exacerbated by the impact of Covid-19. Whilst Buckinghamshire Council is clearly experiencing pressures both in Business as Usual budgets and as a result of Covid-19, we currently hold circa £47m of General Fund Reserves, whilst a significant number of Local Authorities have depleted their reserves in managing pressures over previous years. Relative to the sector we are in a significantly healthier position to address these issues this year and into future years.

All directorates are forecasting to overspend this year, a major driver behind this being the loss of income and increased costs in relation to the Council's response to Covid-19. Overall Directorate budgets are forecast to overspend **by £47.4m**, compared to £44.4m reported at Quarter 1. **£41.8m** of the current overspend is due to additional costs and lost income as a result of Covid-19, an increase of £2.8m from Quarter 1 and **£5.6m** being on Business as Usual activities, an increase of 0.3m from Quarter 1.

The most significant movements in Directorate Business as Usual budgets are within Adults & Health, where the overspend of £1.8m reported at Quarter 1 is now an underspend of **£0.3m**. This change is due to an emerging underspend in Older People linked to the impact of Covid-19 on existing client numbers, funding arrangements with the NHS and a reduction in the normal anticipated growth levels. In Children's Services the forecast overspend has increased by £3.6m to **£5.3m**. £2.4m of this increase is from significantly lower levels of income being received for Home to School Transport, and £1.2m relates to increased numbers of high cost placements being made.

Corporate & Funding are forecast to underspend by **£42.5m**, due to an estimated £39.6m of additional un-ringfenced grant income from central government in response to Covid-19. At Quarter 1 this was expected to be £38.4m, however further funding announcements to support the ongoing costs of Covid-19 have been made during the second quarter. This comprises **£29.1m** of un-ringfenced grants to cover expenditure pressures in 2020/21 and an estimate of **£10.5m** of grant income from the Sales, Fees and Charges lost income compensation scheme. In addition, **£2.9m** of corporate contingencies are not currently forecast as committed.

**Appendix 1** provides further detail on the revenue forecast outturn by Directorate.

**Appendix 2** presents a breakdown of pressures arising from Covid-19. The 2020/21 pressure resulting from Covid-19 differs from the total pressure as approximately £0.4m of costs and lost income were absorbed within 2019/20, and £0.5m of grant was applied to cover other Covid-19 costs within 2019/20.

**Table 1 – Summary of Council Revenue budget outturn**

		Budget	Forecast	Variance		Variance:	
		£m	£m	£m	%	COVID	BAU
	Expenditure	207.6	242.1	34.5	17%	29.2	5.3
	Income	(58.4)	(83.7)	(25.3)	43%	(19.8)	(5.6)
	<b>Adults &amp; Health</b>	<b>149.2</b>	<b>158.4</b>	<b>9.2</b>	<b>6%</b>	<b>9.4</b>	<b>(0.3)</b>
	Expenditure	600.1	592.9	(7.2)	(1%)	3.0	(10.2)
	Income	(496.0)	(480.4)	15.6	(3%)	0.1	15.5
	<b>Children's Services</b>	<b>104.1</b>	<b>112.5</b>	<b>8.4</b>	<b>8%</b>	<b>3.1</b>	<b>5.3</b>
	Expenditure	90.9	95.7	4.8	5%	5.9	(1.1)
	Income	(33.0)	(20.0)	13.0	(39%)	11.9	1.1
	<b>Communities</b>	<b>57.9</b>	<b>75.7</b>	<b>17.8</b>	<b>31%</b>	<b>17.8</b>	<b>-</b>
	Expenditure	25.0	29.5	4.5	18%	1.1	3.3
	Income	(2.5)	(6.0)	(3.5)	...	0.2	(3.7)
	<b>Deputy Chief Executive</b>	<b>22.5</b>	<b>23.5</b>	<b>1.0</b>	<b>4%</b>	<b>1.3</b>	<b>(0.4)</b>
	Expenditure	51.1	51.5	0.4	1%	5.3	(4.9)
	Income	(39.4)	(31.4)	8.0	(20%)	2.6	5.5
	<b>Planning, Growth &amp; Sustainab</b>	<b>11.7</b>	<b>20.1</b>	<b>8.4</b>	<b>72%</b>	<b>7.9</b>	<b>0.6</b>
	Expenditure	171.5	163.0	(8.5)	(5%)	1.4	(9.8)
	Income	(131.0)	(119.9)	11.1	(8%)	0.9	10.2
	<b>Resources</b>	<b>40.5</b>	<b>43.1</b>	<b>2.6</b>	<b>6%</b>	<b>2.3</b>	<b>0.4</b>
<b>Directorates</b>		<b>385.9</b>	<b>433.3</b>	<b>47.4</b>	<b>12%</b>	<b>41.8</b>	<b>5.6</b>
	Corporate	53.5	50.6	(2.9)	(5%)	-	(2.9)
	Funding	(439.4)	(479.0)	(39.6)	9%	(39.6)	-
<b>Corporate &amp; Funding</b>		<b>(385.9)</b>	<b>(428.4)</b>	<b>(42.5)</b>	<b>11%</b>	<b>(39.6)</b>	<b>(2.9)</b>
<b>Total</b>		<b>-</b>	<b>4.9</b>	<b>4.9</b>	<b>...</b>	<b>2.2</b>	<b>2.7</b>

Actions to mitigate Business as Usual pressures are being considered within each Directorate.

Mitigating actions to address the in-year Covid-19 overspend include continued lobbying of government for the full recovery of all additional expenditure and lost income, Directorate action to identify additional mitigations within their budget, as well as the release of uncommitted earmarked reserves and corporate contingencies included within the budget.

## 2.2 Capital Budget Outturn

The capital programme forecast outturn position reflects underspend/slippage of £15.7m (8.2% of total budget) and is summarised in Table 2 below. This represents an increase of £10.5m from Quarter 1. Slippage may increase further if Covid-19 restrictions continue to impact on delivery of the capital programme.

Significant slippage / underspends are reported in Children's Services (£5.6m), Communities (£3.5m) and Planning, Growth & Sustainability (£6.3m). Children's Services slippage relates to the School Places programme, where restricted site access has delayed progress. Planning, Growth and Sustainability slippage comprises £7.3m on Economic Growth & Regeneration projects, £1.5m of Property projects, offset by accelerated progress on Housing projects of £2.8m.

Detail of the projects this relates to can be found in **Appendix 1**.

**Table 2 – Summary of Council Capital budget outturn**

Directorate	Actuals to Date £000	Released Budget £000's	Unreleased Budget £000's	Total Budget £000's	Forecast Outturn Released £000's	Forecast Unreleased £000's	Forecast Outturn £000's	Forecast Variance £000's
Adults & Health	55	491	0	491	300	0	300	-191
Children's Services	6,954	33,570	4,287	37,857	30,496	1,800	32,296	-5,560
Communities Directorate	30,098	70,445	14,255	84,700	74,486	6,681	81,167	-3,533
Planning Growth & Sustainability	14,770	46,674	12,452	59,126	46,770	6,085	52,856	-6,270
Resources Directorate	946	5,643	2,561	8,204	5,608	2,500	8,108	-96
<b>Grand Total</b>	<b>52,824</b>	<b>156,822</b>	<b>33,555</b>	<b>190,377</b>	<b>157,660</b>	<b>17,066</b>	<b>174,726</b>	<b>-15,651</b>

## 3. Other options considered

3.1 None arising directly from this report.

## 4. Legal and financial implications

4.1 This is a Finance report and all the financial implications are included in the report.

4.2 There are no legal implications arising from the report.

## 5. Corporate implications

5.1 Actions resulting from consideration of this report may influence future expenditure in areas of concern / interest.

## 6. Consultation and communication

6.1 N/A

## **7. Next steps and review**

A further paper will be brought to Cabinet outlining the forecast outturn for the financial year 2020/21 following the conclusion of Q3.

## **8. Background papers**

Appendix 1 – Directorate level summaries.

Appendix 2 – Covid-19 impacts.

## **9. Your questions and views (for key decisions)**

If you have any questions about the matters contained in this report please get in touch with the author of this report. If you have any views that you would like the cabinet member to consider please inform the democratic services team. This can be done by telephone [01296 382343] or email [[democracy@buckinghamshire.gov.uk](mailto:democracy@buckinghamshire.gov.uk)].

## 1 Directorate Summary

### Adults & Health Directorate

#### Revenue Table

	Budget £m	Y/E Out- turn £m	Forecast Variance £m	%	of which COVID £m	of which BAU £m
Expenditure	23.3	25.0	1.7	7%	2.0	(0.3)
Income	(23.3)	(25.3)	(2.0)	(8%)	(2.0)	-
<b>3-ADM Public Health &amp; Commissior</b>	<b>-</b>	<b>(0.3)</b>	<b>(0.3)</b>		<b>-</b>	<b>(0.3)</b>
Expenditure	184.3	217.1	32.8	18%	27.3	5.5
Income	(35.0)	(58.5)	(23.4)	(67%)	(17.8)	(5.6)
<b>3-ADS Adult Social Care</b>	<b>149.3</b>	<b>158.6</b>	<b>9.4</b>	<b>6%</b>	<b>9.5</b>	<b>(0.1)</b>
<b>Total</b>	<b>149.3</b>	<b>158.4</b>	<b>9.1</b>	<b>6%</b>	<b>9.5</b>	<b>(0.3)</b>

#### Capital

#### Table

Service / Project	Actuals to Date £000	Released Budget £000's	Unreleased Budget £000's	Total Budget £000's	Forecast Outturn Released £000's	Forecast Unreleased £000's	Forecast Outturn £000's	Forecast Variance £000's
Respite Care	55	491	0	491	300	0	300	-191
Adult Social Care Total	55	491	0	491	300	0	300	-191
<b>Grand Total</b>	<b>55</b>	<b>491</b>	<b>0</b>	<b>491</b>	<b>300</b>	<b>0</b>	<b>300</b>	<b>-191</b>

The overall revenue forecast is a pressure of £9.1m. £9.5m relates to Covid-19 impacts and an underspend of £0.3m is reported on Business as Usual activities. There are underlying pressures of £1.3m in learning Disabilities, and £0.6m in Mental Health budgets, which are off-set by underspends in Access and Older People 65+. An action plan has been developed to mitigate these pressures.

Significant risks remain around the ongoing funding for clients within the Hospital Discharge programme and Provider failure.

Capital slippage of £0.2m is due to a review of requirements considering the impact of Covid-19. There is potential for further slippage.

## Children's Services Directorate

### Revenue Table

	Budget £m	Y/E Out- turn £m	Forecast Variance £m	%	of which COVID £m	of which BAU £m
Expenditure	486.4	476.2	(10.2)	(2%)	-	(10.2)
Income	(486.4)	(476.2)	10.2	2%	-	10.2
<b>3-CHD Education - DSG</b>	-	-	-	-	-	-
Expenditure	39.0	36.8	(2.2)	(6%)	1.2	(3.4)
Income	(7.5)	(1.1)	6.4	86%	0.1	6.3
<b>3-CHE Education</b>	<b>31.5</b>	<b>35.7</b>	<b>4.2</b>	<b>13%</b>	<b>1.2</b>	<b>3.0</b>
Expenditure	75.5	80.7	5.2	7%	1.8	3.3
Income	(2.1)	(3.1)	(1.0)	(45%)	-	(1.0)
<b>3-CHR Children's Social Care</b>	<b>73.4</b>	<b>77.6</b>	<b>4.2</b>	<b>6%</b>	<b>1.8</b>	<b>2.3</b>
Expenditure	(0.8)	(0.8)	0.0	0%	-	0.0
<b>3-CHB Business Management</b>	<b>(0.8)</b>	<b>(0.8)</b>	<b>0.0</b>	<b>0%</b>	<b>-</b>	<b>0.0</b>
<b>Total</b>	<b>104.1</b>	<b>112.5</b>	<b>8.4</b>	<b>8%</b>	<b>3.1</b>	<b>5.3</b>

### Capital Table

Service / Project	Actuals to Date £000	Released Budget £000's	Unreleased Budget £000's	Total Budget £000's	Forecast Outturn Released £000's	Forecast Unreleased £000's	Forecast Outturn £000's	Forecast Variance £000's
Children's Homes	159	486	485	971	380	600	980	9
Children's Social Care Total	159	486	485	971	380	600	980	9
Health Pupil Projects	79	186	0	186	186	0	186	0
HS2 Funded Schemes	28	389	0	389	389	0	389	0
Practically Complete / Final Accounts	1	266	0	266	266	0	266	0
Primary School Places	553	7,306	1,056	8,362	6,661	500	7,161	-1,201
Provision for Early Years	23	559	484	1,043	569	200	769	-274
Provision for SEN	845	2,061	155	2,216	2,061	0	2,061	-155
School Property Maintenance	1,980	3,356	0	3,356	3,356	0	3,356	0
School Suitability Issues	209	386	0	386	407	0	407	20
Secondary School Places	3,078	18,575	2,107	20,682	16,222	500	16,722	-3,961
Education Total	6,795	33,084	3,802	36,886	30,116	1,200	31,316	-5,570
<b>Grand Total</b>	<b>6,954</b>	<b>33,570</b>	<b>4,287</b>	<b>37,857</b>	<b>30,496</b>	<b>1,800</b>	<b>32,296</b>	<b>-5,560</b>

Children's Services is projecting an overspend of £8.4m, of which £3.1m relates to Covid-19.

The main non-Covid-19 variances relate to expenditure on Home to School Transport, External Placements for looked after children and accommodation costs for care leavers.

Home to School Transport is projected to be £3.9m overspent including Covid-19, this is an increase of £1m from Q1 and the increase is largely due to lower levels of income than previously forecast. Projected expenditure levels have not changed significantly.

Placements budgets are projected to overspend by £2.1m, including Covid-19 costs, as increased numbers of high cost placements have had to be made during the year. There is a risk that there will be an increase in referrals and demand for placements now that children have returned to school. A number of mitigations are being put into place to reduce the overspends within Children's Social Care and these are expected to impact in the final quarter of the financial year.

Dedicated Schools Grant (DSG) are projected to break even, pressures of up to £1.1m have been identified against the High Needs Block. Schools Forum have agreed the approach to recovery planning and reducing high needs expenditure.

## Communities Directorate

### Revenue Table

	Budget £m	Y/E Out- turn £m	Forecast Variance £m	%	of which COVID £m	of which BAU £m
Expenditure	8.9	11.7	2.8	32%	4.3	(1.4)
Income	(3.2)	(0.1)	3.0	96%	1.8	1.2
<b>3-CMA Culture, Sport &amp; Leisure</b>	<b>5.7</b>	<b>11.6</b>	<b>5.9</b>	<b>104%</b>	<b>6.1</b>	<b>(0.2)</b>
Expenditure	37.1	38.5	1.3	4%	1.4	(0.1)
Income	(12.3)	(9.7)	2.5	21%	2.1	0.4
<b>3-CMB Neighbourhood Services</b>	<b>24.9</b>	<b>28.7</b>	<b>3.9</b>	<b>16%</b>	<b>3.5</b>	<b>0.3</b>
Expenditure	34.6	35.2	0.6	2%	0.2	0.4
Income	(16.3)	(9.1)	7.3	45%	7.9	(0.6)
<b>3-CMH Highways &amp; Technical Servi</b>	<b>18.2</b>	<b>26.1</b>	<b>7.9</b>	<b>44%</b>	<b>8.1</b>	<b>(0.2)</b>
Expenditure	10.5	10.5	(0.0)	(0%)	-	(0.0)
Income	(1.2)	(1.1)	0.1	7%	-	0.1
<b>3-CMR Transport Services</b>	<b>9.3</b>	<b>9.4</b>	<b>0.1</b>	<b>1%</b>	<b>-</b>	<b>0.1</b>
Expenditure	(0.2)	(0.2)	-	-	-	-
<b>3-CMW Corp Director</b>	<b>(0.2)</b>	<b>(0.2)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>57.9</b>	<b>75.7</b>	<b>17.8</b>	<b>31%</b>	<b>17.7</b>	<b>0.1</b>

### Capital Table

Service / Project	Actuals to Date £000	Released Budget £000's	Unreleased Budget £000's	Total Budget £000's	Forecast Outturn Released £000's	Forecast Unreleased £000's	Forecast Outturn £000's	Forecast Variance £000's
Culture Sport & Leisure Total	8,613	27,407	280	27,687	25,034	230	25,264	-2,423
Highways & Technical Services Total	19,322	38,676	3,953	42,628	38,718	3,435	42,153	-475
Neighbourhood Services Total	2,163	4,362	10,022	14,385	10,734	3,016	13,750	-635
<b>Grand Total</b>	<b>30,098</b>	<b>70,445</b>	<b>14,255</b>	<b>84,700</b>	<b>74,486</b>	<b>6,681</b>	<b>81,167</b>	<b>-3,533</b>

Revenue position shows an overall forecast overspend of £17.8m. This is an increase of £4.1m from Quarter 1, of which £3.9m relates to Covid-19 pressures.

The total overspend relating to Covid-19 is £17.7m. These relate to;

- Culture, Sport & Leisure of £6.1m – being closure impacts on Leisure Centres (£4.8m), Arts & Culture (£0.3m), Libraries (£0.3m) and Country Parks and Play Areas (£0.6m).
- Neighbourhood Services £3.5m - being closure impacts on Waste (£1.1m), Cemeteries and Crematoria additional costs (£0.1m), EFW & Residual Waste (£1.5m), Household Waste Recycling Centres (£0.4m), Waste Strategy and Management (£0.2m),
- Street Cleansing (£0.1m), Licensing (£0.2m)
- Highways & Technical Services £8.1m - being impact of suspension of parking charges, Parking Operations (£6.9m) and Highways Contract (£1.2m).

Details of the Covid-19 impacts can be found in Appendix 2.

Capital position shows an overall forecast slippage of £3.5m on gross expenditure:

£0.5m slippage within Highways & Technical Services relates mainly to Wycombe area car parks.

£0.6m slippage in Neighbourhood Services includes £0.45m slippage in Waste and a £60k budget adjustment required within Crematorium.

£2.4m slippage within Culture, Sport & Leisure relates to Country Parks (£1.7m), Youth facilities (£0.4m) and Country Parks and Libraries (£0.2m).

## Deputy Chief Executive Directorate

### Revenue Table

	Budget £m	Y/E Out- turn £m	Forecast Variance £m	%	of which COVID £m	of which BAU £m
Expenditure	8.4	8.4	0.0	0%	0.1	(0.1)
Income	(0.8)	(0.8)	-	-	-	-
<b>Localities &amp; Strategic Partnerships</b>	<b>7.6</b>	<b>7.6</b>	<b>0.0</b>	<b>0%</b>	<b>0.1</b>	<b>(0.1)</b>
Expenditure	1.0	1.0	(0.0)	(1%)	-	(0.0)
Income	-	-	-	-	-	-
<b>Senior Management</b>	<b>1.0</b>	<b>1.0</b>	<b>(0.0)</b>	<b>(1%)</b>	-	<b>(0.0)</b>
Expenditure	3.7	4.0	0.2	7%	0.2	-
Income	(0.1)	(0.0)	0.0	26%	0.0	-
<b>Service Improvement</b>	<b>3.7</b>	<b>3.9</b>	<b>0.3</b>	<b>7%</b>	<b>0.3</b>	-
Expenditure	4.4	4.2	(0.2)	(6%)	0.0	(0.3)
Income	(0.5)	(0.5)	0.0	1%	-	0.0
<b>Policy &amp; Comms</b>	<b>3.9</b>	<b>3.7</b>	<b>(0.2)</b>	<b>(6%)</b>	<b>0.0</b>	<b>(0.3)</b>
Expenditure	7.5	11.9	4.5	60%	0.8	3.7
Income	(1.2)	(4.7)	(3.5)	(292%)	0.2	(3.7)
<b>Legal &amp; Democratic Services</b>	<b>6.3</b>	<b>7.2</b>	<b>0.9</b>	<b>15%</b>	<b>0.9</b>	<b>0.0</b>
<b>Total</b>	<b>22.5</b>	<b>23.5</b>	<b>1.0</b>	<b>4%</b>	<b>1.3</b>	<b>(0.3)</b>

### Capital Table

No current programmes

The Directorate is forecasting a revenue overspend of £1.0m.

£1.3m of the overspend is due to impact of COVID-19, largely from the delay to elections impacting on the cost of member allowances as well as impacts on services such as loss of income (LLC fees). Business as Usual budgets are forecasting an underspend of £0.3m from vacancies and through savings on supplies & services.

## Planning Growth & Sustainability Directorate

### Revenue Table

	Budget £m	Y/E Out- turn £m	Forecast Variance £m	%	of which COVID £m	of which BAU £m
Expenditure	3.4	3.3	(0.1)	(4%)	0.0	(0.2)
Income	(0.4)	(0.5)	(0.1)	(40%)	-	(0.1)
<b>3-PSB Economic Growth &amp; Regener</b>	<b>3.0</b>	<b>2.8</b>	<b>(0.3)</b>	<b>(9%)</b>	<b>0.0</b>	<b>(0.3)</b>
Expenditure	14.4	15.1	0.7	5%	4.0	(3.3)
Income	(11.1)	(7.1)	4.0	36%	-	4.0
<b>3-PSD Planning &amp; Environment</b>	<b>3.3</b>	<b>8.0</b>	<b>4.7</b>	<b>143%</b>	<b>4.0</b>	<b>0.7</b>
Expenditure	17.7	17.6	(0.0)	(0%)	0.8	(0.8)
Income	(22.3)	(19.4)	2.9	13%	1.8	1.0
<b>3-PSH Property &amp; Assets</b>	<b>(4.6)</b>	<b>(1.8)</b>	<b>2.8</b>	<b>61%</b>	<b>2.6</b>	<b>0.2</b>
Expenditure	3.1	2.8	(0.4)	(11%)	-	(0.4)
Income	(1.1)	(0.7)	0.4	37%	0.1	0.4
<b>3-PSJ Strategic Transport &amp; Infrastr</b>	<b>2.0</b>	<b>2.1</b>	<b>0.1</b>	<b>2%</b>	<b>0.1</b>	<b>0.0</b>
Expenditure	12.4	12.7	0.3	2%	0.5	(0.3)
Income	(4.5)	(3.6)	0.9	20%	0.7	0.2
<b>3-PSR Housing &amp; Regulatory Servic</b>	<b>7.9</b>	<b>9.1</b>	<b>1.2</b>	<b>15%</b>	<b>1.3</b>	<b>(0.1)</b>
<b>Total</b>	<b>11.7</b>	<b>20.1</b>	<b>8.5</b>	<b>72%</b>	<b>7.9</b>	<b>0.5</b>

### Capital

### Table

Service / Project	Actuals to Date £000	Released Budget £000's	Unreleased Budget £000's	Total Budget £000's	Forecast Outturn Released £000's	Forecast Unreleased £000's	Forecast Outturn £000's	Forecast Variance £000's
Economic Growth & Regeneration Total	3,719	20,346	6,390	26,736	13,605	5,794	19,399	-7,337
Housing & Regulatory Services Total	4,519	15,600	0	15,600	18,404	0	18,404	2,803
Property & Assets Total	2,222	3,950	0	3,950	2,401	0	2,401	-1,549
Strategic Transport & Infrastructure Total	4,311	6,777	6,062	12,839	12,360	291	12,651	-188
<b>Grand Total</b>	<b>14,770</b>	<b>46,674</b>	<b>12,452</b>	<b>59,126</b>	<b>46,770</b>	<b>6,085</b>	<b>52,856</b>	<b>-6,270</b>

The Directorate is forecasting an overspend of £8.5m, of which £7.9m is Covid-19 related, and £0.6m is Business as Usual budget pressures.

Business as Usual overspends are reported in both Planning & Environment (0.7m) and Property & Assets (0.2m). Property & Assets pressures relate to excess voids impacting property rental income targets. Planning & Environment pressures are staffing related. These are partially mitigated in-year by use of one-off reserves and will be permanently addressed through future service transformation proposals.

Capital Projects are reporting £6.3m of slippage (not Covid-19 related) which will be addressed through budget reprofiling as part of the Capital Programme Review.

## Resources

## Directorate

## Revenue

## Table

	Budget £m	Y/E Out- turn £m	Forecast Variance £m	%	of which COVID £m	of which BAU £m
Expenditure	13.1	13.0	(0.2)	(1%)	-	(0.2)
Income	(0.9)	(0.7)	0.2	20%	-	0.2
<b>Business Operations</b>	<b>12.2</b>	<b>12.2</b>	<b>0.0</b>	<b>0%</b>	-	<b>0.0</b>
Expenditure	8.4	8.8	0.4	5%	0.5	(0.1)
Income	(3.0)	(3.0)	-	-	-	-
<b>Corporate Finance</b>	<b>5.4</b>	<b>5.8</b>	<b>0.4</b>	<b>8%</b>	<b>0.5</b>	<b>(0.1)</b>
Expenditure	5.3	5.5	0.2	3%	-	0.2
Income	(0.7)	(0.2)	0.5	69%	0.1	0.3
<b>HR/OD</b>	<b>4.6</b>	<b>5.3</b>	<b>0.6</b>	<b>14%</b>	<b>0.1</b>	<b>0.5</b>
Expenditure	12.7	13.3	0.6	5%	0.6	0.0
Income	(0.7)	(0.7)	-	-	-	-
<b>ICT</b>	<b>12.0</b>	<b>12.6</b>	<b>0.6</b>	<b>5%</b>	<b>0.6</b>	<b>0.0</b>
Expenditure	132.2	122.4	(9.7)	(7%)	0.1	(9.8)
Income	(125.7)	(115.2)	10.4	8%	0.8	9.6
<b>Service Finance</b>	<b>6.5</b>	<b>7.2</b>	<b>0.7</b>	<b>11%</b>	<b>0.8</b>	<b>(0.2)</b>
Expenditure	(0.2)	0.1	0.3	135%	0.3	-
<b>Resources Directorate</b>	<b>(0.2)</b>	<b>0.1</b>	<b>0.3</b>	<b>135%</b>	<b>0.3</b>	-
<b>Total</b>	<b>40.5</b>	<b>43.2</b>	<b>2.7</b>	<b>7%</b>	<b>2.4</b>	<b>0.3</b>

## Capital

## Table

Service / Project	Actuals to Date £000	Released Budget £000's	Unreleased Budget £000's	Total Budget £000's	Forecast Outturn Released £000's	Forecast Unreleased £000's	Forecast Outturn £000's	Forecast Variance £000's
CDC/SBDC/WDC Customer Experience	-10	0	0	0	0	0	0	0
<b>Business Operations Total</b>	<b>-10</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Delivery of Technology Strategy	1,054	2,838	983	3,822	2,838	1,000	3,838	17
ICT Hardware	0	0	1,500	1,500	0	1,500	1,500	0
Social Care Systems	0	2,804	78	2,882	2,769	0	2,769	-113
Recent Old Codes	-98	0	0	0	0	0	0	0
<b>ICT Total</b>	<b>956</b>	<b>5,643</b>	<b>2,561</b>	<b>8,204</b>	<b>5,608</b>	<b>2,500</b>	<b>8,108</b>	<b>-96</b>
<b>Grand Total</b>	<b>946</b>	<b>5,643</b>	<b>2,561</b>	<b>8,204</b>	<b>5,608</b>	<b>2,500</b>	<b>8,108</b>	<b>-96</b>

Resources Directorate is projecting an overspend of £2.7m. £2.4m of the overspend is due to the impact of Covid-19.

The £0.3 Business as Usual overspend is the result of staffing pressures with HR&OD (£0.5m) offset by staffing underspends of £0.2m in Corporate Finance and Service Finance.

## 2 Corporate Costs & Funding

Corporate & Funding are forecast to underspend by £39.6 million, due to additional grant income from central government in response to Covid-19, and £2.9m of corporate contingency which is forecast as uncommitted and is currently offsetting some of the directorate overspends.

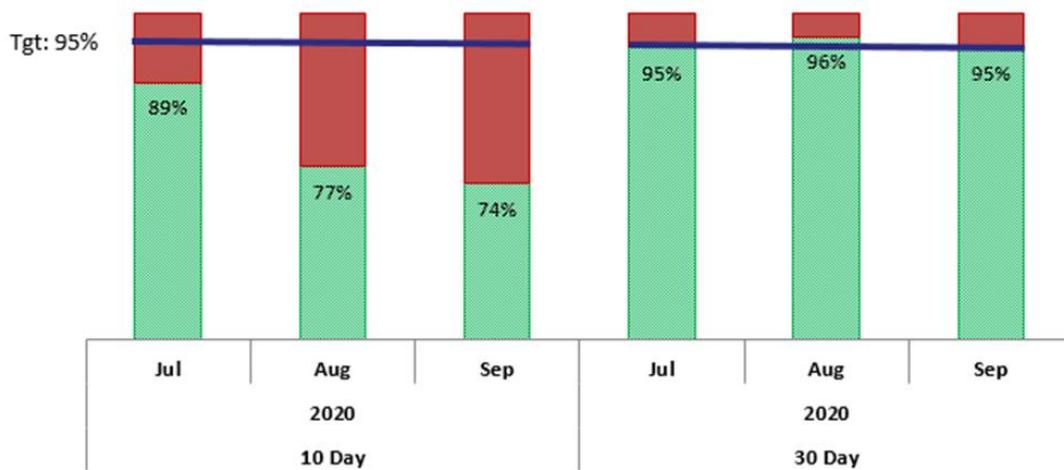
Note: Approximately £500k of the initial un-ringfenced COVID-19 grant was applied to costs incurred in 2019/20.

Current COVID-19 grants received or expected are as follow;

Grant	Value £000's	Status
<b>Unringfenced grants</b>		
COVID grant (tranche 1)	- 10,638	Received
COVID grant (tranche 2)	- 14,948	Received
Supporting the vulnerable	- 358	Received
COVID grant (tranche 3)	- 3,548	Received
New burdens grant	- 170	Received
SFC loss of income	- 10,500	Estimated
<b>Ringfenced grants</b>		
Funding for Business Rate Reliefs	- 78,420	Received
Funding for Business Support grants	- 91,846	Received
Council Tax Hardship Grant	- 2,814	Received
Rough Sleepers Contingency Grant	- 29	Received
Infection control grant	- 6,254	Received
Dedicated H2S transport grant	- 566	Received
Wellbeing For Education Return Grant	- 89	Received
Homelessness Grant	- 322	Received

### 3. Late Payments

#### Late Payment Performance Past 3 Months

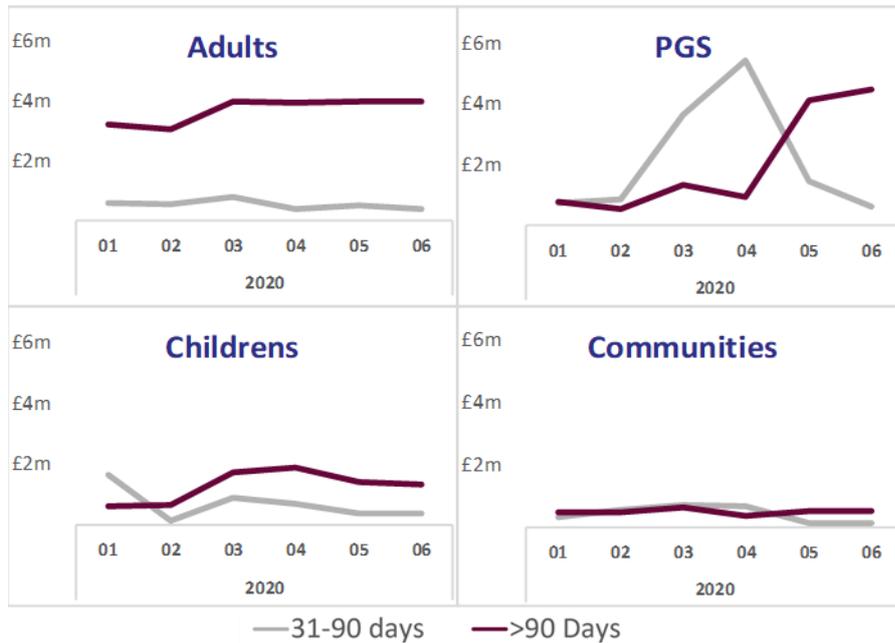


No. Late	62	101	112	464	253	357
No. Paid	521	329	317	8,401	6,841	6,418
No. Invoices	583	430	429	8865	7094	6775

The underlying performance across all payments is very close to the target 95%. However specific one-off issues in April, May and June have brought the performance for the year to date down to 87.7%. 30-Day payment performance remains above target, however 10-Day performance has been significantly affected by NBHS Health Check payments which are currently under review to understand why they have reduced performance to below target levels.

#### 4. Outstanding debt

##### Unsecured Debt > 30 Days by Directorate



Both the raising of income, and hence the level of debt have been impacted by Covid-19, so current levels are not indicative of long-term trends.

Within Adults & Health debt recovery has been suspended due to Covid-19, and the temporary suspension of Court of Protection activity. However, a debt recovery improvement programme has been instigated to look at the whole end to end recovery process.

Property related debt within Planning, Growth & Sustainability has seen an increase in >90 days debt as some quarterly rent invoices have progressed from the <90 days category to the >90 days category. Total debt improved over recent months and remains at the level of Quarter 1.

Debt levels in Children's Services and Communities remain at a consistent level.

There is minimal debt within Resources and Deputy Chief Executive.

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## Appendix 2

**Summary of pressures, lost income and funding**

<b>Expenditure pressures</b>		<b>Forecast</b>
		<b>£000's</b>
Deputy Chief Executive		1,128
Communities		6,089
Adults & Health		9,414
Planning, Growth & Sustainability		2,058
Children's Services		2,367
Resources		1,463
Corporate		250
National policy responses		180,348
<b>Total expenditure pressures</b>		<b>203,117</b>
<b>Income losses</b>		<b>Forecast</b>
		<b>£000's</b>
Deputy Chief Executive		209
Communities		11,230
Adults & Health		587
Planning, Growth & Sustainability		6,325
Children's Services		734
Resources		911
Corporate		-
<b>Total income lost</b>		<b>19,995</b>
<b>TOTAL PRESSURE</b>		<b>223,113</b>
<b>Funding</b>		<b>£000's</b>
Emergency Funding - ringfenced	-	180,340
Emergency Funding - unringfenced	-	40,162
<b>TOTAL FUNDING</b>	-	<b>220,502</b>
<b>UNFUNDED PRESSURE</b>		<b>2,611</b>

Note: These figures differ from Budget Monitoring reporting as £0.4m of costs and loss income were absorbed in 2019/20.

Details of the grants received to fund Covid-19 pressures are in Appendix 1

**Sales, Fees & Charges Lost income compensation**

On 24 August the government published detailed guidance on the Sales, Fees & Charges Lost income compensation scheme. This scheme compensates Local Authorities in part for income lost as a result of Covid-19. The scheme operates such that the Local Authority bears the first 5% of losses and losses beyond that are compensated at 75p/£ for genuine Sales, Fees and Charges losses, excluding commercial and rental income.

The first claim was submitted at the start of October and covered the period April to August. Our claim was for **£9.1m** of lost income, and if all elements of the claim are accepted we

expect to receive **£5.3m** of compensation. Given the current forecast of income losses for the full year we are forecasting to receive **£10.5m** of compensation against losses of **£16.0m** from the scheme by March. Should losses exceed £16.0m compensation of £0.75m will be received for every additional £1.0m of applicable income losses.

The table below shows the losses incurred and the Claim submitted for the period April – July;

Directorate	Full year Budget	TOTAL LOSS P1-4	FY forecast loss	P1-4 CLAIM		
				5% deductible (BC cost)	25% share of P1-4 balance (BC cost)	75% share of P1-4 balance (GRANT DUE)
Adults & Health	- 621	193	570	31	40	121
Planning, Growth & Economy	- 11,014	1,766	4,314	551	304	912
Children's Services	- 3,271	816	992	164	163	490
Resources	- 1,000	332	750	50	71	212
Deputy Chief Executive	- 920	176	243	46	33	98
Communities	- 22,864	5,775	9,108	1,143	1,158	3,474
<b>TOTAL</b>	<b>- 39,689</b>	<b>9,059</b>	<b>15,977</b>	<b>1,984</b>	<b>1,769</b>	<b>5,306</b>

### Detailed pressures by Directorate

The table below shows the breakdown of forecast Covid-19 pressures by Directorate and service area;

Directorate	Service Area	Total
<b>Adults Health &amp; Housing</b>	Hospital Discharge	2,282
	Various	7,132
	Day & Respite Care	587
<b>Children's Services</b>	Adult Education	292
	Care Services	127
	Children's Social Care	27
	Early Help - Family Support Service	28
	Education - Virtual School	58
	Home to School Transport	882
	Placement Services	1,687
<b>Communities</b>	Culture, Sports & Leisure	6,230
	Highways & Technical Services	7,588
	Neighbourhood Services	3,502
<b>Deputy Chief Executive</b>	Legal & Democratic Services	946
	Localities & Strategic Partnerships	120
	Policy & Comms	13
	Service Improvement	258
<b>Planning, Growth &amp; Sustainability</b>	Economic Growth & Regeneration	33
	Housing & Regulation	1,567
	Planning	4,000
	Property & Assets	2,563
	Strategic Transport & Infrastructure	220
<b>Resources</b>	HR&OD	145
	ICT	563
	Resources Directorate	325
	Service Finance	841
	PPE	500

### Budget Inquiry Group Scoping Paper

<b>Title</b>	Budget Scrutiny 2021
<b>Signed-off by</b>	Finance and Resources Select Committee
	Sarah Ashmead, Deputy Chief Executive
	Ian Hunt, Head of Democratic Services (Statutory Scrutiny Officer)
<b>Author</b>	Leslie Ashton, Senior Democratic and Electoral Services officer
<b>Date</b>	26 November 2020
<b>Inquiry Group Membership</b>	Finance and Resources Select Committee Members
<b>Member Services Resource</b>	<p>Democratic Services will provide the following officer support:</p> <p>Kelly Sutherland, Committee &amp; Governance Manager – Policy Advice &amp; Project Oversight</p> <p>Leslie Ashton - Policy Lead and Project Management</p> <p>Committee Assistant – Administrative support (as needed)</p>
<b>Lead Cabinet Member</b>	Martin Tett, Leader
<b>Lead Officer</b>	Richard Ambrose, Service Director for Corporate Finance and s.151 Officer
<b>What is the problem that is trying to be solved?</b>	<p>Members require assurance that the budget proposals put forward for the Council are realistic and deliverable and in line with the Council's priorities, as outlined in its Strategic Plan.</p> <p>The Finance and Resources Select Committee will conduct meetings with Cabinet Members in January 2021 in order to develop the conclusions and recommendations of its 2021/22 Budget Scrutiny Inquiry.</p> <p>It is recognised that all councils are facing significant financial challenges and uncertainties this year as a result of the Covid pandemic. Given this context, Buckinghamshire Council is developing a one year revenue budget and a 4 year capital budget, with a focus on understanding and mitigating the risks to the council.</p> <p>Through scrutiny of financial data and performance information and by questioning Cabinet Members and relevant supporting officers, the Inquiry Group will explore the risks and assess whether budget proposals are sufficiently robust in the current context. After gathering evidence, the Inquiry Group will produce a report making recommendations to Cabinet to highlight any areas of risk and to suggest any amendments to be considered ahead of the Budget being agreed by Full Council in late February.</p>
<b>Is the issue of significance to Buckinghamshire as a whole?</b>	Yes - Budget proposals for Buckinghamshire Council will have an impact on Buckinghamshire as a whole.

<b>Is the topic of relevance to the work of Buckinghamshire Council?</b>	Yes, see above
<b>Is this topic within the remit of the Select Committee?</b>	<p>Scrutiny of the budget is a priority within the Select Committee’s remit. The subject falls within the remit of the Leader, but involves all Cabinet Members.</p> <p>A key task for the Finance and Resources Select Committee is to scrutinise a Draft Buckinghamshire Council Budget for 2021/22 and the Medium Term Financial Plan.</p>
<b>What work is underway already on this issue?</b>	<p>See key timing considerations</p> <ul style="list-style-type: none"> <li>On 1 October 2020 the Committee received a 6-month update on progress against the 2020 Budget Scrutiny recommendations.</li> <li>On 26 November 2020 the Committee will receive a briefing from Richard Ambrose, the Service Director for Corporate Finance, on the draft budget and key financial issues.</li> </ul>
<b>Are there any key changes that might impact on this issue?</b>	<ul style="list-style-type: none"> <li>The ongoing uncertainties around the implications of the Covid-19 pandemic.</li> <li>Possible implications of Brexit.</li> </ul>
<b>What are the key timing considerations?</b>	<p>Timings of budget consultation:</p> <p>26<sup>th</sup> November 2020 - Finance and Resources SC budget scrutiny preparatory briefing</p> <p>5 Jan 2021 – Cabinet agrees draft budget</p> <p>January 2021 (<i>date tbc w/c 4/1</i>) - the Section 151 Officer will give a more detailed private briefing to the Inquiry Group to confirm the Local Government Settlement and highlight any key challenges or budget pressures that members should be aware of. Members will also be informed of any public consultation feedback and guided through the Draft Budget paperwork.</p> <p><b>Budget Scrutiny – 11<sup>th</sup>, 12<sup>th</sup> and 14<sup>th</sup> January 2021</b></p> <p>16<sup>th</sup> February 2021 – Cabinet recommends final budget</p> <p>24<sup>th</sup> February 2021 – Council agrees final budget</p>
<b>Who are the key stakeholders &amp; decision-makers?</b>	<ul style="list-style-type: none"> <li>Cabinet Members</li> <li>Corporate Management Team</li> <li>Public (in terms of consultation)</li> </ul>
<b>What might the Inquiry Achieve?</b>	The Inquiry will result in recommendations to Cabinet to ensure that the Budget for 2021/22 is robust.
<b>What media/communications support do you want?</b>	<ul style="list-style-type: none"> <li>Press release and social media communications to launch Budget Scrutiny Week</li> <li>Questions invited from Public via social media during Budget Scrutiny Week</li> </ul>

	<ul style="list-style-type: none"> <li>• Link with Communications team regarding Council’s consideration of the Budget</li> <li>• Press release and social media communications to promote the report once published</li> </ul>
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## Evidence-gathering Methodology

### **What types of methods of evidence-gathering will you use?**

The Inquiry Group will be provided with a considerable amount of information as background to the financial proposals, including:

- Information provided by the Service Director for Corporate Finance
- Directorate budget summary information, including any proposals for significant savings plans or capital investments.
- Published Performance data
- Three days of meetings with Cabinet Members
- Consultation feedback
- Questions from the Public via social media

The Budget Scrutiny Inquiry Group, working closely with the Scrutiny Officer, will identify some key lines of enquiry to follow during the Portfolio Holder meetings. Whilst the portfolio areas are very different, there will be consistent questions that can be put to all of them e.g.

- How will your proposals impact on Buckinghamshire residents?
- How do your budget proposals fit with the Council’s overall objectives and priorities as outlined in the Strategic Plan?
- What are the biggest areas of risk in your budget and what plans are in place to mitigate them?

### **How will you involve service-users and the public in this inquiry?**

- Meetings where each individual Cabinet Member will be questioned on their budget proposals should be held in public and webcast. Meetings with Cabinet Members are planned to take place over 3 days during the week commencing 11 January 2021. This helps members and officers to keep their focus and to identify interdependencies across portfolio areas.
- Feedback will be fed through from the Public via budget consultation
- Meetings and webcasts can be publicised to encourage public engagement - public questions could also be invited by social media or email.

## Outline Inquiry Project Plan

Stage	Key Activity	Dates
Scoping	Inquiry Scope Agreed by Select Committee	26 November 2020
Evidence-gathering	Pre-Budget briefing	26 November 2020
	Private Budget briefing with Inquiry Group members	TBC w/c 4 January 2021
	Budget Inquiry Meetings with individual Cabinet Members	11, 12 and 14 January 2021
Developing Recommendations	Inquiry Group/SC meeting – Key Findings Report & Possible Areas of Recommendations considered	14 January 2021
Reporting	Draft Inquiry Group report with recommendations completed (signed-off by SC Chairman)	18 January 2021
	Select Committee agrees report to go forward to decision-makers (via email)	20 January 2021
	Cabinet papers published	8 February 2021
	Cabinet considers recommendations	16 February 2021
	Full Council Report	24 February 2021

## Finance and Resources Select Committee

Date	Topic	Description & Purpose	Lead Officer	Contributors
26 <sup>th</sup> November	Property Assets Register	To provide members with an overview of the property assets register following unitary transition and the medium to long term plans for these assets. To further provide a transformation and regeneration update.	Ian Thompson	John Chilver, John Reed
	S106 and CIL update	To receive an update on Section 106 and Community Infrastructure funds held by the Council.	Richard Ambrose, Steve Bambrick	Katrina Wood, Richard Ambrose
	Budget Performance Monitoring Q2	For members to receive an update on Q2 performance.	Richard Ambrose	Katrina Wood, Richard Ambrose
	2021 Budget Scrutiny scoping document	To update members with a suggested timetable and planned approach to the upcoming budget scrutiny sessions.	Leslie Ashton	All Committee Members
<b>11- 14 January 2021</b>	<b>BUDGET SCRUTINY INQUIRY GROUP MEETINGS TAKING PLACE</b>			
28 <sup>th</sup> January 2021	Staffing Update	To receive an overview of staffing 9 months on from the unitary transition with updates on transformation progress made to date and the next steps.	Sarah Murphy-Brookman	Katrina Wood, Sarah Murphy-Brookman, John McMillan
	AVE / Commercialisation update	For members to understand what the council's approach to commercialism is/will be. To receive a further update on the work and business plans of AVE, Consilio and other commercial ventures the Council has significant interest in. <b>(confidential)</b>	Ian Thompson	John Chilver, John Reed
	Budget Performance Monitoring Q3 (if available – may be presented in March)	For members to receive an update on Q3 performance.	Richard Ambrose	Katrina Wood, Richard Ambrose

25 <sup>th</sup> March 2021	Unitary Transition Review	Review of unitary implementation 1 year on - what key areas of work have been carried out and are planned, review of savings and impact of the Covid pandemic within the Resources and Property and Assets portfolio areas.	TBC	
	12 month progress report on 2020 budget scrutiny recommendations	To review the status of the recommendations made by the Shadow O&S members during 2020 budget scrutiny.	Richard Ambrose	Martin Tett, Katrina Wood, John Chilver, Richard Ambrose and others as appropriate.
	Budget Performance Monitoring Q4	For members to receive an update on Q4 performance.	Richard Ambrose	Katrina Wood, Richard Ambrose