



Report to Cabinet

Date: 07/07/20

Title: Wycombe District Council - Revenue and Capital Provisional outturn 2019/20

Relevant councillor(s): Cllr Katrina Wood

Author and/or contact officer: Richard Ambrose

Ward(s) affected: All Wycombe Wards.

Recommendations:

- a) Consider the provisional outturn position for both Revenue and Capital for 2019/20.
- b) Note and approve the additional movement in reserves as set out in table under paragraph 1.10.2 of this report.
- c) Approve the Revenue Carry Forwards of £1.2m as set out in paragraph 1.12 of this report.
- d) Note the General Fund reserve position as set out in paragraph 1.16 of this report.
- e) Approve the Capital Carry Forwards and Advance Funding (Net £4.5m) as outlined in paragraph 1.19.1 and set out in Appendix C1.

Reason for decision:

This report provides the Cabinet Members with the provisional outturn for the financial year 2019/20 against the approved budget. The Council's outturn position is a primary source of information for the production of the Statement of Accounts.

Executive summary

- 1.1 This report sets out the Council's financial position as at year end against the approved budget for the financial year 2019/20.
- 1.2 Due to Covid-19, the Ministry of Housing, Communities and Local Government has delayed the issue of NNDR3 (Business Rates) forms and completion deadline, therefore the Business Rates outturn position could change. In addition to this the

audit findings could have an impact on the final position. The Audit committee will receive the Final Outturn position as part of narrative reporting within the Statement of Accounts in July 2020.

- 1.3 The revenue outturn position at the end of the financial year 2019/20 shows a balanced position. The balanced budget position assumes total revenue budget carry forward of £1.219m, which is added to reserves in 2019/20 for use in 2020/21.
- 1.4 Total spend on the Capital Programme for the year is £17.015m against a budget of £22.164m resulting in a variance of £5.149m. The variance is made up of total slippage of £4.471m which will be carried forward into 2019/20 and underspends of £0.678m.

Content of report

- 1.1. **Revenue Outturn summary** : The net revenue provisional outturn position by Portfolio Holder as at 31 March 2019 is showing a favourable variance of £1k against a budget of £16,961k, as summarised in table below:

Description	Budget £000	Actual £000	Carry Forwards £000	Outturn incl c/fwd £000	Variance incl c/fwd £000
Community	2,588	2,129	99	2,228	-360
Environment	4,469	5,537	68	5,605	1,136
Economic Development & Regeneration	-4,161	-4,381	148	-4,233	-72
Planning & Sustainability	1,191	1,191	0	1,191	0
Digital Development & Customer Services	5,449	5,349	112	5,461	12
Housing	2,200	1,956	100	2,056	-144
Strategy & Communications	4,507	3,515	652	4,167	-340
Young People	78	70	0	70	-8
Finance	6,190	6,597	40	6,637	447
Net Cost of Service	22,511	21,963	1,219	23,182	671
Technical items					
Interest Receipt	-928	-1,164	0	-1,164	-236
Capital Financing Charges	-2,353	-2,332	0	-2,332	21
Net Movement to/(from) Reserve	-2,929	-2,728	-1,219	-3,947	-1,018
Revenue contribution to capital outlay	660	660	0	660	0
Total Corporate Items	-5,550	-5,564	-1,219	-6,783	-1,233
Budget Requirement	16,961	16,399	0	16,399	-562
Funded by					
Collection Fund surplus	-139	-139		-139	0
Business Rates	-5,820	-5,232		-5,232	588
New Homes Bonus	-1,535	-1,562		-1,562	-27
Net Expenditure before Council Tax	9,467	9,466	0	9,466	-1

- 1.2. The Net Cost of Services is showing a net pressure of £671k resulting from: Car Parking Income £613k due to reduced activity, Planning Income £279k, Rental Income £236k,

increased in various provisions (bad debt, litigation, asbestos) £790k, increased unitary costs £472k above the amounts budgeted in Feb 2019 but within the total amount approved by the Shadow Executive and staffing pressures across the council £1,114k, offset by favourable variances on Fees & Charges £1,396k mainly from legal services cost charged to BCC, unbudgeted government grant £584k, unused contingency budget £517k and various favourable variances across the services £1,065k. The net pressure is funded from surplus on investment income and transfer from reserves.

1.3. All Covid-19 related government funding will be accounted for by Buckinghamshire Council on an ongoing basis. At this stage the main areas of pressure in relation to Covid-19 are in reductions to income in relation to rental income, parking and market pitches. These have been captured and quantified in the CMT and MHCLG returns in BC.

1.4. Revenue Outturn variance by portfolio holder are detailed below:-

1.4.1. **Community** – Underspend of £360k. net £123k over recovery of Leisure Centre management fee mainly relating to indexation; £59k salaries savings in relation to vacant grounds maintenance post; £69k one-off surplus on Crematorium income; £69k on-going underspend on ground maintenance contract and £48k on Street Warden staffing costs. This is offset by unfavourable variances resulting from non-delivery of savings with net pressure of £37k on CCTV due to delays in review of service. £122k underspend on repairs and renewals in respect of Sports Centre Car Park and Rookery Garden Wall. Rookery Garden project is work in progress therefore a carry forward request of £100k is included within the outturn position.

1.4.2. **Environment** - Overspend of £1,136k. Pressure on Waste service of £472k passed through from the joint client management team in relation to: property growth £121k, contract extension costs £85k, potential additional costs of property growth and indexation £98k, joint client costs £64k, shortfall on recycling credits £50k and rates bill for Booker depot £54k. The Parking Service has a £724k pressure; £613k of which is from parking income due to lower usage and season ticket activity. £103k net pressure on operating budgets from delayed installation of new car park equipment, net pressure of £46k from increased bank charges from change by provider offset by unbudgeted fee income of £38k from recharges of parking patrol at Handy Cross Hub. There is a budget pressure of £37k on street trading income not invoiced due to Covid-19 19. This is offset by underspend of £56k on Regulatory services staffing costs and £34k EU Exit Grant to fund staff costs. Underspend on Travellers of £62k has been requested for carry forward.

1.4.3. **Economic Development and Regeneration** – Underspend of £72k. Pressure of £205k on rental income is mainly due to decrease in turnover rents, £118k staffing pressures in Property Development from senior agency cover. Offset by underspend of £314k on the Regeneration feasibility budget, underspend of £120k on rates due to revaluation rebate on Handy X Hub related to prior years, underspend of £69k on Future High Street funding and £50k income from recharges of staff costs to capital projects and insurance costs to tenants.

Underspend of £69k on Future High Street funding and £65k on feasibility cost for Eastern quarter is included in the carry forward request.

- 1.4.4. **Planning and Sustainability** – Nil variance. £280k pressure on pre-planning and planning application income and £68k pressure on Building Control income. Offset by feasibility programme underspend (£127k), £60k saving on Local Plan, additional CIL admin income (£22k), Drawdown from earmarked reserves (£148k) to offset the service pressure reported in year.
- 1.4.5. **Digital Development & Customer Services** – Unfavourable variance of £12k. £90k underspend on repairs and renewals programme at QVR offices, £27k saving on rates for the Council Offices, £32k savings on Health & Safety, £26k saving on Capita contract, £38k savings in corporate training and £73k unbudgeted income from recharges to unitary. Offset by pressures on staffing budgets include £90k on ICT for TUPE of staff to ICT at end of Capita contract and unitary work and £40k staffing pressure in HR from unitary work, £40k pension strain costs and overspend on utilities budget £20k. Underspend of £76k on Repairs and Renewals budget and £35k on Digital First budget is included in the carry forward request.
- 1.4.6. **Housing** – Underspend of £144k. £120k net underspend on Bed and Breakfast from Homelessness Prevention activity by placing households in private accommodation and net underspend of £212k on homelessness prevention grant. Offset by adverse variance on HMO licence fees of £26k and pressure on WDC licensed properties relating to void costs on temporary accommodation properties £68k. £100k of the unspent homelessness prevention grant is requested for carry forward.
- 1.4.7. **Strategy and Communications** – £340k underspend. £256k grant income for Elections and Individual Electoral Registration (IER), with associated offsetting staffing and supplier costs, recharge of legal cost to county £588k, net vacancy savings of £134k including Chief Executive post. This is offset by land charges income pressure of £41k due to lower activity, staffing pressure of £383k on new County legal service, wholly funded by fee recharge, £202k on general elections. Underspend of £643k in relation to Economic Development Grant has been requested for carry forward.
- 1.4.8. **Young People** – minor underspend of £8k.
- 1.4.9. **Finance** – favourable variance of £447k. £264k net pressure on staffing from agency staff £204k, £60k staffing costs on unitary work; £100k Housing Benefit processing costs funded from grant, £290k litigation provision costs, £219k contribution to Bad Debt Provision, £229k contribution to Asbestos provision in addition to the budget provision, £21k additional provision to insurance fund and £472k net pressure due to additional contribution towards unitary transition costs to be funded from reserve. Offset by £517k saving on contingency budget, £414k additional Housing Benefit Grant, £178k additional Housing Benefit admin grant and £40k favourable variance on Court Cost income.

1.5. Corporate Items

1.5.1. **Investment Income** – The favourable variance of £236k is due to higher return and higher cash balances resulting from delays in capital programme spend.

1.5.2. **Contribution to/from Reserves** – The table below summarises the position:

Description	Approved £000	Actuals £000	Variance £000	Reasons for variance	
Repairs and Renewals	-1,134	-1,036	98	The service did not achieve the budgeted income target due to lower level of activity	
Land Charges Digitalisation	20	0	-20		
Business Rate Growth to Feasibility reserve	1,300	1,300	0		
Feasibility cost funding	-1,150	-1,150	0		
Digital First Funding	-235	-235	0		
2018/19 Carry forwards	-543	-543	0		
MLG costs funding	-3,000	-3,000	0		
Contribution to MLG reserve	1,351	1,238	-113		Funding of additional unitary transition costs
Insurance & Asbestos provision	0	-250	-250		Top up of insurance provision in addition to the budgeted contribution
Business Rates Retention equalisation		-600	-600		To fund the deficit on pilot gains
Business Risk & Transformation		-133	-133	To fund bad debt provision	
Negative RSG contribution to Revenue Development Reserve	462	462	0		
Total	-2,929	-3,947	-1,018		

1.6. **Business Rates** : Adverse variance of £600k in relation to pilot gains resulting from increase in overall bad debt provision and decrease in business rates yield.

1.7. **Revenue Carry Forwards**: These are various unspent grants and budgets for specific projects/workstreams. These were not fully spent and therefore will be carried forward to fund the completion of projects in 2020/21. These are summarised in the table below.

Description	Amount £000
Environment	68
Finance	40
Housing	100
Economic Development & Regeneration	148
Strategy & Communication	652
Digital Development & Customer Service	211
Total	1,219

1.8. **Repairs & Renewals Programme**: The total allocated budget for the programme is £1,134k funded from an earmarked reserve. The original 2019/20 budget of £634k

increased by £100k for resurfacing works at Kings Mead Car Park, and £400k for the works on the car park decks at Wycombe Sports Centre. Actual spend is £868k and £175k carry forwards for uncompleted projects results into an outturn position of £1,036k. At the Year end, the unspent commitments proposed for carry forward include £94k for Rookery Garden, £59k for Housing refurbishment and £26k for Webcasting.

1.9. **Savings Tracker:** The 2019/20 budget had a savings target of £853k and new income target of £2,444k. This in total represents 15.7% of the net cost of service budget. The pressures are contained within the overall outturn position. The year-end position is summarised below:

1.9.1. **Community:** CCTV service review savings showing pressure of £37k due to delayed implementation.

1.9.2. **Environment:** Business rate relief for public conveniences - £25k Pressure – has not been received; however compensatory savings achieved from closure of 4 public conveniences. Air Quality Grant - £25k pressure – grant not received.

1.9.3. **Parking operations:** This service sits within Environment portfolio. The service review is showing £103k net pressure from delayed implementation of new Parking system. Reduced Operating costs not achieved due delays in procurement. New income from increase parking tariffs not achieved due to reduced activity on daily parking charges.

1.9.4. **Housing:** Shortfall of £26k on HMO licences due to delays in rolling out the project across the district. Income target on Temporary housing not achieved due to reduction in use of temporary accommodation.

1.9.5. **Planning:** Pressure on planning discretionary service of £24k due to slowdown in Housing Market.

1.10. **Special Expenses:** The net outturn position for 2019/20 is £401k, a forecast over spend of £16k against a total budget of £385k. The total drawdown on the reserves is £107k resulting in the year-end balance of £989k as at end of March 2020. Appendix 1 provides further detail on the outturn position.

1.11. General Fund Reserves

Description	Amount £000
Balance b/fwd 01.04.19	9,850
Approved contribution to fund Unitary cost	-1,000
Surplus for the year	1
Balance c/fwd 31.03.20	8,851

1.12. **Capital Outturn** : The actual spend on the capital programme is £17.015m against a total revised programme of £22.164m resulting in a variance of £5.149m as summarised in the table below.

Portfolio	Original Budget Feb 2019 Cabinet	Revised Budget Feb 2020 Cabinet	Draft Outturn	Outturn Var	Carry Forward	Under spend
	£m	£m	£m	£m	£m	£m
Community	3.695	3.580	3.413	(0.167)	0.076	0.091
Environment	2.130	0.678	0.064	(0.614)	0.614	-
Housing	7.300	3.628	3.534	(0.094)	0.093	0.001
Econ. Devt and Regen.	25.245	7.740	5.422	(2.318)	1.985	0.333
Planning	11.396	5.476	3.900	(1.576)	1.435	0.141
Finance and Resources	0.308	0.109	-	(0.109)	-	0.109
Digital Devt. & Cust. Services	1.671	0.953	0.682	(0.271)	0.268	0.003
Grand Total	51.745	22.164	17.015	(5.149)	4.471	0.678

1.13. Significant variances over £250k are summarised below.

Project with variance over £250k	19-20 Variance Over / (Under) £000	Reason for variance/slippage
Court Garden Leisure Complex Refurbishment	282	Works have commenced, slight delay due to the discovery of notifiable asbestos. Refurb to be completed in April 2020.
Parking Equipment Refresh	(575)	A cross county panel tendered the work in two lots in January 2020, later than originally envisaged. Contracts have been awarded and signed on 27 March 2020.
Affordable Housing / Land Purchase - S106	(508)	Budget over 2 years for the purchase of 8 properties; delivery of the first 4 properties due in March 20 but delayed.
Temporary Accom. Scheme	498	Project spend in 19-20 exceeds available budget, but within the overall budget provision for this project. Advance funding from 20/21 budget.
Baker St - Phase 1 Aldi	(386)	Project is complete, underspend to fund overspend on Baker Street Public Realm project.
Bellfield - Hqube	(740)	Project required the completion of a complicated s106 agreement in association with Bellfield Residential and Ashwells. This has now been signed and contract in place but 3 month delay due to Covid. Total budget of 2.5m over several years.
WAP Road Construction & Southside	(534)	Delays to the project relating to the discovery of contaminants in the ground and site shut-down due to Covid 19.
Abbey Barn Lane Realignment	(470)	Project horizon spans 2019/20 through to 2023/24 and funds are being spent over several years. Project has commenced and was awarded time critical LTB funds from LEP. These have been prioritised for use and thus re-profiling of budget to future year.
HW TCMP future phases / Public Realm Improvts	(440)	Project commenced before Christmas 2019 but contractor did not return to progress work after this period. TfB appointed new contractor in Feb/March 2020 who will continue works in summer 2020 due to resourcing issues.
HW TCMP - Alternative Route	(249)	Project substantially completed in 2019/20 with snagging and TCMP remedial work outstanding. These will be undertaken in new financial year along with planters project.
Princes Risborough relief road Phase 1	(294)	Project horizon is 2019/20 through to 2023/24 and funds are being spent over several years. Project delayed, however has commenced and contractor/consultant engaged in Jan 2020.
Digital First	(280)	Digital First Project requirements continuing. Some items delayed due to Election in November, year end, postponed May elections and Covid-19 crisis.

1.14. **Net carry forwards** of £4.471m are requested. The carry forward and forward funding requests are summarised in the table below. Please refer to **Appendix C1** for a detailed list by scheme.

1.14.1. **Carry Forwards £5.539m.** These are various unspent budgets for specific projects which have started but not completed and therefore will be carried forward to fund the completion of projects in 2020/21.

1.14.2. **Advance Funding £1.068m.** A range of projects have spent in advanced prior to the profiled spend date. The balance will be funded from the 2020/21 budget.

Portfolio	Carry Forward	Advance funding	Net carry forward
	£m	£m	£m
Community	0.358	(0.282)	0.076
Environment	0.614	-	0.614
Housing	0.591	(0.498)	0.093
Econ. Devt and Regen.	2.128	(0.143)	1.985
Planning	1.568	(0.133)	1.435
Digital Devt. & Cust. Services	0.280	(0.012)	0.268
Grand Total	5.539	(1.068)	4.471

Other options considered

1.5 Not applicable.

Legal and financial implications

1.6 This is a Section 151 Officer report and all the financial implications are included in the report.

1.7 There are no legal implications arising directly from this report.

Corporate implications

2.0 The financial performance against the approved budget is key to the delivery of the overall Council's Vision and Priorities.

Consultation and communication

2.1 Not applicable

Next steps and review

None

Background papers

WDC Cabinet Report 4th February 2019 : Revenue Budget and Council Tax setting 2019/20 and Capital Strategy report

<https://buckinghamshire.moderngov.co.uk/CeListDocuments.aspx?CommitteeId=773&MeetingId=14162&DF=04%2f02%2f2019&Ver=2>

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].

