



TO COUNCILLOR:

E R Barr
L A Bentley
G A Boulter
J W Boyce
Mrs L M Broadley

F S Broadley
M L Darr
B Dave
R F Eaton
D A Gamble (Vice-Chair)

J Kaufman
Mrs L Kaufman
Dr T K Khong
Mrs S B Morris (Chair)
R E R Morris

Dear Sir or Madam

I hereby **SUMMON** you to attend a meeting of the **POLICY, FINANCE AND DEVELOPMENT COMMITTEE** to be held at the **COUNCIL OFFICES, STATION ROAD, WIGSTON** on **TUESDAY, 18 SEPTEMBER 2018** at **7.00 PM** for the transaction of the business set out in the Agenda below.

Yours faithfully

Council Offices
Wigston
13 September 2018

Mrs Anne E Court
Chief Executive

ITEM NO.

AGENDA UPDATE

PAGE NO'S

10. Financial Outturn Report (Q1 2018/19)

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Report of the Head of Finance, Revenues and Benefits

For more information, please contact:

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Policy, Finance and Development Committee	Tuesday, 18 September 2018	Matter for Information
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Report Title: **Financial Outturn Report (Q1 2018/19)**

Report Author(s): **Chris Raymakers (Head of Finance, Revenues and Benefits)**

Purpose of Report:	This report gives a summary of the overall Council position for the financial year 2018/19 after the first quarter.
Report Summary:	This is the first budget monitoring report of this financial year. The Council faces significant challenges and funding pressures brought about by the impact of the government's austerity programme. The Council is making significant progress in transforming key services in order to deal with these pressures. In order to support and demonstrate the progress of transformation the budget has been restated to reflect the key service departments. The forecast position for the year is for £232,000 to be made in savings and efficiencies to drive the Council towards a balanced outturn.
Recommendation(s):	That the contents of the report and appendix be noted.
Responsible Strategic Director, Head of Service and Officer Contact(s):	Stephen Hinds (Director of Finance & Transformation) (0116) 257 2681 stephen.hinds@oadby-wigston.gov.uk Chris Raymakers (Head of Finance, Revenues and Benefits) (0116) 257 2891 chris.raymakers@oadby-wigston.gov.uk
Corporate Priorities:	An Inclusive and Engaged Borough (CP1) Effective Service Provision (CP2) Balanced Economic Development (CP3) Green & Safe Places (CP4) Wellbeing for All (CP5)
Vision and Values:	"A Strong Borough Together" (Vision)
Report Implications:-	
Legal:	There are no implications arising from this report.
Financial:	The implications are as set out in the report.
Corporate Risk Management:	Decreasing Financial Resources (CR1) Reputation Damage (CR4) Economy/Regeneration (CR9)
Equalities and Equalities Assessment (EA):	There are no implications arising from this report. EA not applicable.
Human Rights:	There are no implications arising from this report.

Health and Safety:	There are no implications arising from this report.
Statutory Officers' Comments:-	
Head of Paid Service:	The report is satisfactory.
Chief Finance Officer:	The report is satisfactory.
Deputy Monitoring Officer:	The report is satisfactory.
Consultees:	None.
Background Papers:	Report entitled 'Medium Term Financial Strategy 2018/19 and 2019/20' to Full Council, 22 February 2018 Report entitled 'Medium Term Financial Strategy Update' to the Policy Finance and Development Committee, 17 July 2018
Appendices:	1. Capital Programme 2018/19

1. Introduction

- 1.1 In February 2018, the Council approved a General Fund Budget for 2018/19 of £6,399,000. This would leave a Balance of £615,000 which is slightly under the minimum level recommended in the Council's Medium Term Financial Strategy (MTFS) of 10% of the budget.

2. General Fund

- 2.1 A summary of the overall General Fund Budget is outlined in the table below. This includes Budgets from 2017/18 approved to be carried forward by this Committee on 17 July 2018.
- 2.2 As reported to Council, the set budget contained £232,500 of contingency items to be made in year and £202,000 of funding from the use of reserves. Considerable progress has been made towards mitigating both these costs through the implementation the garden waste scheme, transformation of the refuse and recycling service and a review of Senior Management. The Council is still anticipating drawing down on the reserves but officers are working hard to minimise this.

Service	Budget 2018/19	Actual 30 June	Revised Forecast 2018/19	Variance + / (-)
Finance Revenues and Benefits	552,500	255,682	552,500	0
Corporate Services	282,600	90,230	295,600	13,000
Customer Services and Transformation	1,242,400	283,986	1,242,400	0
Planning, Regeneration and Development	1,571,900	411,148	1,571,900	0
Operations and Street Scene	1,535,900	71,789	1,347,600	(188,300)
Leisure and Well Being	290,400	193,657	295,400	5,000
Law and Governance	634,100	227,659	634,100	0
Senior Management Team	423,800	81,547	333,800	(90,000)
Recharges to HRA	(552,700)	(138,175)	(552,700)	0
Contingency	(232,500)	0	0	232,500
Net Cost of Services	5,748,400	1,477,523	5,720,600	(27,800)
Capital Financing Charges	852,600	213,150	852,600	0
	6,601,000	1,690,673	6,573,200	(27,800)
Use of Earmarked Reserves	(202,000)	0	(174,200)	27,800
Net Expenditure	6,399,000	1,690,673	6,399,000	0

- 2.3 The first quarter of the financial year continues to predict a revised forecast position of £6,399,000, however this is after the contingent savings have been met and a reduced allocation reserves needed. An explanation of the principal variations is given below.

3. Main Variances

3.1 Operations and Street Scene (Saving £188,300)

- 3.1.□1 For 2018/19 the Council commenced charging for the collection of garden waste. This has proved a great success with in the region of 10,000 customers signing up for the service. By the end of June 2018 the Council had received £363,000 in income from this service.
- 3.1.□2 This area has also seen considerable transformation in the way it collects recycling from residents. Wheeled bins are now being used for recycling collections across the Borough which allowed a complete review of the workforce and route optimisation studies to be carried out. Although a prudent approach to potential savings is required savings of around £60,000 should be made.
- 3.1.□3 Further reviews of working practices are being undertaken across Domestic Refuse, Street Cleansing and Grounds maintenance in order to ascertain if further efficiencies are possible and these will be reported as appropriate at the half year review.

3.2 Senior Management Team (SMT) (saving £90,000)

- 3.2.□1 A review of the way SMT operates has been carried out and it has been restructured to move forward without the role of Director of Services being filled making savings of approximately £90,000.

4. Capital Programme

- 4.1 The 2018/19 Capital programme was set at Full Council on 22 February 2018, after year end schemes from 2017/18 which had not completed were added to the programme. Two further schemes have since been added:

- Purchase of Recycling Bins as part of the service redesign totalling £500,000;
- Horwell Lane Pavilion is now budgeted at £996,700 and an increase of £336,700 has been allocated;
- New CCTV cameras were purchased using the former CROW fund to aid the fight against anti-social behaviour which cost £29,000;
- Software modules required to make Council systems GDPR compliant cost £20,000; and
- Adult Gym Equipment purchased for Uplands Road Park cost £20,000.

- 4.2 The complete programme for 2018/19 split between General Fund and HRA is as follows

Service	Original Budget	c/f from 2017/18	Additional Allocations	Total Programme
	£	£	£	£
General Fund	344,900	2,721,906	905,594	3,972,400
HRA	1,273,000	609,000	0	1,882,000
	1,617,900	3,330,906	905,594	5,854,400

- 4.3 A breakdown of the capital programme with expenditure to 30 June at **Appendix 1**.

5. Housing Revenue Account (HRA)

- 5.1 The Council's Housing Revenue Account budget was set in February 2018 with the view of breaking even during the year. This meant that the minimum balance of £300,000 which the business plan dictates would continue to be kept.

	Original Budget 202018/19	c/f budgets from 2017/18	Increases/ Decreases in Budgets	Estimated Outturn 2018/19
	£	£	£	£
Net Costs of Services on the HRA	(625,600)	8,500		(617,100)
Capital Charges	573,500			573,500
Revenue Contributions to Capital	0		335,000	335,000
Appropriation to Earmarked HRA reserve	52,100	(8,500)		43,600
Increase in Year	0	0	335,000	335,000
Actual Balance b/f on Housing Revenue Account	(635,000)			(635,000)
Budgeted Deficit in Year	0	0	335,000	335,000
Balance c/f on Housing Revenue Account	(635,000)	0	335,000	(300,000)

- 5.2 However the final outturn for the year showed an improved position leaving £635,000 in the HRA reserve. It is likely that this extra surplus can be utilised to save on borrowing to fund the carried forward capital projects from 2017/18. There are currently no further revisions to the HRA budget for 2018/19.

OADBY AND WIGSTON BOROUGH COUNCIL CAPITAL PROGRAMME

Project Code Reference	Scheme	2018-19 Capital Programme	Actuals to June 18	Unspent	Comments
	Housing Revenue Account				
50003	Central Heating	100,000	34,239	(65,761)	Ongoing project to replace 50 boilers in 2018/19
50006	Front & Rear Doors	20,000	0	(20,000)	Work Started
50007	Car Hardstandings	20,000	0	(20,000)	Properties have been identified for completion later in year
50009	Fire Safety Marriot House	200,000	115,666	(84,334)	Phase 1 is complete
50016	Decent Homes Work	100,000	717	(99,283)	Allocated to improve 5 properties. Empty property on West Avenue is out to tender
50017	Major Adaptations	150,000	18,255	(131,746)	Ongoing but is dependent on referrals
50024	Heating, Ventilation and Insulation	45,000	0	(45,000)	Budgeted to complete 4 properties in year
50030	Communal Heating System William Peardon Court	229,000		(229,000)	Contractor appointed, work to commence by end of September
50033	Garage Block Churchill Close	30,000		(30,000)	Work to be completed by end of September
50045	Conversion to 2 Homes	100,000	4,241	(95,759)	To start on site 17 September
50046	Kitchen Replacements Decent Homes	330,000	0	(330,000)	Survey work is now being undertaken
	Deferred Bathrooms	165,000	2,650	(162,350)	Will now be completed in 2019/20
		35,000	0	(35,000)	Waiting for the outcome of government testing of fire doors
	Fire Safety Chartwell House				
		358,000	0	(358,000)	
	Timber window replacement and external entrance / fire doors				Work to be carried out end of 18/19 or possible 2019/20
	Total - HRA	1,882,000	175,767	(1,706,233)	
	General Fund - Service Delivery				
52010	Disabled Access/Facility Improvements	14,200	0	(14,200)	Schemes to be identified as required
52090	Belmont House Refurbishment	91,100	78,253	(12,847)	Work now complete
54010	Play Area Refurbishments	21,600	0	(21,600)	Allocated to next area on the schedule
	Uplands Road Park Adult Gym Equipment	20,000	0	(20,000)	Consultation ends 30 September
54012	Cemeteries - Memorial Safety	11,700	638	(11,062)	Adhoc expenditure as identified
54025	Ervin's Lock Footbridge	135,000	5,547	(129,453)	Ongoing - planning permission should be gained at Development Control in October
54033	Refurbishment of bus shelters (continuation of project)	12,000	9,775	(2,225)	6 shelters complete, rest to follow.
54037	Wigston Cemetery Wall	3,000	0	(3,000)	Project finished no further expenditure
54043	Replacement of children's play equipment (Florence Wragg)	35,000	46,000	11,000	Funded by S106 contributions
54055	Brocks Hill Car Park Drainage	12,800	0	(12,800)	Ongoing as part of the overall scheme
54061	Replacement of children's play equipment (Brocks Hill)	22,000	0	(22,000)	Options to be investigated in the autumn

54063	Incorporating ex Scout Hut Land into Oadby Cemetery	25,000	256	(24,744)	Ground now cleared with planning application to follow
	Development of Wi-Fi system in Wigston	10,000	0	(10,000)	£10,000 scheme total with £5,000 funding from LEP
54080	Horsewell Lane Pavilion	996,700	1,396	(995,304)	Project on target
54111	Garden Waste Green Bins	4,200	30,704	26,504	Purchased as new requests for service are received
54112	Purchase of 4 Refuse Vehicles	630,500	630,429	(71)	Vehicles to be delivered by end of september
54114	Car Park Resurfacing	76,200	19,935	(56,265)	Junction Rd scheme finished, Sandhurst and East Street still to complete
54129	Sandhurst Street Car Park Boundary Wall Repairs	15,000	0	(15,000)	Work to be done at same time as resurfacing
54131	Parklands Leisure Centre, Car Park Improvement	205,900	155,560	(50,340)	Largely Complete
54132	Purchase of New Vehicles	117,600	9,600	(108,000)	Izzuzu now delivered
54139	Brocks Hill Refurbishment Project	210,100	45,352	(164,748)	Largely Complete
54140	Road Sweepers 17/18	268,000	267,820	(180)	Both delivered
54141	Refurbishment of Crow Mill Picnic Shelter	6,000	0	(6,000)	Survey work being undertaking
54142	Dog Walk Shelter at Blaby Road Park	3,300	0	(3,300)	Quotes being sought from contractors
54144	Extension to Garden of Remembrance, Oadby Cemetery	5,600	0	(5,600)	work should start by end of September
54145	Extension to Garden of Remembrance, Wigston Cemetery	14,000	0	(14,000)	work should start by end of September
54146	Grounds maintenance Equipment Rolling Programme	10,000	0	(10,000)	To be spent over the autumn
54147	Recycling Wheelie Bins	500,000	404,223	(95,777)	Roll out now complete
54150	CCTV Cameras	29,000	0	(29,000)	Cameras now ordered
54017	Purchase of Christmas Lights	15,000	0	(15,000)	Ongoing as part of the overall scheme
	Total -Service Delivery General Fund	3,520,500	1,705,488	(1,815,012)	
	TOTAL SERVICE DELIVERY	5,402,500	1,881,255	(3,521,245)	
	General Fund - Policy, Finance & Development				
56001	Council Office Refurbishment/Demolition	65,600	529	(65,071)	Meeting Rooms now completed with work to be done on mezzanine area
56004	GDPR Compliance Update	20,000	17,694	(2,306)	Project now complete
56010	IT Replacement Programme	44,500	10,910	(33,590)	On going replacement programme in operation
56014	Upgrade of Contact Centre Telephones	16,000	0	(16,000)	Upgrade of Telephone system
56027	41 Canal Street CPO	200,000	2,441	(197,559)	Building to be purchased by the end of September
56037	PARIS Upgrade	5,100	1,425	(3,675)	Some residue work may still be required
56045	Citrix Upgrade	27,000	0	(27,000)	Equipment now being tested
56055	Document Management System Software	28,400	2,850	(25,550)	Implementation underway for Human Resources
56056	Server / Network Hardware Replacements	14,500	0	(14,500)	Council building wi-fi now upgraded
56063	Building Control Public Access Module	3,500	0	(3,500)	Project not yet started
56065	Replacement of Academy server	11,600	0	(11,600)	Work scheduled for later in the year
56067	Reception Re-configuration	8,200	7,933	(267)	Complete
56068	Orchard Server Replacement	7,500	5,810	(1,690)	Should be completed by end of September
	Total - Policy, Finance and Development	451,900	49,592	(402,308)	
	PLANNED EXPENDITURE GRAND TOTAL	5,854,400	1,930,847	(3,923,553)	