

Cherwell District Council

Executive

7 March 2016

Quarter 3 2015-16 – Revenue and Capital Budget Monitoring Report

Report of Director of Resources

This report is public

Purpose of report

To summarise the Council's Revenue and Capital position as at the end of the first nine months of the financial year 2015-16 and projections for the full 2015/16 period.

1.0 Recommendations

The meeting is recommended:

- 1.1 To note the projected revenue and capital position at December 2015.

2.0 Introduction

- 2.1 In line with good practice budget monitoring is undertaken on a monthly basis within the Council. The revenue and capital position is formulated in conjunction with the joint management team and reported formally to the Budget Planning Committee on a quarterly basis. The report is then considered by the Executive.
- 2.2 The revenue and capital expenditure in quarter 3 has been subject to a detailed review by Officers.

3.0 Report Details

Projected Revenue Outturn

- 3.1 At quarter three the Council is projecting an underspend of £816,000 at the year end. Analysis by directorate can be found in Appendix 1.

SUMMARY by SERVICE AREA								
	Actual v Profile				Projected v Budget			
	Budget YTD £000's	Actual YTD £000's	Variance (Under) / Over £000's	Concern Key	Budget £000's	Projected £000's	Variance (Under) / Over £000's	Concern Key
Bicester Regeneration projects	(483)	(483)	0	G	(311)	(311)	0	G
BICESTER REGENERATION PROJECTS Total	(483)	(483)	0	G	(311)	(311)	0	G
Community Services	2,882	2,469	(413)	A	2,943	2,419	(524)	A
Environmental Services	3,310	3,640	330	R	3,915	4,308	393	R
COMMUNITY & ENVIRONMENT Total	6,192	6,109	(83)	G	6,857	6,726	(131)	G
Chief Executives	298	337	39	R	409	458	49	R
CHIEF EXECUTIVES Total	298	337	39	R	409	458	49	R
Strategic Planning & the Economy	498	505	7	G	553	555	2	G
Public Protection & Development Management	352	(190)	(542)	A	484	(84)	(568)	A
Regeneration & Housing	1,583	1,634	51	R	1,339	1,577	238	R
DEVELOPMENT Total	2,433	1,949	(484)	A	2,376	2,048	(328)	A
Transformation	746	688	(58)	A	1,098	964	(134)	A
Finance & Procurement	1,169	964	(205)	A	1,472	1,209	(263)	A
Law & Governance	756	679	(77)	A	910	827	(83)	A
ICT	834	848	14	A	974	1,048	74	R
RESOURCES Total	3,505	3,179	(326)	A	4,454	4,048	(406)	A
COST OF SERVICES	11,945	11,091	(854)	A	13,785	12,969	(816)	A

3.2 The most significant factors in the half year position are:

- There has been additional grant income for Safer Communities and Public Environmental Health. Also, additional car park income, recreational course fees and sports income.
- Environmental Services income is reduced because of a drop in price for glass sold for recycling, together with a reduction in waste and recycling refuse sales and income. In addition there has been a reduction in pest treatment and street cleansing work, resulting in less income.
- Planning Fee income is still higher than anticipated in the budget, but was much lower in quarter three, and this lower level of income is likely to continue in the final quarter.
- There are salary savings in a number of services because of vacant posts
- Investment income is currently higher than expected and this trend is expected to continue; however, any income will be transferred to reserves..

3.3 Projected Capital Outturn

Directorate	BUDGET £000	SLIPPAGE £000	ADJUSTMENTS £000	APPROVED BUDGET £000	ACTUAL £000	PROJECTION £000	SLIPPAGE £000	VARIANCE £000
Bicester Regeneration Projects Total	23,333	0	9,884	33,217	6,916	33,217	0	0
Community & Environment Total	1,845	906	1,271	4,022	667	1,155	2,845	(22)
Resources Total	324	389	(155)	558	167	336	219	(3)
Development Total	1,875	4,331	19,805	26,011	8,942	13,440	12,589	18
Total	27,377	5,626	30,805	63,808	16,692	48,148	15,653	(7)

The net Capital projection as at December 2015 is within budget tolerances. The slippage will be reviewed by the Budget Planning Committee as part of the budget process.

4.0 Conclusion and Reasons for Recommendations

- 4.1 In line with good practice budget monitoring is undertaken on a monthly basis within the Council. The revenue and capital position is reported monthly to the Joint Management Team and formally to the Budget Planning Committee on a quarterly basis.

The revenue and capital expenditure in Q3 has been subject to a detailed review by Officers and reported monthly to management as part of the corporate dashboard.

5.0 Consultation

Cllr Ken Atack – Lead member
for Financial Management

Cllr Atack is content with the report and
supportive of the recommendations contained
within it.

6.0 Alternative Options and Reasons for Rejection

- 6.1 The following alternative options have been identified and rejected for the reasons as set out below.

Option 1: This report illustrates the Council's performance against the 2015-16 Financial Targets for Revenue and Capital. As this is a monitoring report, no further options have been considered. However, members may wish to request that officers provide additional information.

7.0 Implications

Financial and Resource Implications

- 7.1 These are contained in the body of the report. There are no direct costs or other direct financial implications arising from this report.

Comments checked by: George Hill, Corporate Finance Manager
george.hill@cherwellandsouthnorthants.gov.uk

Legal Implications

- 7.2 There are no legal implications. Presentation of this report is in line with the CIPFA Code of Practice.

Comments checked by: Kevin Lane, Head of Law and Governance
0300 0030107 kevin.lane@cherwellsouthnorthants.gov.uk

Risk management

- 7.3 The position to date highlights the relevance of maintaining a minimum level of reserves and budget contingency to absorb the financial impact of changes during the year. Any increase in risk will be escalated through the corporate risk register.

Comments checked by: Jo Pitman, Head of Transformation
Jo.pitman@cherwellandsouthnorthants.gov.uk

Equality and Diversity

- 7.4 Impact assessments were carried out in advance of setting the 2015-16 budget.

Comments checked by: Jo Pitman, Head of Transformation
Jo.pitman@cherwellandsouthnorthants.gov.uk

8.0 Decision Information

Key Decision

Financial threshold met? **No**

Community impact threshold met? **No**

Wards Affected

All

Links to Corporate Plan and Policy Framework

All

Lead Councillor

Councillor Ken Atack – Lead Member for Financial Management

Document Information

Appendix No	Title
1	Directorate Analysis
Background Papers	
None	
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