

Cherwell District Council

Executive

6 March 2017

Quarter 3 2016-17 – Revenue and Capital Budget Monitoring Report

Report of Chief Finance Officer

This report is public

Purpose of report

This report summarises the Council's Revenue and Capital position and Reserves position for the first nine months of the financial year 2016-17 and projections for the full year.

1.0 Recommendations

The meeting is recommended:

- 1.1 To note the projected revenue and capital position at the end of December 2016.
- 1.2 To note the current position on Reserves at the end of December 2016.

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 to the end of quarter 3 has been subject to a detailed review by Officers.

3.0 Report Details

Projected Revenue Outturn 2016-17

- 3.1 At quarter three the Council £0.873m above budget as shown below. Detailed analysis by directorate can be found in Appendix 1.

SUMMARY BY SERVICE AREA - Year to Date

	Actual v Profile						Concern Key
	Budget YTD £000's	Use of Reserves 2016/17 £000's	Revised Budget £000's	Actual YTD £000's	Commitment £000's	Variance (Under) / Over £000's	
Chief Executive	166	0	166	169	6	9	R
CHIEF EXECUTIVE TOTAL	166	0	166	169	6	9	R
Bicester Regeneration projects	925	0	925	529	384	(12)	G
Regeneration and Housing	1,209	65	1,274	1,553	555	834	R
Human Resources	379	70	449	392	56	(1)	G
Information Services	1,018	371	1,389	1,309	80	0	G
Business Transformation	208	100	308	275	33	0	G
COMMERCIAL DEVELOPMENT TOTAL	3,739	606	4,345	4,058	1,108	821	R
Corporate Finance	881	0	881	810	56	(15)	G
Revenues & Benefits	(171)	88	(83)	(36)	33	80	R
Procurement	78	0	78	80	10	12	R
CHIEF FINANCE OFFICER TOTAL	788	88	876	854	99	77	R
Strategic Planning Economy	837	234	1,071	999	216	144	R
Development Management	237	343	580	329	146	(105)	A
Communications and Corporate P	214	0	214	179	12	(23)	A
Business Support Unit	71	24	95	103	0	8	R
Performance	152	0	152	114	1	(37)	A
Law and Governance	788	0	788	963	23	198	R
STRATEGY AND COMMISSIONING TOTAL	2,299	601	2,900	2,687	398	185	R
Community Services	2,044	0	2,044	2,214	(350)	(180)	A
Environmental Services	3,183	0	3,183	3,288	207	312	R
OPERATIONS AND DELIVERY TOTAL	5,227	0	5,227	5,502	(143)	132	R
TOTAL DIRECTORATES	12,219	1,295	13,514	13,270	1,468	1,224	R
Use of Reserves	621	0	621	0	0	(621)	A
Interest on Investments	(113)	0	(113)	157	0	270	R
Pension Costs	1,385	0	1,385	1,385	0	0	G
Capital Charges	(3,002)	0	(3,002)	(3,002)	0	0	G
EXECUTIVE MATTERS TOTAL	(1,109)	0	(1,109)	(1,460)	0	(351)	A
TOTAL COST OF SERVICES	11,110	1,295	12,405	11,810	1,468	873	R

Concern Key

Overspent more than 2.5% of budget	R
Underspent more than 2.5% of budget	A
Overspent between 1.5% and 2.5% of budget	A
Anything else	G

3.2 The projected position for the year end is £0.334m below budget.

SUMMARY BY SERVICE AREA - Projected to Year-End

	Projected v Budget					Concern Key
	Budget £000's	Use of Reserves 2016/17 £000's	Revised Budget £000's	Projected £000's	Variance (Under) / Over £000's	
Chief Executive	175	50	225	248	23	R
CHIEF EXECUTIVE TOTAL	175	50	225	248	23	R
Bicester Regeneration projects	1,174	0	1,174	1,177	3	G
Regeneration and Housing	1,648	171	1,819	2,884	1,065	R
Human Resources	518	93	611	611	0	G
Information Services	1,497	311	1,808	1,794	(14)	G
Business Transformation	250	107	357	357	0	G
COMMERCIAL DEVELOPMENT TOTAL	5,087	682	5,769	6,823	1,054	R
Corporate Finance	1,069	0	1,069	1,057	(12)	G
Revenues & Benefits	(21)	140	119	198	79	R
Procurement	105	0	105	116	11	R
CHIEF FINANCE OFFICER TOTAL	1,153	140	1,293	1,371	78	R
Strategic Planning Economy	1,123	235	1,358	1,362	4	G
Development Management	318	552	870	885	15	R
Communications and Corporate P	295	0	295	273	(22)	A
Business Support Unit	63	0	63	63	0	G
Performance	204	0	204	147	(57)	A
Law and Governance	1,046	0	1,046	1,160	114	R
STRATEGY AND COMMISSIONING TOTAL	3,049	787	3,836	3,890	54	A
Community Services	5,163	0	5,163	4,898	(265)	A
Environmental Services	4,886	0	4,886	5,108	222	R
OPERATIONS AND DELIVERY TOTAL	10,049	0	10,049	10,006	(43)	G
TOTAL DIRECTORATES	19,513	1,659	21,172	22,338	1,166	R
Use of Reserves	819	(3,287)	(2,468)	(2,468)	0	G
Interest on Investments	(150)	0	(150)	(1,650)	(1,500)	A
Pension Costs	1,847	3,053	4,900	4,900	0	G
Capital Charges	(4,002)	0	(4,002)	(4,002)	0	G
EXECUTIVE MATTERS TOTAL	(1,486)	(234)	(1,720)	(3,220)	(1,500)	A
TOTAL COST OF SERVICES	18,027	1,425	19,452	19,118	(334)	G

Projected Capital Outturn 2016-17

Directorate	APPROVED BUDGET £000	ACTUAL £000	COMMITMENT £000	PROJECTION £000	SLIPPAGE £000	VARIANCE £000
Strategy & Commissioning	0	0	0	0	0	0
Chief Finance Officer	38	0	0	38	0	0
Commercial Development	66,571	5,817	8,228	49,462	3,074	9
Operations & Delivery	6,046	2,369	1,655	1,229	712	(81)
Total	72,655	8,186	9,883	50,729	3,786	(72)

3.2 The net Capital projection as at 31 December 2016 is within budget tolerances (projected variance is less than 0.1% of the Approved Budget). The projected slippage relates to:

- £2.5m for the NW Bicester Eco Business Centre where a procurement exercise is underway and it is anticipated that the majority of spend will occur in 2017/18.
- £0.3m relating to Discretionary Grants which are awarded as required.
- £0.15m for the North Oxfordshire Academy Astroturf project which is delayed.
- £0.15m for the Bicester Leisure Centre Extension where feasibility studies have just commenced.
- £0.181m for Wheeled Bin Replacement where delivery has been delayed.

A detailed breakdown by capital scheme is presented at Appendix 2

4.0 Conclusion and Reasons for Recommendations

4.1 It is recommended that the contents of this report are noted.

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.

6.2 Option 1: This report illustrates the Council's performance against the 2016-17 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:

Sanjay Sharma, Interim Group Accountant

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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

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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:

Ed Bailey, Corporate Performance Manager, 01295 221605

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Equality and Diversity

- 7.4 Impact assessments were carried out in advance of setting the 2016-17 budget.

Comments checked by:

Caroline French, Corporate Policy Officer, 01295 221586

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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
Appendix 1	Directorate Analysis of Revenue Expenditure 2016-17
Appendix 2	Directorate Analysis of Capital Expenditure 2016-17
Appendix 3	Reserves 2016-17
Background Papers	
None	
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