

Cherwell District Council

Budget Planning Committee

7 March 2023

Monthly Finance Performance Report

Report of the Assistant Director of Finance (Section 151 Officer)

This report is public

Purpose of report

This report summarises Cherwell District Council's (CDC's) forecast revenue and capital outturn for 2022/2023 as at 31 December 2022 to give the Committee the opportunity to consider the finance aspects of the report.

1.0 Recommendations

The meeting is recommended:

- 1.1 To note the contents of this report.

2.0 Introduction

- 2.1 CDC monitors its financial position on a monthly basis. This report provides the forecast outturn position for the year end based on the position as at 31 December 2022.

Revenue Budget

- 2.2 CDC's revenue financial position for December 2022 forecasts an overspend for the year of £0.141m. This is made up of £0.733m savings non-delivery and business as usual underspends of (£0.592m).

Capital Budget

- 2.4 The capital budget for 2022/23 is £25.102m. Forecast spend for the year is £16.065m, and £7.555m is to be reprofiled into future years. There is an overall forecast reduction in the spend on capital schemes of £1.481m.
- 2.5 The total capital budget across multiple years is £34.381m. Spend on the total budget is forecast at £32.883m

3.0 Report Details

3.1 The council's forecast position for 2022/2023 has improved since November by (£0.156m) and it is now predicting an overspend of £0.141m as shown in Table 1 below. This is as a result of continued work within departments to find solutions to reduce the councils predicted overspend.

Report Details

Table 1: Forecast Year End Position

Service	Original Budget £m	Current Budget £m	December Forecast £m	December Variance (Under) / Over £m	% Variance to current budget %	November Variance (Under) / Over £m	Change since Previous (better) / worse £m
HR & OD	0.822	0.852	0.852	0.000	0.0%	0.000	0.000
Wellbeing & Housing	3.339	4.27	4.430	0.160	3.7%	0.160	0.000
Customer Focus	1.606	1.848	2.008	0.160	8.7%	0.160	0.000
Chief Executive	5.767	6.970	7.290	0.320	4.6%	0.320	0.000
Finance	2.850	3.210	3.296	0.086	2.7%	0.086	0.000
Legal & Democratic	1.709	1.884	2.008	0.124	6.6%	0.110	0.014
ICT	1.235	1.251	1.415	0.164	13.1%	0.214	(0.050)
Property	(3.196)	(1.173)	(1.266)	(0.093)	7.9%	(0.159)	0.066
Resources	2.598	5.172	5.453	0.281	5.4%	0.251	0.030
Planning & Development	1.752	2.137	1.652	(0.485)	-22.7%	(0.345)	(0.140)
Growth & Economy	0.336	1.154	1.144	(0.010)	-0.9%	(0.010)	0.000
Environmental	4.057	4.647	5.407	0.760	16.3%	0.732	0.028
Regulatory	1.112	1.278	1.278	0.000	0.0%	0.020	(0.020)
Communities	7.257	9.216	9.481	0.265	2.9%	0.397	(0.132)
Subtotal for Directorates	15.622	21.358	22.224	0.866	4.1%	0.968	(0.102)
Executive Matters	4.316	0.034	(0.359)	(0.393)	-1155.9%	(0.339)	(0.054)
Policy Contingency	3.554	2.100	1.768	(0.332)	-15.8%	(0.332)	0.000
Total	23.492	23.492	23.633	0.141	0.6%	(0.671)	(0.054)

FUNDING	(23.492)	(23.492)	(23.492)	0.000	0.0%
----------------	-----------------	-----------------	-----------------	--------------	-------------

0.000	0.000
--------------	--------------

(Surplus)/Deficit	0.000	0.000	0.141	0.141
--------------------------	--------------	--------------	--------------	--------------

0.297	(0.156)
--------------	----------------

Note: A positive variance is an overspend or a reduction in predicted income and a negative is an underspend or extra income received. Green represents an underspend and red represents a overspend for the current month's forecast.

Table 2: Analysis of Forecast Variance – December 2022

Breakdown of current month forecast	Forecast Variance	Forecast Base Budget Over/ (Under)	Savings Non-Delivery
	£m	£m	£m
Chief Executive	0.320	0.129	0.191
Resources	0.281	0.056	0.225
Communities	0.265	(0.052)	0.317
Subtotal Directorates	0.866	0.133	0.733
Executive Matters	(0.393)	(0.393)	0.000
Policy Contingency	(0.332)	(0.332)	0.000
Total	0.141	(0.592)	0.733
FUNDING	0.000	0.000	0.000
(Surplus)/Deficit	0.141	(0.592)	0.733

Table 3 – Budget compared with Forecast

The graph below shows the Forecast for December and November compared to budget for the financial year.

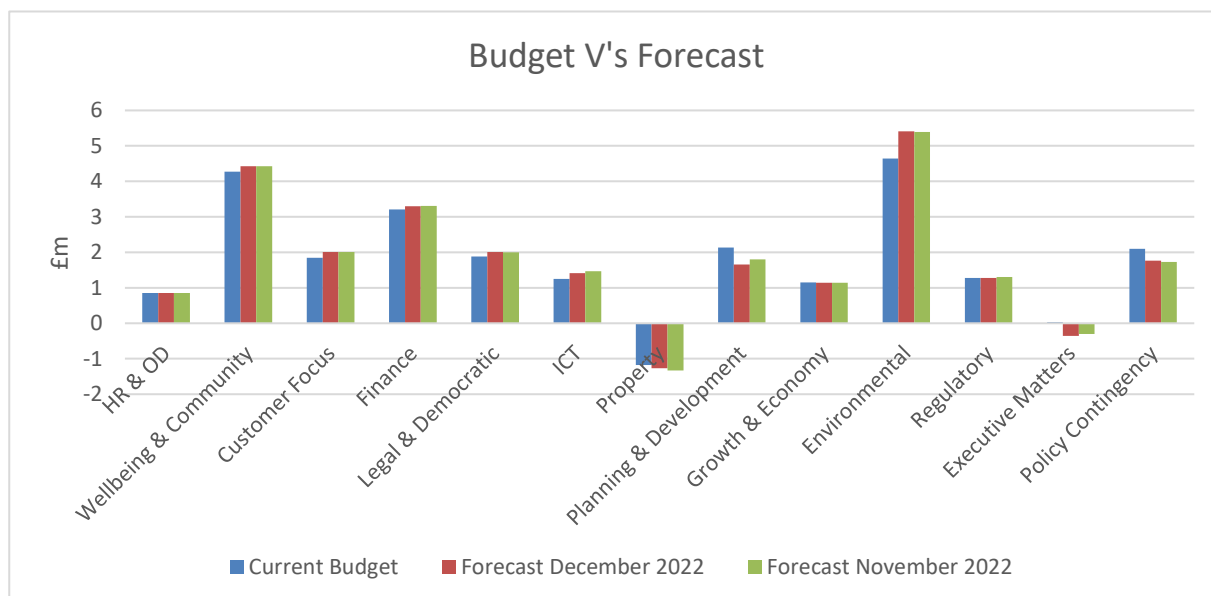


Table 4: Top Five Major Variances:

Portfolio	Current Budget	Variance	% Variance
Car Parks	(0.950)	0.332	-34.9%
Waste & Recycling	2.933	0.459	15.6%
Leisure	0.160	0.209	130.6%
Interest	(2.375)	(0.393)	16.5%
Development Management	0.268	(0.608)	-226.9%
Total	0.036	(0.001)	

The top 5 services are the same as last month although there is an overall improvement of £0.058m.

Car Parks Variance £0.332m [November Variance £0.339m]: -

The majority of the predicted £0.333m overspend is due to a drop in usage and consequently a loss of income of £0.280m. The service is monitoring closely the December figures and will report in February.

Waste & Recycling variance £0.459m [November variance £0.380m (adjusted to be comparable)]: -

The service is predicting additional income from garden waste and savings on vehicle maintenance and mileage but still expecting an overspend of £0.459m. The majority of this overspend is due to using more agency staff to cover staffing shortages – largely long term sickness which the service is working with Human Resources on how to improve and increased recycling costs.

Leisure Variance £0.209m [November Variance £0.209m]: -

Higher costs for utilities and housing maintenance continue to put pressure on the service budgets but these overspends are at a stable level and not expected to increase significantly over the final quarter.

Interest Variance (£0.393m) [November Variance (£0.339m)]: -

Due to increased interest rates the council is anticipating higher than expected income of (£0.393m).

Planning & Development Variance (£0.485m) [November Variance (£0.345m)]: -

Planning and Development are presently forecasting a (£0.485m) underspend from generating additional income in Development Management.

For further details of forecast variances please see appendix 2

Policy Contingency Variance (£0.332m) [November Variance (£0.332m)]

A release of inflation contingency of (£0.332m) will partially mitigate some of the inflationary costs the council is experiencing.

Table 5 - Earmarked Reserves and General Balances at December 2022

The table below is a summary of the level of reserves the council holds.

Reserves	Balance 1 April 2022	Original Budgeted use/ (contribution)	Changes agreed since budget setting	Changes proposed December 2022	Forecast Balance 31 March 2023
	£m	£m	£m	£m	£m
General Balance	(5.950)	(0.500)	0.000	0.000	(6.450)
Earmarked	(23.691)	2.262	(0.678)	(0.048)	(22.155)
Ringfenced Grant	(16.215)	11.205	1.141	0.000	(3.869)
Subtotal Revenue	(45.856)	12.967	0.463	(0.048)	(32.474)
Capital	(8.049)	0.000	0.000	0.000	(8.049)
Total	(53.905)	12.967	0.463	(0.048)	(40.523)

For further detail on the reserves please see Appendix 5.

4.2 Capital

An underspend of (£9.036m) is currently forecast, of which £7.555m is to be reprofiled in future years. This represents an overall decrease in the total cost of schemes of (£1.481m) due to a number of schemes no longer going ahead.

Table 6 - Capital Spend 2022/2023

Directorate	Budget £m	Outturn 2022/23 £m	Re-profiled beyond 2022/23 £m	Variance to Budget £m	Prior Month Variance to Budget £m
Chief Executives	4.445	2.826	1.617	(0.002)	(0.002)
Resources	15.416	8.753	5.167	(1.495)	(1.517)
Communities	5.241	4.486	0.771	0.016	0.016
Total	25.102	16.065	7.555	(1.481)	(1.503)

Table 7 – How the Capital Programme is financed

Financing	22/23 Budget	Future Years
Borrowing	17.007	9.312
Reserves	1.200	0
External Financing - Capital Grants and S106	6.895	0
	25.102	9.312

Table 8 – Total Capital Project Forecast

There is a total capital project forecast for the council of £32.883m resulting in an underspend of (£1.497m).

Directorate	Budget £m	Total Outturn 2022/23 £m	Variance to Budget £m	Prior Month Variance to Budget £m
Chief Executives	5.165	5.163	(0.002)	(0.002)
Resources	15.383	13.871	(1.511)	(1.532)
Communities	13.833	13.849	0.016	0.016
Total	34.381	32.883	(1.497)	(1.518)

For further detail please view appendix 1 Finance Capital December 2022.

Table 9 - Top Five in Year Capital Variances: -

Code	Assistant Director	Top 5 In-Year Variances	Budget Total £'000	Reprofile to 23/24 £'000
40131	Nicola Riley	S106 Capital Costs	1,744	1,310
40239	Andrew Low	Bicester East Community Centre	1,450	1,250
40262	Andrew Low/Nicola Riley	Affordable Housing	1,200	1,100
40144	Andrew Low	Castle Quay	3,257	1,052
40028	Ed Potter	Vehicle Replacement Programme	1,166	566
			8,817	5,278

The top five variances remain the same as last month however a further £0.750m has been reprofiled into 2023/24, further details below.

S106 Capital : -

Of the 16 projects being funded through S106, 10 totalling £1.310m will now be delivered in 2023/24. We expect the remaining six projects totalling £0.434m to still be delivered in 2022/23.

Bicester East Community Centre: -

We are expecting tender submissions back in February 2023 and to start on site in Q1 23/24. The project is expected to take up to a year, therefore there will be a £1.25m slippage.

Affordable Housing: -

We have engaged design professionals to prepare the specification of works which are required to effect both the repair to the roof and the reinstatement of the living accommodation, which has been affected by the invasive investigative works which we have undertaken. It is anticipated we will be in a position to start the tender process in February 2023 with the aim being to complete the required works within the next 12 – 18 months.

Castle Quay: -

A number of Capital Projects are being reviewed to ensure they meet the strategic direction for Castle Quay and remain relevant to meet the challenges of the changing retail market. This has resulted in reprofiling a number of projects that will be delivered in 2023/2024.

Vehicle Replacement Programme: -

£0.566m is required to be slipped in to 2023/24 due to supply chain issues and availability of electric vehicles.

4.0 Conclusion and Reasons for Recommendations

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

5.0 Consultation

5.1 None

6.0 Alternative Options and Reasons for Rejection

6.1 The report sets out CDC's revenue and capital outturn position for 2021/22. No alternative options have been considered.

7.0 Implications

Financial and Resource Implications – Mandatory paragraph

7.1 There are no direct financial considerations as a result of this report.

Comments checked by:

Michael Furness, Assistant Director of Finance, 01295 221845,
michael.furness@cherwell-dc.gov.uk

Legal Implications – Mandatory paragraph

7.2 There are no legal implications arising directly as a result of this report.

Comments checked by:

Shiraz Sheikh, Assistant Director Law & Governance, 01295 221651

shiraz.sheikh@cherwell-dc.gov.uk

Risk Implications - Mandatory paragraph

7.3 There are no risk implications arising directly as a result of this report. Any risks will be managed as part of the operational risk register and escalated as and when necessary to the Leadership Risk Register.

Comments checked by:

Shona Ware, Assistant Director – Customer Focus, 01295 221652

shona.ware@cherwell-dc.gov.uk

Equalities and Inclusion Implications

7.4 There are no equalities implications arising directly as a result of this report. Any service or policy review required to support any reprofiled spend will have an accompanying Equalities Impact Assessment as needed.

Comments checked by:

Shona Ware, Assistant Director – Customer Focus, 01295 221652

shona.ware@cherwell-dc.gov.uk

Sustainability Implications

7.5 There are no direct sustainability implications as a result of this report.

Comments checked by:

Jo Miskin, Climate Action Manager, Environmental Services, 01295 221748,

Jo.Miskin@cherwell-dc.gov.uk

8.0 Decision Information

Key Decision: N/A

Financial Threshold Met: N/A

Community Impact Threshold Met: N/A

Wards Affected

All

Links to Corporate Plan and Policy Framework

All

Lead Councillor

Councillor Nell, Portfolio Holder for Finance

Document Information

Appendix number and title

- Appendix 1 – Finance Capital Forecast December 2022
- Appendix 2 – Revenue Forecast Detailed Narrative December 2022
- Appendix 3 – Virements and Aged Debt December 2022
- Appendix 4 – Funding December 2022
- Appendix 5 – Use of Reserves and Grant Funding December 2022

Report Author and contact details

Leanne Lock - Strategic Finance Business Partner

Leanne.lock@cherwell-dc.gov.uk

01295 227098