

Cherwell District Council

Budget Planning Committee

31 October 2023

Monthly Finance Performance Report

Report of Assistant Director of Finance

This report is public

Purpose of report

This report summarises Cherwell District Council's (CDC's) forecast revenue and capital outturn for 2023/2024 as at 31 August 2023 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 August 2023.

Revenue Budget

- 2.2 The Council's forecast outturn position for 2023/2024 is an overspend of £0.656m shown in Table 1.

Capital Budget

- 2.4 There is a forecast in-year underspend of (£7.165m), of which £7.121m is to be reprofiled into future years. There is an overall forecast decrease in the total cost of schemes of (£0.044m).
- 2.5 There is a total capital project spend for the council of £43.669m resulting in an underspend of (£0.044m).

3.0 Report Details

- 3.1 The Council's forecast outturn position for 2023/2024 is an overspend of £0.656m shown in Table 1. There has been a change in the forecast from the previous update of £0.318m mainly due to an increased forecast within Planning &

Development and Environmental Services. For further detail of the major variances please see Table 4.

The Council notes that national pay negotiations are ongoing and that local union representatives are in discussion with employers. The forecast for this month includes the current interim pay award that was applied from 1st April 2023 – to help us support our staff ahead of the National negotiations. Once the outcome of the national pay negotiations has concluded and a local pay award agreement reached this will be factored into the forecast for 2023/24 and the MTFs for the Council.

Report Details

Table 1: Year End Position

Service	Original Budget £m	Current Budget £m	August Forecast £m	August Variance (Under) / Over £m	% Variance to current budget %	Prior Month Variance (Under) / Over £m	Change since Previous (better) / worse £m
HR & OD	0.807	0.807	0.807	0.000	0.0%	0.000	0.000
Wellbeing & Housing	2.286	2.497	2.347	(0.150)	-6.0%	(0.110)	(0.040)
Customer Focus	2.367	2.367	2.337	(0.030)	-1.3%	(0.025)	(0.005)
Chief Executive	5.460	5.671	5.491	(0.180)	-3.2%	(0.135)	(0.045)
Finance	3.303	3.376	3.376	0.000	0.0%	0.000	0.000
Legal & Democratic	1.959	2.033	2.148	0.115	5.7%	0.030	0.085
ICT	1.526	1.526	1.526	0.000	0.0%	0.000	0.000
Property	(1.691)	(1.691)	(1.619)	0.072	-4.3%	0.079	(0.007)
Resources	5.097	5.244	5.431	0.187	3.6%	0.109	0.078
Planning & Development	1.890	1.893	2.084	0.191	10.1%	0.041	0.150
Growth & Economy	0.546	0.514	0.424	(0.090)	-17.5%	(0.090)	0.000
Environmental	5.106	5.191	5.747	0.556	10.7%	0.421	0.135
Regulatory	1.150	1.151	1.151	0.000	0.0%	0.000	0.000
Communities	8.692	8.749	9.406	0.657	7.5%	0.372	0.285
Subtotal for Directorates	19.249	19.664	20.328	0.664	3.4%	0.346	0.318
Executive Matters	3.695	3.695	3.687	(0.008)	-0.2%	(0.008)	0.000
Policy Contingency	5.229	4.814	4.814	0.000	0.0%	0.000	0.000
Total	28.173	28.173	28.829	0.656	2.3%	0.338	0.318

FUNDING	(28.173)	(28.173)	(28.173)	0.000	0.0%	0.000	0.000
----------------	-----------------	-----------------	-----------------	--------------	-------------	--------------	--------------

(Surplus)/Deficit	0.000	0.000	0.656	0.656
--------------------------	--------------	--------------	--------------	--------------

0.338	0.318
--------------	--------------

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 – August 2023

Breakdown of current month forecast	August 2023 Forecast	Base Budget Over/ (Under)	Savings Non-Delivery
	£m	£m	£m
Chief Executive	(0.180)	(0.195)	0.015
Resources	0.187	0.177	0.010
Communities	0.657	0.654	0.003
Subtotal Directorates	0.664	0.636	0.028
Executive Matters	(0.008)	(0.008)	0.000
Policy Contingency	0.000	0.000	0.000
Total	0.656	0.628	0.028

FUNDING	0.000	0.000	0.000
----------------	--------------	--------------	--------------

(Surplus)/Deficit	0.656	0.628	0.028
--------------------------	--------------	--------------	--------------

Table 3: Budget compared with Forecast

The graph below shows the change from July's forecast to August 2023 compared to budget.

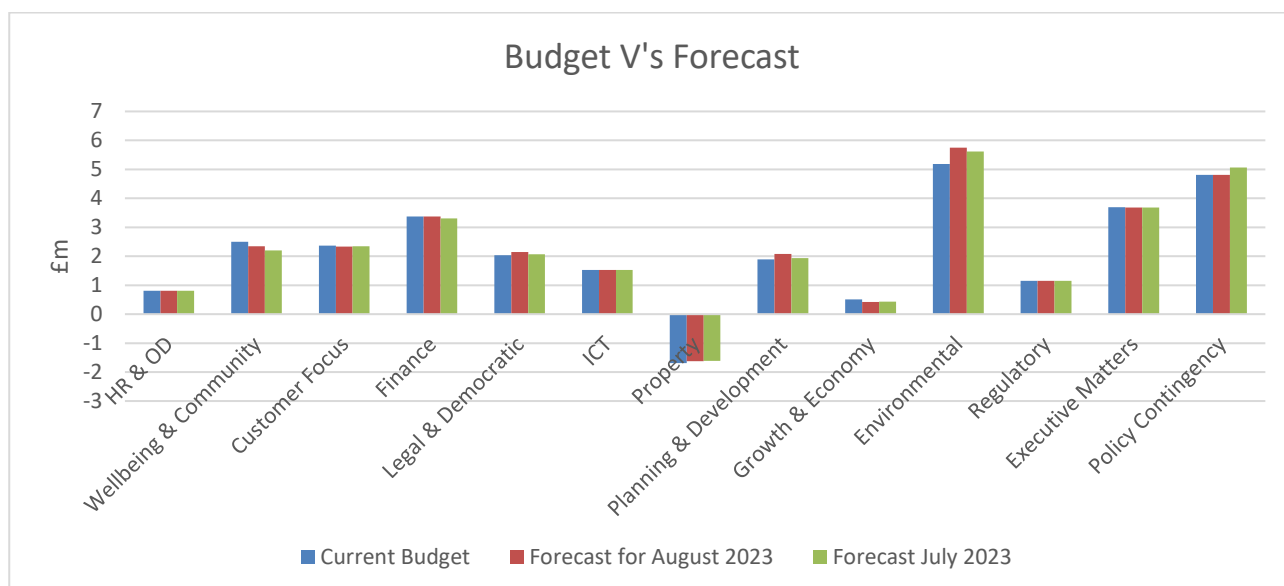


Table 4: Top Major Variance:

Service	Service	Current Budget	Variance	% Variance
Planning & Development	Development Management	0.598	0.191	31.9%
Environmental Services	Waste & Recycling	3.230	0.556	17.2%
Property	Property & Asset Management	0.790	0.072	9.1%
Legal & Democratic	Legal & Democratic	2.033	0.155	7.6%
	Total	6.651	0.974	

Development Management Variance £0.191m (July's Variance Overspend £0.041m)

Planning and Development presently has a projected overspend of £0.191m due largely to income projections being lower than expected and agency costs. Some in year saving has been made to assist the overall position (£0.075m). The expected outturn is £0.150m different to last month largely due to lower income expectations for Building Control as well as some extended agency cost.

Waste & Recycling Variance £0.556m (July's Variance over spend £0.421m): -

The forecasted pressure of £0.556m within Environmental Services is primarily due to changes in the global market for recycled materials falling as recycling processing costs have increased.

Commodity prices are currently very volatile, and this could change during the year.

Property & Asset Management Variance £0.072m (July's Variance Underspend [0.007m])

As previously reported, the Property team are being rebuilt post decoupling to provide the best level of service possible. Whilst this rebuild is being undertaken, agency support is required to fill the resource in the interim.

Legal & Democratic Variance £0.155m (July's Variance overspend 0.030m)

Overspend is due to:

- 1) higher than anticipated costs of delivering the District Elections.
- 2) as with Property, and as previously reported, the Legal team is being rebuilt post decoupling and agency staff is being used to fill posts whilst actively recruiting to the vacant roles.

These extra costs are partly offset by an underspend in Legal and Procurement because of vacant posts.

Table 5: Earmarked Reserves and General Balances at August 2023

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

Reserves	Balance 1 April 2023	Original Budgeted use/ (contribution)	Changes agreed since budget setting	Changes proposed August 2023	Balance 31 March 2024
	£m	£m	£m	£m	£m
General Balance	(6.150)	0.000	0.000	0.000	(6.150)
Earmarked	(28.052)	(2.469)	1.396	(0.627)	(29.752)
Ringfenced Grant	(4.327)	0.711	0.344	0.000	(3.272)
Subtotal Revenue	(38.529)	(1.758)	1.740	(0.627)	(39.174)
Capital	(8.049)	1.000	0.000	0.000	(7.049)
Total	(46.578)	(0.758)	1.740	(0.627)	(46.223)

For reserve requests please see appendix 5.

Capital

There is a forecast in-year underspend of (£7.165m), of which £7.121m is to be reprofiled into future years. There is an overall forecast decrease in the total cost of schemes of (£0.044m).

Table 6: Capital Spend 2023/2024

Directorate	Budget £m	Forecast Spend 2023/24 £m	Re- profiled beyond 2023/24 £m	Variance to Budget £m	Prior Month Variance to Budget £m
Chief Executives	6.661	5.188	1.473	0.000	0.000
Resources	7.264	5.074	2.210	0.020	0.020
Communities	9.628	6.126	3.438	(0.064)	(0.064)
Total	23.553	16.388	7.121	(0.044)	(0.044)

For further detail please view appendix 1.

Table 7: How the Capital Programme is financed

Financing	23/24 Budget £m	Future Years £m
Borrowing	17.652	10.222
Grants	5.901	8.763
Capital Receipts	0.000	1.175
	23.553	20.160

Table 8: Total Capital Project Forecast

Directorate	Budget £m	Total Forecast 2023/24 £m	Variance to Budget £m	Prior Month Variance to Budget £m
Chief Executives	12.337	12.337	0.000	0.000
Resources	7.264	7.284	0.020	0.020
Communities	24.112	24.048	(0.064)	(0.064)
Total	43.713	43.669	(0.044)	(0.044)

For further detail please view appendix 1 Finance Capital August 2023.

Table 9 - Top Five in Year Capital Variances: -

Code	Top 5 In-Year Variances	Budget Total £'000	Reprofile to 24/25 £'000	% of in year Budget Variance
40278	Development of New Land Bicester Depot	2.775	2.275	81.98%
40131	S106 Capital Costs	3.310	1.116	33.72%
40144	Castle Quay	2.985	0.985	32.99%
40239	Bicester East Community Centre	1.371	0.600	43.76%
40028	Vehicle Replacement Programme	1.731	0.531	30.68%
		12.172	5.507	

Development of New Land Bicester Depot

Scoping underway. Spend will require re profiling in line with programme - detail to be confirmed as work is undertaken.

S106 Capital Costs

Cherwell DC holds developer contributions derived from s106 agreements for Town and Parish councils to deliver agreed programmes of work. The pace of this delivery is outside the control of CDC officers; whilst it is anticipated that many projects will be delivered close working with partners has enabled reprofiling of s106 to span into next year.

Castle Quay

As part of the Castle Quay Development and the regeneration of Banbury, the Council is working closely and in partnership with a number of public and private organisations to repurpose parts of Castle Quay Shopping Centre to deliver a number of complimentary uses enabling the regeneration of Banbury. Once each element has been contractually agreed, work can commence.

Bicester East Community Centre

Start date on site is September 2023. £1.371m of capital funding remains allocated to deliver this bespoke community centre for local residents. The project duration is circa 50 weeks with some spend requiring to be reprofiled to 2024/25.

Vehicle Replacement Programme

Reprofiling of £0.531m in to 2024/25. A review of the programme has been undertaken. Nationally there is delay in vehicle supply and thus delivery.

4.0 Conclusion and Reasons for Recommendations

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

5.0 Consultation

None required.

6.0 Alternative Options and Reasons for Rejection

6.1 The report sets out CDC's revenue and capital forecast outturn position for 2023/24. No alternative options have been considered.

7.0 Implications

Financial and Resource Implications

7.1 There are no direct financial considerations as a result of this report as it is reporting what has already been approved by Executive.

Comments checked by:

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

Legal Implications

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

- 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

Document Information

Appendix number and title

- Appendix 1 – Finance Capital August 2023
- Appendix 2 – Detailed Revenue Narrative on Forecast August 2023
- Appendix 3 – Virements and Aged Debt August 2023

- Appendix 4 – Funding August 2023
- Appendix 5 – Use of Reserves and Grant Funding August 2023

Report Author and contact details

Leanne Lock

Strategic Finance Business Partner

Leanne.lock@cherwell-dc.gov.uk

01295 227098