

Cherwell District Council

Budget Planning Committee

23 January 2024

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 30 November 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 30 November 2023.

Revenue Budget

- 2.2 The Council's forecast outturn position for 2023/2024 is an overspend of £0.259m shown in Table 1.

Capital Budget

- 2.4 There is a forecast in-year underspend of (£12.439m), of which £12.435m is to be reprofiled into future years.
- 2.5 There is a total capital project spend for the council of £49.325m resulting in an underspend of (£0.754m).

3.0 Report Details

- 3.1 The Council's forecast outturn position for 2023/2024 is an overspend of £0.259m shown in Table 1. Within Executive Matters there is a forecast over recovery of interest amounting to (£0.130m) which we are requesting to be moved to the Market Risk Reserve along with the previous (£1.212m) which has previously been approved by Executive.

Report Details

Table 1: Year End Position

Service	Original Budget £m	Current Budget £m	November Forecast £m	November Variance (Under) / Over £m	% Variance to current budget %	Prior Month Variance (Under) / Over £m	Change since Previous (better) / worse £m
HR & OD	0.807	0.813	0.813	0.000	0.0%	0.000	0.000
Wellbeing & Housing	2.286	2.609	2.409	(0.200)	-7.7%	(0.232)	0.032
Customer Focus	2.367	2.443	2.373	(0.070)	-2.9%	(0.045)	(0.025)
Chief Executive	5.460	5.865	5.595	(0.270)	-4.6%	(0.277)	0.007
Finance	3.303	3.376	3.326	(0.050)	-1.5%	(0.025)	(0.025)
Legal, Democratic, Elections & Procurement	1.959	2.033	2.273	0.240	11.8%	0.222	0.018
ICT	1.526	1.526	1.506	(0.020)	-1.3%	(0.020)	0.000
Property	(1.691)	(2.489)	(2.424)	0.065	-2.6%	0.036	0.029
Resources	5.097	4.446	4.681	0.235	5.3%	0.213	0.022
Planning & Development	1.890	1.893	2.242	0.349	18.4%	0.398	(0.049)
Growth & Economy	0.546	0.502	0.412	(0.090)	-17.9%	(0.090)	0.000
Environmental	5.106	6.265	6.348	0.083	1.3%	0.024	0.059
Regulatory	1.150	1.151	1.151	0.000	0.0%	0.000	0.000
Communities	8.692	9.811	10.153	0.342	3.5%	0.332	0.010
Subtotal for Directorates	19.249	20.122	20.429	0.307	1.5%	0.268	0.039
Executive Matters	3.695	3.695	3.647	(0.048)	-1.3%	(0.048)	0.000
Policy Contingency	5.229	4.356	4.356	0.000	0.0%	0.000	0.000
Total	28.173	28.173	28.432	0.259	0.9%	0.220	0.039
FUNDING	(28.173)	(28.173)	(28.173)	0.000	0.0%	0.000	0.000
(Surplus)/Deficit	0.000	0.000	0.259	0.259		0.220	0.039

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 – November 2023

Breakdown of current month forecast	November 2023 Forecast	Base Budget Over/ (Under)	Savings Non-Delivery
	£m	£m	£m
Chief Executive	(0.270)	(0.325)	0.055
Resources	0.235	0.024	0.211
Communities	0.342	0.339	0.003
Subtotal Directorates	0.307	0.038	0.269
Executive Matters	(0.048)	(0.048)	0.000
Policy Contingency	0.000	0.000	0.000
Total	0.259	(0.010)	0.269

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

(Surplus)/Deficit	0.259	(0.010)	0.269
--------------------------	--------------	----------------	--------------

Table 3: Budget compared with Forecast

The graph below shows the change from October’s forecast to November 2023 compared to budget.

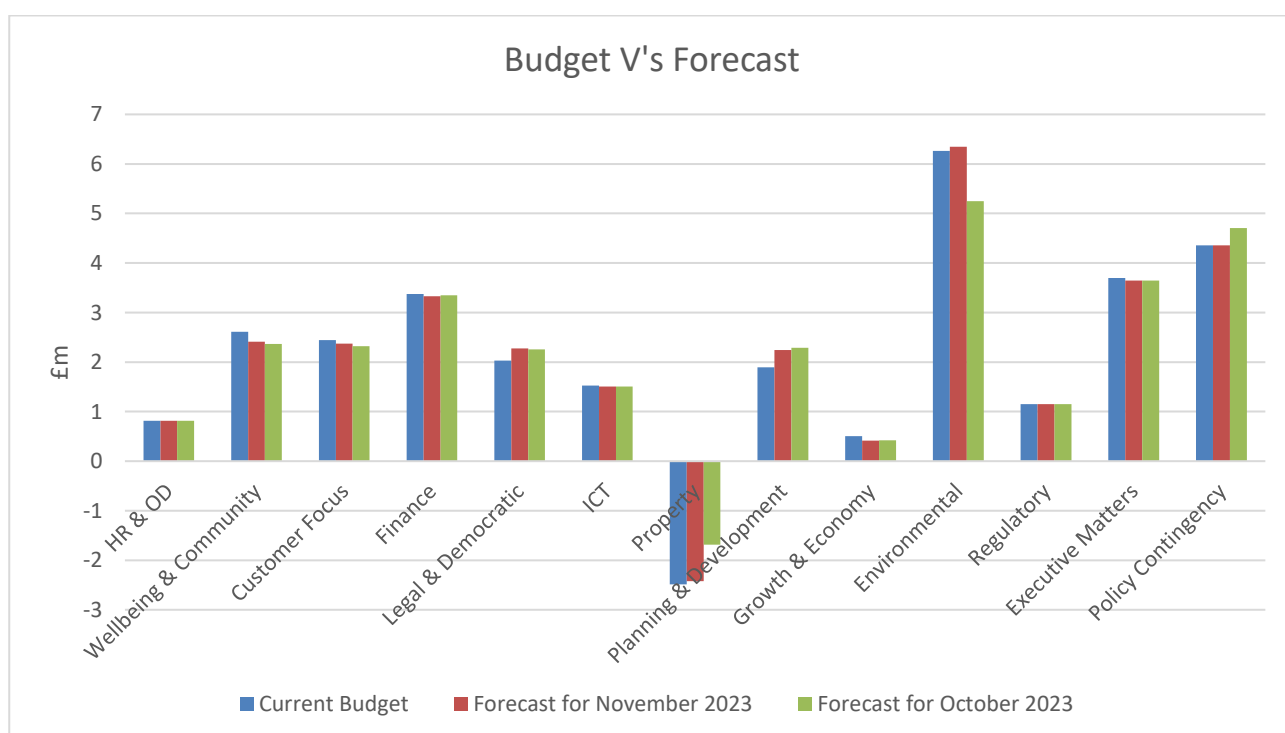


Table 4: Top Major Variance:

Service	Service	Current Budget	Variance	% Variance
Planning & Development	Development Management	0.598	0.349	58.4%
Legal & Democratic	Legal & Democratic	2.033	0.240	11.8%
Environmental Services	Waste & Recycling	3.230	0.083	2.6%
	Total	5.861	0.672	

Development Management Variance £0.349m (October's Variance Overspend £0.398m)

Planning and Development presently has a forecasted overspend of £0.349m for the end of the financial year due to overall income receipts and projections being lower than expected and agency costs exceeding the cost of unfilled establishment posts. The department continues to feel the effect of national construction industry conditions and the reduced availability of planning and building control officers. An increase in planning appeals which necessitates legal and consultant representation is also creating budgetary pressure.

The national increase in planning application fees in December is helping to provide some mitigation and a corporately boosted recruitment process is underway in the interest of filling vacant posts.

The expected outturn is (£0.049m) better than last month helped by the national increase in planning fees and the receipt of planning monitoring fees which are helping to offset additional costs.

The overspend for Building Control has also fallen this month due to lower staffing costs resulting in a £0.050m forecast overspend at year end.

Due to staff vacancies, Planning Policy, Conservation & Design is now expected to be under budget by (£0.015m).

Legal, Democratic Elections & Procurement Variance £0.240m (October's Variance overspend 0.222m)

Overspend is due to:

- 1) higher than anticipated costs of delivering the District Elections.
- 2) an unavoidable reliance on agency staff whilst we continue with recruitment for permanent staff.
- 3) Legal fees and license charges for case management system .4) Under recovery of income due to decrease in s106 fees (because of work being carried out externally).

Waste & Recycling Variance £0.083m (September's Variance over spend £0.055m): -

The forecasted pressure of £0.083m 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 again during the fourth quarter.

The movement of £0.028m is a result of an increase in gate fees being higher than anticipated for the third quarter. This was identified after the previous months reporting. Monthly meetings with our recycling reprocessor and monitoring of the individual commodity prices allows to estimate gate fees in advance of the quarterly price agreement. Cost savings identified for 2024/25 for direct delivery of food waste have been commenced early. The service is continually reviewing its spend in less critical, front line services.

Table 5: Earmarked Reserves and General Balances at November 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 November 2023	Balance 31 March 2024
	£m	£m	£m	£m	£m
General Balance	(6.150)	0.000	0.000	0.000	(6.150)
Earmarked	(19.123)	(2.469)	0.975	(0.130)	(20.747)
Ringfenced Grant	(3.506)	0.711	0.344	0.000	(2.451)
Subtotal Revenue	(28.779)	(1.758)	1.319	(0.130)	(29.348)
Capital	(8.049)	1.000	0.000	0.000	(7.049)
Total	(36.828)	(0.758)	1.319	(0.130)	(36.397)

For reserve requests please see appendix 5.

Capital

There is a forecast in-year underspend of (£12.439m), of which £12.435m is to be reprofiled into future years.

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	10.367	6.968	3.298	(0.101)	0.037
Resources	13.222	6.404	6.961	0.143	0.020
Communities	3.782	1.560	2.176	(0.046)	0.073
Total	27.371	14.932	12.435	(0.004)	0.130

For further detail please view appendix 1.

Table 7: How the Capital Programme is financed

Financing	23/24 Budget £m	Future Years £m
Borrowing	19.542	12.527
Grants	7.829	9.006
Capital Receipts	0.000	1.175
	27.371	22.708

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	18.591	17.740	(0.851)	0.037
Resources	14.432	14.575	0.143	0.020
Communities	17.056	17.010	(0.046)	0.073
Total	50.079	49.325	(0.754)	0.130

For further detail please view appendix 1 Finance Capital November 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	2.675	96.40%
40144	Castle Quay	2.985	2.485	83.24%
40300	S106 - Bicester Leisure Centre Extension	1.154	1.154	100.00%
40028	Vehicle Replacement Programme	1.731	1.109	64.07%
40286	Transforming Market Square Bicester	1.000	0.960	96.00%
		9.645	8.383	

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. This project moved over from Environmental Services to Property in December 2023.

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.

S106 – Bicester Leisure Centre Extension: -

Initial stages of feasibility have been completed with high level costings received to

deliver the project. Further stages required including detailed business case.

Vehicle Replacement Programme: -

Reprofiling of £1.109m in to 2024/25. A review of the programme has been undertaken. Nationally there is delay in vehicle supply and thus delivery.

Transforming Market Square Bicester: -

£0.180m approved by Executive (September 2023) for design and consultation work in 2023/24 (for final plans for Market Square Public Realm and full business plan). Design Consultants to be procured February 2024 £0.040m to be spent by end of financial year remaining budget to be reprofiled into 2024/25 for continuation of the project.

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 direct legal implications arising directly as a result of this report.

Comments checked by:

Shahin Ismail, Legal Services Legal Manager
Shahin.Ismail@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 – Capital November 2023
- Appendix 2 – Detailed Revenue Narrative on Forecast November 2023
- Appendix 3 – Virements November 2023
- Appendix 4 – Funding November 2023
- Appendix 5 – Use of Reserves and Grant Funding November 2023

Report Author and contact details

Leanne Lock
Strategic Finance Business Partner
Leanne.lock@cherwell-dc.gov.uk
01295 227098