

Cherwell District Council

Executive

6 June 2016

2015/16 Draft Revenue Outturn – Updated
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Report of the Chief Finance Officer

This report is public

Purpose of report

To provide members of the Executive with an initial draft update on the Council's revenue outturn for 2015/16

1.0 Recommendations

The meeting is recommended:

- 1.1 To note the contents of the report.

2.0 Introduction

- 2.1 The Executive has the responsibility for managing the Council's resources. A key element of this is budgetary control, and the final outturn for the year is the measure of the accuracy of budgeting and budgetary control throughout the year.
- 2.2 The table in section three of this report shows the first draft of the final outturn. Work is ongoing to close the accounts and finalise the position, and there are likely to be changes to the figures before the final position is confirmed. This will then be reviewed at Accounts, Audit and Risk Committee on 30 June, prior to audit.

3.0 Draft Revenue Outturn 2015/16

- 3.1 The latest draft outturn:

REVENUE OUTTURN 2015-16	Adjusted Budget 2015-16 £000	Draft Outturn 2015-16 £000	Variance 2015-16 £000
Services			
Bicester Regeneration Projects	(437)	(747)	(310)
Community Services	5,419	4,775	(644)
Environmental Services	5,291	5,645	354
Directorate Admin	47	70	23
Community & Environment	10,757	10,489	(267)
Chief Executive	378	400	22
Strategic Planning & the Economy	1,375	1,589	214
Public Protection & Development Mgt	1,066	808	(258)
Development Directorate	143	206	63
Regeneration & Housing	1,035	2,210	1,175
Development	3,619	4,814	1,194
Transformation	620	505	(115)
Finance & Procurement	3,066	2,710	(356)
Legal & Democratic	793	716	(77)
Resources	54	65	11
IT	(5)	107	112
Resources	4,528	4,103	(425)
Services Total	18,845	19,059	214
Capital Charges Reversed	(4,000)	(4,000)	0
Use of Reserves within Services	1,623	1,467	(156)
NET BUDGET REQUIREMENT	16,468	16,526	58
FUNDING			
Business Rates Baseline	(3,466)	(3,466)	0
Revenue Support Grant	(2,711)	(2,733)	(22)
Formula Grant Equivalent	(6,177)	(6,199)	(22)
Transfer to Parish Councils for CTRS	349	349	0
Other Grants	101	0	(101)
Investment Income	161	(343)	(504)
Council Tax Compensation Grant	(63)	(65)	(2)
Collection Fund	(233)	(233)	0
New Homes Bonus	(2,543)	(2,542)	1
Business Rates			
Growth above baseline/Pooling	(2,103)	(2,625)	(522)
Council Tax Income	(5,959)	(5,959)	0
Use of Reserves			0
TOTAL INCOME	(16,467)	(17,617)	(1,150)
Service Budget Carry Forwards			96
Transfer to Earmarked Reserves			100
Transfer from Earmarked Reserves			(85)
Accruals <£20k			12
Provisional Outturn			123
			(969)

3.2 The above position shows a surplus of almost £1.2m. This consists of an overall service variance of £58k, funding in excess of budget of £1.374m and carry forwards and transfers to and from reserves totalling £123k. A commentary has been included for the key areas:

Service Expenditure and Income

The net overall position for services shows an overall variance of £58k, less than 0.5%. There are significant variances within this for individual services:

- Significant additional income for Community Services and Development Management;
- Salary underspends in a number of areas;
- Reduced income for recycling in Environmental Services;
- A shortfall in commercial rental income, including at castle quay. This is currently being reviewed.

Funding

There are two significant variances in funding:

- Investment income, where it was assumed that we may have to borrow to fund Graven Hill and the Build Programme. It has not yet been necessary to borrow as all funding has not been paid to Graven Hill. Instead of paying interest on borrowing of £161k, as was assumed in the budget, the Council received interest of £343k giving a variance of £504k.
- The funding from business rates was significantly above budget, with a variance of £522k. This is partly due to a cautious budget, as this was made in February 2014 when there were a number of unknown areas within business rates. An analysis of business rates, comparing budget to actual is shown below.

Business Rates Analysis	Budget £	Actual £	Variance £
Retained Business Rates	(942,927)	(1,531,129)	(588,202)
Renewables	(94,560)	(145,878)	(51,318)
S31 grants (multiplier cap only)	(272,153)	(82,784)	189,369
Pooling Gain	(793,360)	(1,288,262)	(494,902)
Deficit in NNDR1	0	423,512	423,512
	(2,103,000)	(2,624,541)	(521,541)

4.0 Conclusion and Reasons for Recommendations

4.1 Members are requested to note the content of this report.

5.0 Consultation

None

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: To not note the report but members will not be aware of the likely outturn and performance against budget for 2015/16 if they choose to take this option.

7.0 Implications

Financial and Resource Implications

- 7.1 There are no direct financial implications stemming from this report.

Comments checked by:
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Legal Implications

- 7.2 There are no legal implications arising from this report

Comments checked by:
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Risk Management

- 7.3 The outturn position highlights the relevance of maintaining a minimum level of reserves and budget contingency to absorb the financial impact of changes during the year.

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Equality and Diversity

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

Comments checked by:
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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

This links to the Council's priority of Sound Budgets and a Customer Focussed Council.

Lead Councillor

Councillor Ken Atack, Lead Member for Financial Management.

Document Information

Appendix No	Title
None	
Background Papers	
None	
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