

Cherwell District Council

Executive Committee

5 December 2016

Quarter 2 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 as at the end of the first three 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 September 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 2 has been subject to a detailed review by Officers.

3.0 Report Details

Projected Revenue Outturn 2016-17

- 3.1 At quarter two the Council has an overspend of £147,000. Analysis by directorate can be found in Appendix 1.

This variance is at service level only and does not include the position on other corporate income streams such as retained business rates, pooled business rates or section 31 grant. This information will be included in future reports when it is clearer how much this is likely to be

SUMMARY BY SERVICE AREA 2016/17

Actual v Profile - April to September						
	Budget YTD £000's	Use of Reserves 2016/17 £000's	Revised Budget £000's	Actual YTD £000's	Variance (Under) / Over £000's	Concern Key
Chief Executive	103	25	128	128	0	G
CHIEF EXECUTIVE TOTAL	103	25	128	128	0	G
Bicester Regeneration projects	491	0	491	385	(106)	A
Regeneration and Housing	675	0	675	931	256	R
Human Resources	258	47	305	305	0	G
Information Services	808	61	869	869	0	G
Business Transformation	178	149	327	327	0	G
COMMERCIAL DEVELOPMENT TOTAL	2,410	257	2,667	2,817	150	R
Corporate Finance	1,550	0	1,550	1,575	25	A
Revenues	(92)	0	(92)	(92)	0	G
Benefits	80	30	110	110	0	G
Procurement	52	0	52	52	0	G
CHIEF FINANCE OFFICER TOTAL	1,590	30	1,620	1,645	25	A
Strategic Planning Economy	591	462	1,053	1,053	0	G
Development Management	151	245	396	396	0	G
Communications	143	0	143	143	0	G
Business Support Unit	64	0	64	64	0	G
Performance	97	0	97	97	0	G
Law and Governance	552	0	552	552	0	G
STRATEGY AND COMMISSIONING TOTAL	1,598	707	2,305	2,305	0	G
Community Services	1,556	30	1,586	1,516	(70)	A
Environmental Services	2,122	0	2,122	2,164	42	A
OPERATIONS AND DELIVERY TOTAL	3,678	30	3,708	3,680	(28)	G
TOTAL DIRECTORATES	9,379	1,049	10,428	10,575	147	A

3.2 The projected position for the year end shows an overspend of £200,000.

SUMMARY BY SERVICE AREA 2016/17						
	Projected v Budget - Full Year					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	225	0	G
CHIEF EXECUTIVE TOTAL	175	50	225	225	0	G
Bicester Regeneration projects	1,163	0	1,163	866	(297)	A
Regeneration and Housing	1,648	0	1,648	2,197	549	R
Human Resources	518	47	565	565	0	G
Information Services	1,497	61	1,558	1,558	0	G
Business Transformation	229	149	378	378	0	G
COMMERCIAL DEVELOPMENT TOTAL	5,055	257	5,312	5,564	252	R
Corporate Finance	2,908	0	2,908	2,908	0	G
Revenues	(182)	0	(182)	(182)	0	G
Benefits	161	73	234	234	0	G
Procurement	105	0	105	105	0	G
CHIEF FINANCE OFFICER TOTAL	2,992	73	3,065	3,065	0	G
Strategic Planning Economy	1,169	462	1,631	1,631	0	G
Development Management	304	245	549	549	0	G
Communications	295	0	295	295	0	G
Business Support Unit	88	0	88	88	0	G
Performance	198	0	198	198	0	G
Law and Governance	1,089	0	1,089	1,089	0	G
STRATEGY AND COMMISSIONING TOTAL	3,143	707	3,850	3,850	0	G
Community Services	5,164	60	5,224	5,089	(135)	A
Environmental Services	4,886	0	4,886	4,969	83	A
OPERATIONS AND DELIVERY TOTAL	10,050	60	10,110	10,058	(52)	G
TOTAL DIRECTORATES	21,415	1,147	22,562	22,762	200	G

Projected Capital Outturn 2016-17

Directorate	APPROVED BUDGET £000	ACTUAL £000	PROJECTION £000	SLIPPAGE £000	VARIANCE £000
Strategy & Commissioning	0	0	0	0	0
Chief Finance Officer	38	0	38	0	0
Commercial Development	65,926	5,415	58,012	2,550	51
Operations & Delivery	4,760	1,295	2,403	2,075	(80)
Total	70,724	6,710	60,453	4,625	(29)

3.3 The net Capital projection as at 30 September 2016 is within budget tolerances (projected variance is less than 0.1% of the Approved Budget). The projected slippage relates to:

- the North West Bicester Eco Business Centre, the profile of spend for this project will become clearer once the procurement exercise is completed in September.

- Bicester Sports Village, where work has commenced but some of the expenditure will be in 2017/18.

A detailed breakdown by capital scheme is presented at Appendix 2

4.0 Conclusion and Reasons for Recommendations

- 4.1 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.

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: George Hill, Corporate Finance Manager
george.hill@cherwellandsouthnorthants.gov.uk

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 kevin.lane@cherwellsouthnorthants.gov.uk

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
edward.bailey@cherwellandsouthnorthants.gov.uk

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 caroline.french@cherwellandsouthnorthants.gov.uk

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
Background Papers	
None	
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