

Cherwell District Council

Budget Planning Committee

Date of Meeting 8 March 2022

Monthly Performance, Finance and Risk Monitoring Report

Report of Director of Finance

This report is public

Purpose of report

This report summarises Cherwell District Council's (CDC's) forecast revenue and capital outturn position for 2021/22 as at January 2022 to give the Committee the opportunity to consider the financial aspects of the report.

1.0 Recommendations

The meeting is recommended:

- 1.1 to note the contents of the 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 January of 2022.

3.0 Report Details

Revenue Budget

- 3.1 CDC's revenue forecast financial position up to the end of September 2021 shows a forecast underspend of £0.1m. This is split between a £0.2m forecast underspend related to service delivery costs, £0.8m forecast under delivery of savings agreed as part of the 2021/22 budget, offset by £0.7m mitigations identified.
- 3.2 The largest overspend is forecast in Environment and Place (£1.3m). This is offset by underspends across the rest of the Council.
- 3.3 The main driver behind the Environment and Place forecast overspend is in the Environment and Waste Service with a forecast £1.0m reduction in car park income, partly due to the impacts of Covid-19, compared to the budgeted levels and £0.1m pressure on business rates payable in car parks.

- 3.4 Adults and Housing Services forecast underspend has increased to £0.3m, mainly due to allocating additional grant funding of £0.2m. The Commercial Development, Assets and Investment underspend is driven by improved commercial income forecasts compared to budget of £0.4m.
- 3.5 The underspend within Executive Matters is linked to interest costs being lower than anticipated (£0.4m).
- 3.6 The September revenue forecast is a £0.3m improvement compared to November's forecast.

Capital Budget

- 3.8 The capital budget for 2021/22 is £44.1m. Forecast spend for the year is £31.3m, a 28.9% reduction. There is an overall forecast reduction in the spend on capital schemes of £1.6m (3.7%). There is a further £11.1m (25.2%) forecast spend to be reprofiled into future years.
- 3.9 Spend to be reprofiled into later years mainly relates to:
- Castle Quay (£3.8m)
 - PSDS Projects (£3.3m)
 - Bicester Library Phase 1b (£0.7m)
 - Other Build schemes (£0.3m)
 - Vehicle replacement programme (£0.4m)
 - Along with other smaller reprofiled amounts

Balance Sheet

- 3.10 CIPFA's Financial Management (FM) Code recommends that as well as monitoring revenue and capital budgets, that balance sheet items are also monitored. In the Council's self-assessment against the requirements of the FM Code, carried out as part of the 2021/22 budget setting process, monitoring of balance sheet items was RAG rated as Amber. The Council has sort to address this through its monitoring of debt and reserves.
- 3.11 The Council forecasts that it will have £32.4m of reserves available at 31 March 2022. There is now a clear reporting of reserves the Council originally planned to use during the year, what has subsequently been agreed and any further changes requested.
- 3.12 As at 31 January 2022 the Council had outstanding debt of £3.5m (£4.2m 30 September 2021), of which £0.2m is current debt and £3.2m is in recovery. Of the £3.2m in recovery, £2.0m (£2.8m 30 September 2021) is over 120 days old. A review of debt is currently underway.

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 forecast revenue and capital position for 2021/22. 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.

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:

Sukdave Ghuman, Head of Legal Services & Deputy Monitoring Officer, 07551 680591
sukdave.ghuman@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:

Louise Tustian, Head of Insight and Corporate Programmes 01295 221786
louise.tustian@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:

Emily Schofield, Acting Head of Strategy, 07881 311707,
emily.schofield@cherwell-dc.gov.uk

Sustainability Implications

- 7.5 There are no direct sustainability implications as a result of this report. Some elements of the capital budget being reprofiled into later years – PSDS-funded projects and vehicle replacement programme – are central to the council's decarbonisation plan and their delivery must be closely monitored to ensure CDC is meeting its commitment to become net zero by 2030 in its estate and operations.

Comments checked by:
Sandra Fisher-Martins, Climate Action Mobilisation Manager, 07584 174682,
sandra.fisher-martins@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

N/A

Document Information

Background papers

None

Document Information

Appendix number and title

- Appendix 1 – Executive Monthly Performance, Risk and Finance Monitoring Report
- Appendix 2 – Capital Expenditure 2021-22
- Appendix 3 - Virements and Aged Debt Summary
- Appendix 4 – Covid funding
- Appendix 5 – Use of Reserves

Report Author and contact details

Leanne Lock ACCA, Strategic Business Partner – Business Support & Reporting
Finance & Procurement. Telephone: 01295 227098
Email: Leanne.lock@cherwell-dc.gov.uk