

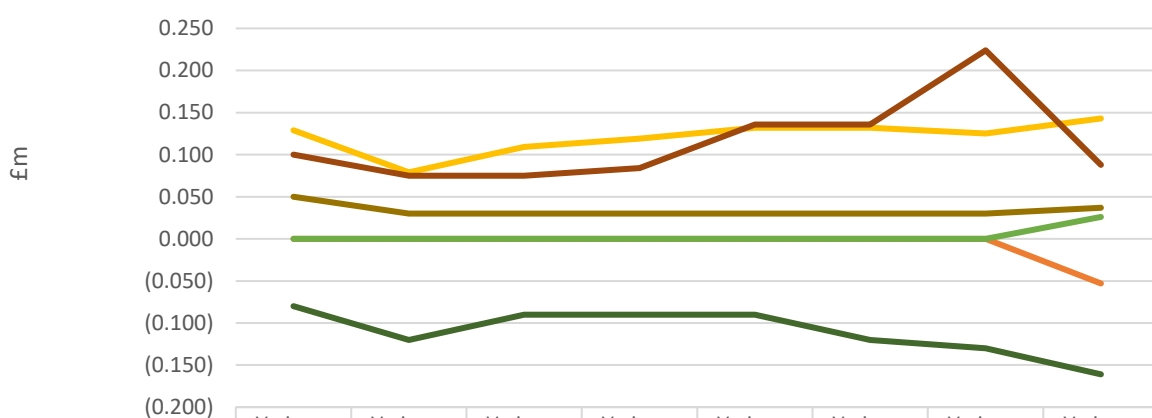
Appendix 2 - Report Details – Additional Revenue narrative

Resources & Transformation

Revenue:

Resources & Transformation are reporting an overspend of £0.080m against a budget of £8.571m (0.9%). The services worked hard to mitigate any overspending across the area. However, areas where agency staffing were needed to fulfil our statutory obligations meant that whilst an overspend occurred, this was managed and mitigated throughout the year.

Forecast Variance - Resources & Transformation



	Variance June 2024 £m	Variance August 2024 £m	Variance September 2024	Variance October 2024	Variance November 2024	Variance December 2024	Variance January 2025	Variance March 2025
Finance	0.000	0.000	0.000	0.000	0.000	0.000	0.000	(0.053)
Legal, Democratic, Elections & Procurement	0.129	0.079	0.109	0.119	0.132	0.132	0.125	0.143
ICT	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.026
Property	0.100	0.075	0.075	0.084	0.136	0.136	0.224	0.088
HR & OD	0.050	0.030	0.030	0.030	0.030	0.030	0.030	0.037
Customer Focus	(0.080)	(0.120)	(0.090)	(0.090)	(0.090)	(0.120)	(0.130)	(0.161)

Finance

Variation
(£0.053m) Underspend

Overall position is a net underspend of (£0.053m). There were a number of changes between P10 and the outturn position which have been summarised below.

Revenues and Benefits

There is an overall overspend of £0.003m across the service. Within this there was additional one-off income of (£0.250m) from the final settlement following the winding up of the council's jointly owned company CSN Resources, which had previously been the vehicle through which the council provided its revenues and benefits service.

There was an under recovery of budgeted income from Court Costs added to the bills of those who failed to pay their council tax of £0.111m. This was due to a reduction in the number of bills which were required to go to court/OR a reduction in processing of new Court Costs in March due to focussing on the Annual Billing Process. This will be monitored closely in 2025/26 and if this appears to be a permanent adjustment in the base position then will need to be considered as part of the 2026/27 budget process.

The council also budgets for a new cost of Housing Benefit payments of £0.183m. However, at outturn the final position was a net cost of £0.556m – an overspend of £0.373m. This is normally managed across other areas of the budget but will be kept under review in 2025/26 to consider whether it needs to be addressed in the 2026/27 budget process.

Furthermore, there was an under recovery on Housing Benefit Overpayments compared to budget of £0.083m. This is due to improved team performance in processing Housing Benefit meaning there was less to recover and the caseload reducing with the rollout of Universal Credit.

Variation to January's
Forecast
(£0.053m)

Other mitigations were identified across Revenues and Benefits, primarily from reductions in staffing costs.

Finance

Finance had relatively small underspend of (£0.101m), primarily driven by a one-off (£0.025m) income stream for processing a loan arrangement and underspend on staffing costs and overachievement of grant income.

Insurance

There was an overspend on the overall corporate insurance budget of £0.014m, primarily due to an increase in claims and resultant increase in premiums.

Bank Charges

There was an overspend of £0.031m on bank charges – this is the corporate cost of processing card payments and making payments

Legal, Democratic,
Elections &
Procurement

Variation
£0.143m overspend

There are several areas within Law & Governance including procurement that rely on engaging experienced

locum staff (lawyers and other professional). The service is covering and providing support in critical areas such planning, litigation, procurement to minimise risk to the Council. The service is also covering maternity leave and case load accumulated due to key staff being on leave. The Monitoring Officer is responsible for securing appropriate staff and suitable legal advice, investigating and reporting on anything the Council does that has the potential to be an illegal action or investigating and reporting on any action that might count as maladministration. There remains a continued need to provide legal advice to officers and members in relation to litigation, information governance, planning and general case load.

The service is undertaking recruitment to permanent positions as well as training new member of staff as swiftly as possible. We fully recognise the needs to operate within budget however, a point of note in regard to this areas budget is that there is a high element of unpredictability to costs which arise in dealing with legal instructions in regard to unforeseen matters arising, for which no 'ongoing' forecast and provision can be made. Whilst our risk management can seek to reduce this, it is unrealistic to assume this unplanned element can be completely eliminated.

Variation to January's
Forecast
(£0.018m)

A permanent recruitment campaign has been implemented and legal fees have been increased in line with the law society suggested rates.

ICT

Variation
£0.026m overspend

£0.010m can be attributed to revenue expenditure on Castle Quay ahead of the move meaning we were paying some infrastructure costs on both Bodicote House and Castle Quay concurrently during quarter 4. The remainder is a result of small overspends across the service.

Variation to January's
Forecast
£0.026m

Property

Variation
£0.088m overspend

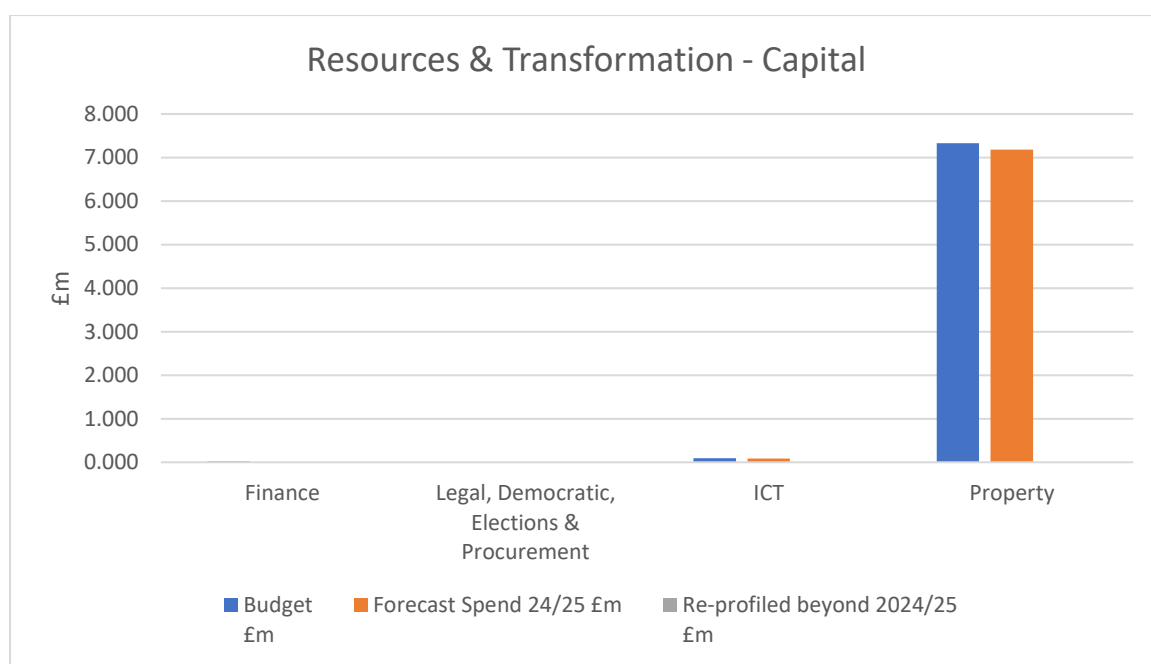
1) £0.088m overspend at CQ is due to void costs of holding vacant units and unscheduled necessary expenditure for car park lighting and other maintenance costs. Work to

	<p>review contracts and market void units is continuing with the impact of reducing the overspend as the year progresses. There have been some positive movements achieved through the reduction of utility expenditure forecasts.</p> <p>2) (£0.065m) underspend in Property is due to vacancies that were not filled until October, admin charges generating an income, improved income from rent reviews and lease renewals and reduced repair and maintenance costs. This underspend has been largely offset by an overspend in repair and maintenance across the service in particular at Banbury Museum where it is necessary to replace a lift which is no longer capable of economic repair.</p> <p>3) £0.065m overspend in car parks (due to various small overspends across the service, including electricity and insurance expenses) and a pressure arising from bus station income being lower than anticipated.</p>
Variation to January's Forecast (£0.136m)	<p>£0.100m reduction at CQ is due work to review contracts and reduce market void units impacting reduction of overspend, and further positive movements achieved through the reduction of utility expenditure forecasts and Council offices opening in previously vacant space.</p> <p>£0.036m reduction in Property due to vacancies that were part way through the year, admin charges generating an income, improved income from rent reviews and lease renewals and reduced repair and maintenance costs Bodicote House, Franklins House and Banbury Museum.</p>
Customer Focus	
Variation (£0.161m) underspend	Customer Focus has a final outturn of £0.161m underspend because of long-term vacancies within the service combined with greater recovery of land charges income than anticipated.
Variation to January's Forecast (£0.031m)	
<hr/> HR & OD	
Variations £0.037m Overspend	HR has a final outturn of £0.037m overspend as a result of the implementation of the payroll system. The service has

managed to partially mitigate this overspend with efficiencies within the HR budget.

Variation to January's
Forecast
£0.007m

Capital:



Service	Budget £m	Forecast Spend 24/25 £m	Re- profiled beyond 2024/25 £m	Variance to Budget £m	Prior Month Variance to Budget £m
Finance	0.020	0.000	0.000	(0.020)	(0.020)
Legal, Democratic, Elections & Procurement	0.000	0.000	0.000	0.000	0.000
ICT	0.096	0.086	0.000	(0.010)	0.000
Property	7.326	7.179	0.000	(0.147)	0.018
Total	7.442	7.265	0.000	(0.177)	(0.002)

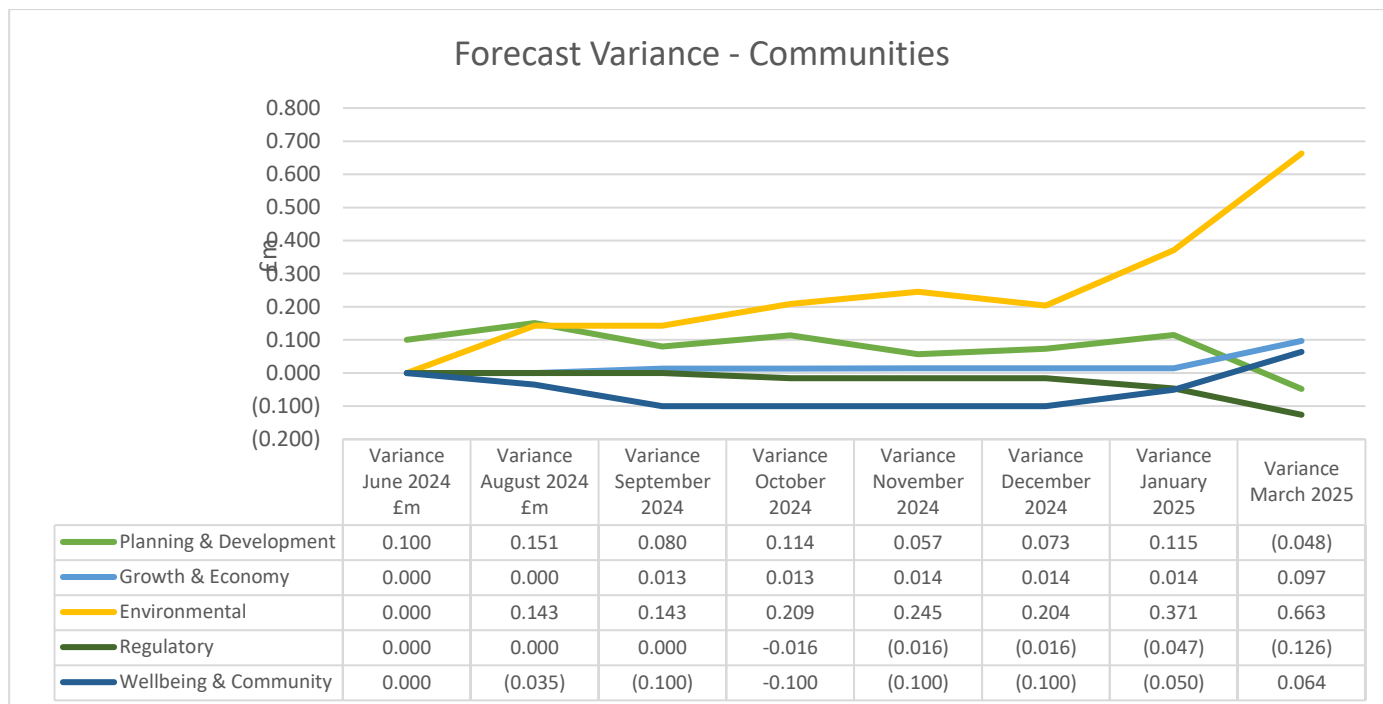
For detailed explanation and variances please see appendix 1.

Communities

Revenue:

Communities are reporting an overspend of £0.650m against a budget of £12.739m, (5.1%).

With a number of pressures emerging in the forecast to year end, the directorate leadership team has carried out a review of pressures and mitigations to contain across the Communities directorate in so far as possible. This substantially reduced the forecast pressures to year end however a number of pressures and external market factors have not been able to be contained including increased waste disposal fees, agency staff pressures and vehicle maintenance pressures.



Planning & Development

Variation
(£0.048m)
underspend

Planning and Development ended the financial year with a (£0.048m) underspend.

There was a relatively small overspend of £0.007m in Building Control. An unexpected increase in planning application income in March, together with the receipt of developer contribution funds for compliance monitoring, had a significantly positive impact on the Development Management outturn with overspend being reduced to £0.020m. However, appeal costs were high in 2024/25.

The overall departmental position was assisted by an underspend (£0.077m) in Planning Policy due to legal and consultancy fees being lower than anticipated.

Variation to January's
Forecast
(£0.163m)

The most notable changes were the end-of-year increase in planning application fee receipts, the receipt of compliance monitoring fees and the last month's appeal costs being less than anticipated – a total change of (£0.163m).

There has been active monitoring of costs relative to income over the course of the year. Costs have been affected by the number of appeals submitted by developers which is not fully within the Council's control. Planning appeals are being closely monitored to control costs and in the interest of achieving a higher percentage of successful outcomes.

Growth & Economy

Variation
£0.097m overspend

The year end outturn reflects a number of small pressures together with a one-off structural change pressure to the service.

Variation to January's
Forecast
£0.083m

Environmental

Variation
£0.663m overspend

The pressure of £0.663m within Environmental Services is primarily due to staffing pressures and agency costs within Waste and Recycling. Changes in the global market for recycled materials fell more than anticipated and this resulted in the recycling processing costs increasing.

A delay to implementing revised working patterns for the street cleansing operational team and an increase in general vehicle maintenance expenses and an ageing fleet have also contributed to the pressure.

These pressures are part offset by non-recruitment to vacant posts, higher than forecasted income received for S106 contributions for wheeled bins, garden waste subscriptions and business waste.

Variation to January's Forecast £0.292m	<p>The movement of £0.292m is partially a result of a lower than predicted take up for garden waste subscriptions for 2025/26, in addition to this the gate fee increase was higher than anticipated for the final quarter.</p> <p>Increased vehicle maintenance costs due to an ageing fleet are part offset by other additional income streams across the services.</p> <p>Non recruitment to vacant posts and delaying spend in less critical, front-line services within Landscaping Services has helped mitigate this overspend.</p> <p>Additional income streams have been generated by the Waste and Recycling Service as a result of closer joint working and contracts with other Oxfordshire councils.</p>
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Regulatory

Variation (£0.126m) underspend	Regulatory Services and Community Safety have an outturn of (£0.126m) underspend – this is due to savings in staffing costs as some posts remain unfilled following the dept. restructure and minor variations across the service.
Variation to January's Forecast (£0.079m)	An additional (£0.08m) saving on the previous forecast position, this is largely due to the reduced costs incurred against our CCTV monitoring staff contributions being less than expected, additional savings from staffing costs and the Idox separation costs that had been earmarked for 2024/25 not being incurred prior to year end. There are a number of smaller savings including a reduced cost of contractors.

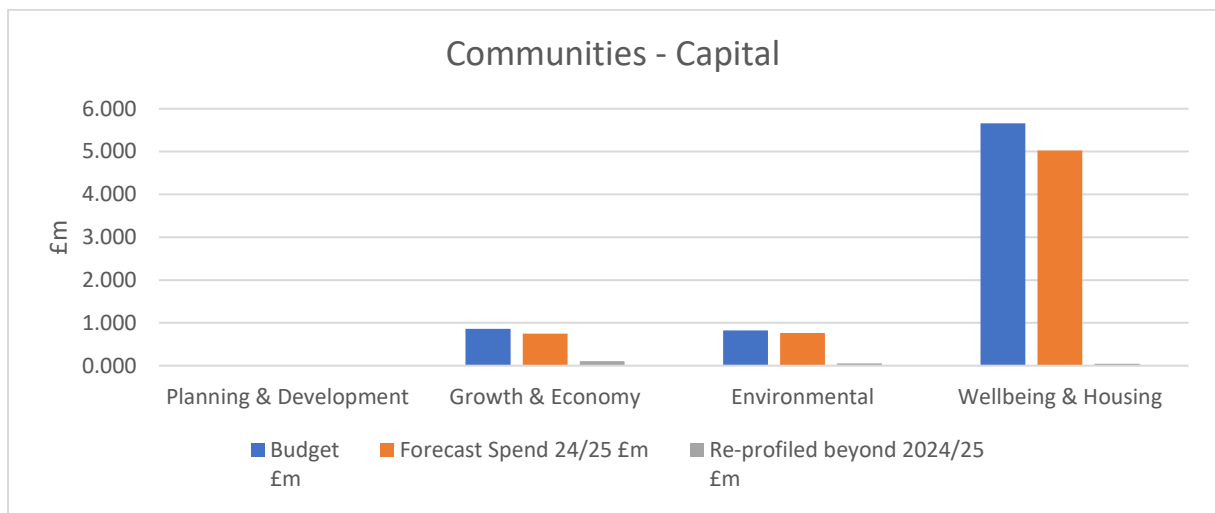
Wellbeing & Housing

Variation £0.064m overspend	The services actively managed the pressures that arose during 2024-25 from operating front line services and flexing programme delivery, however unavoidable maintenance costs and slower occupation of new accommodation, that adversely impacted on rental income, has resulted in the services finishing the financial year with a £0.064m overspend.
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Variation to January's
Forecast
£0.114m

Pressures have been defrayed through operational
efficiency and effective use of grants.

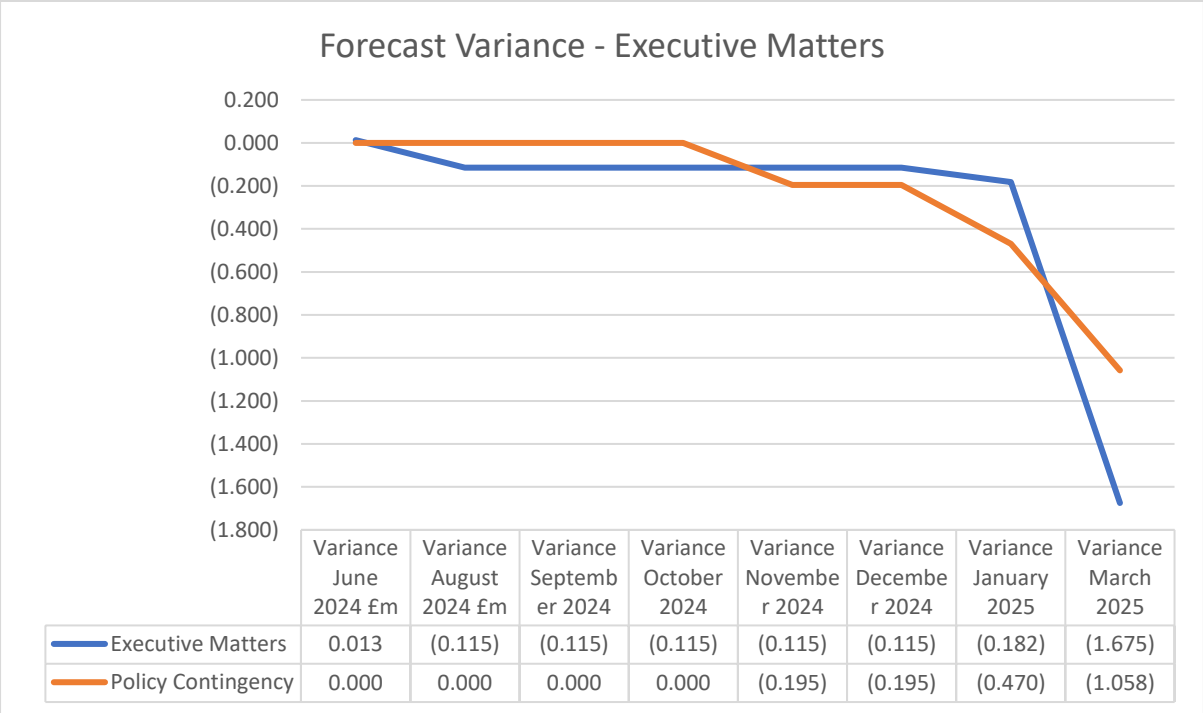
Capital:



For detailed explanation and variances please see appendix 1.

Service	Budget £m	Forecast Spend 24/25 £m	Re- profiled beyond 2024/25 £m	Variance to Budget £m	Prior Month Variance to Budget £m
Planning & Development	0.000	0.000	0.000	0.000	0.000
Growth & Economy	0.861	0.751	0.107	(0.003)	(0.008)
Environmental	0.824	0.766	0.052	(0.006)	(0.007)
Wellbeing & Housing	5.660	5.022	0.047	(0.591)	(0.531)
Total	7.345	6.539	0.206	(0.599)	(0.546)

Executive Matters



Revenue:

Executive Matters is reporting a (£1.675m) underspend against the budget of £4.400m (-38.1%).

Executive Matters	
Variation (£1.675m) underspend	Executive Matters are reporting an outturn of (£1.675m) which is mainly due to over-recovery of interest totalling (£1.070m). The council has also received a (£0.500m) dividend payment from Graven Hill as a result of the profits the company has generated. The council had not budgeted to receive this income and other minor variations across the service.
Variation to January's Forecast (£1.493m)	The main reason for the variation is detailed above.

Policy Contingency

Policy Contingency is reporting an underspend of (£1.058m) against a budget of £1.277m, (-82.9%), the movement in Policy Contingency is shown in the table below: -

Policy Contingency	Budget	Expenditure	Notes
Original Budget	(3.978)		
Inflation Contingency	1.099		24/25 Pay Award
Commercial Risk	0.017		Support for Finance System Migration to the Cloud
Commercial Risk	0.200		Gate Fee Mitigation
Commercial Risk	0.435		Cost of Appeals
Commercial Risk	0.005		Carbon Budgeting Challenge
Commercial Risk	0.050		Legal Agency Costs
Commercial Risk	0.036		Climate Change Net Zero
Commercial Risk	0.010		Climate Change Energy Audits
Commercial Risk	0.120		Castle Quay Fit Out works for office move
Commercial Risk	0.130		HIA Grant Correction - Transfer from PC
General Contingency	0.080		Fund Graduate Trainees
General Contingency	0.070		Town Centre House Under-recovery of Rent
General Contingency	0.020		Vertitau One Off Membership
General Contingency	0.002		UK Visa & Immigration Sponsorship
General Contingency	0.190		IT Redundancy Costs
General Contingency	0.085		Environmental Services Redundancy Costs
General Contingency	0.045		Procurement Interim Costs
General Contingency	0.025	0.263	UKRS Funding
General Contingency	0.033		Pension Strain costs
General Contingency	0.050		Additional Procurement Support
		(0.047)	Release of Banbury Bowls Club & Engineering Services Provision
		0.003	Other Minor income adjustments
	(1.277)	0.219	

Funding

Funding is reporting a (£0.179m) underspend against the budget of (£26.987) (0.7%).

Funding

Variation
(£0.179m) underspend

Funding is reporting a (£0.179m) underspend, the main reason for this is the business rates levy payment payable on NNDR growth above baseline is less than the budget for 2024-25.

Variation to January's
Forecast
(£0.179m)

The main reason for the variation is detailed above.
