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Cherwell

DISTRICT COUNCIL
NORTH OXFORDSHIRE

Committee: Budget Planning Committee

Date: Tuesday 25 July 2023

Time: 6.30 pm

Venue: Bodicote House, Bodicote, Banbury, Oxon OX15 4AA

Membership

**Councillor Patrick Clarke
(Chairman)**

Councillor Tom Beckett

Councillor Donna Ford

Councillor Matt Hodgson

Councillor Adam Nell

Councillor Barry Wood

Councillor Douglas Webb (Vice-Chairman)

Councillor Becky Clarke MBE

Councillor David Hingley

Councillor Simon Lytton

Councillor Dorothy Walker

Councillor Sean Woodcock

AGENDA

1. Apologies for Absence and Notification of Substitute Members

2. Declarations of Interest

Members are asked to declare any interest and the nature of that interest which they may have in any of the items under consideration at this meeting.

3. Minutes (Pages 5 - 8)

To confirm as correct records the minutes of the meetings held on 7 March 2023 and 23 May 2023.

4. Chairman's Announcements

To receive communications from the Chairman.

5. Urgent Business

The Chairman to advise whether they have agreed to any item of urgent business being admitted to the agenda.

6. **Council Tax Reduction Scheme 2024-25** (Pages 9 - 14)

Report of Assistant Director of Finance

Purpose of report

To enable members to consider the proposed banded scheme for Council Tax Reduction for 2024-25.

The current scheme was introduced from April 2020 following a period of consultation and engagement. In general, it has been well received with limited contact from customers. It is proposed to continue with the current scheme, updated for inflationary factors.

The scheme assesses the maximum level of Council Tax Reduction based on the net income of the applicant and household members, the main principles of the scheme remain unchanged. Pensioners are protected and continue to be eligible to receive 100% Council Tax Reduction

If the applicant or partner is in receipt of a passported benefit such as Income Support Job Seekers Allowance (JSA) income based and income related Employment and Support Allowance (ESA) or receiving War widows or War disablement pensions they will be placed into the highest band and will receive 100% Council Tax Reduction.

Working age households will receive a discount, depending on their level of income and the band that they fall into.

The current scheme is understood by customers and has enabled them to budget for their council tax payments, and this is reflected in the Council Tax collection rates with Cherwell being the highest performer across the county for 2022-23.

The current scheme reduces the number of changes that the customer will experience with less bills and notification letters generated and enables better personal budgeting. There is still a lot of financial uncertainty for many customers and in the current financial climate with the ongoing cost of living crisis it is therefore recommended that the existing scheme should be retained for 2024.25.

Recommendations

The meeting is recommended to:

- 1.1 To note the contents of the report, and any financial implications for the Council.
- 1.2 To recommend to Executive that the current scheme (adjusted for inflationary factors) is retained for 2024/25

7. **Budget Process 2024-25** (Pages 15 - 44)

Report of Assistant Director of Finance

Purpose of report

This report summarises the approach Cherwell District Council (CDC) intends to take in order to set its 2024/25 budget and 5-year Medium-Term Financial Strategy (MTFS) for the period to 2028/29 and revises the Reserves Policy.

Recommendations

The meeting is recommended:

1.1 To note the contents of Appendix 1.

8. Monthly Finance Performance Report (Pages 45 - 80)

Report of Assistant Director of Finance

Purpose of report

This report summarises Cherwell District Council's (CDC's) Outturn position for revenue and capital for 2022/2023 and gives the Committee the opportunity to consider the financial aspects of the report.

The council has been successful in delivering a revenue outturn position for 2022/23 with an overall minor underspend of (£0.001m). This is a significant achievement under the current economic circumstances.

The Council has an in-year capital underspend of (£14.958m) against a budget of £24.413m, of which £14.273m is requested to be reprofiled in future years. This represents an overall decrease in the total cost of schemes of (£0.685m) due to a number of schemes no longer going ahead.

Recommendation

The meeting is recommended:

1.1 To note the contents of this report.

9. Review of Committee Work Plan (Pages 81 - 82)

To review the Committee Work Plan.

Councillors are requested to collect any post from their pigeon hole in the Members Room at the end of the meeting.

Information about this Meeting

Apologies for Absence

Apologies for absence should be notified to democracy@cherwell-dc.gov.uk or 01295 221534 prior to the start of the meeting.

Declarations of Interest

Members are asked to declare interests at item 2 on the agenda or if arriving after the

start of the meeting, at the start of the relevant agenda item.

Local Government and Finance Act 1992 – Budget Setting, Contracts & Supplementary Estimates

Members are reminded that any member who is two months in arrears with Council Tax must declare the fact and may speak but not vote on any decision which involves budget setting, extending or agreeing contracts or incurring expenditure not provided for in the agreed budget for a given year and could affect calculations on the level of Council Tax.

Evacuation Procedure

When the continuous alarm sounds you must evacuate the building by the nearest available fire exit. Members and visitors should proceed to the car park as directed by Democratic Services staff and await further instructions.

Access to Meetings

If you have any special requirements (such as a large print version of these papers or special access facilities) please contact the officer named below, giving as much notice as possible before the meeting.

Mobile Phones

Please ensure that any device is switched to silent operation or switched off.

Queries Regarding this Agenda

Please contact Matt Swinford, Democratic and Elections Team democracy@cherwell-dc.gov.uk, 01295 221534

Yvonne Rees
Chief Executive

Published on Monday 17 July 2023

Cherwell District Council

Budget Planning Committee

Minutes of a meeting of the Budget Planning Committee held at Bodicote House, Bodicote, Banbury, Oxon OX15 4AA, on 7 March 2023 at 6.30 pm

Present:

Councillor Patrick Clarke (Chairman)
Councillor Douglas Webb (Vice-Chairman)
Councillor Hugo Brown
Councillor Phil Chapman
Councillor Donna Ford
Councillor David Hingley
Councillor Matt Hodgson
Councillor Chris Pruden
Councillor Fraser Webster

Committee Members Present Virtually (no voting rights):

Councillor Angus Patrick

Substitute Members:

Councillor Andrew Crichton (In place of Councillor Sean Woodcock)

Apologies for absence:

Councillor John Donaldson
Councillor Sean Woodcock

Officers:

Joanne Kaye, Head of Finance and Deputy S151 Officer
Leanne Lock, Strategic Business Partner - Business Support and Reporting
Matt Swinford, Democratic and Elections Officer

30 **Declarations of Interest**

There were no declarations of interest.

31 **Minutes**

The minutes of the meeting held on 17 January 2023 were agreed record and signed by the Chairman.

32 **Chairman's Announcements**

There were no Chairman's announcements.

33 **Urgent Business**

There were no items of urgent business.

34 **Monthly Finance Performance Report**

The Committee considered a report from the Assistant Director of Finance (Section 151 Officer) that summarised the Council's forecast revenue and capital outturn for 2022/2023 as of 31 December 2022.

In response to Members queries regarding the car parks variance, the Chairman advised the Committee that as car parking was an item that was frequently raised as car park income had reduced due to a drop in usage. The Chairman commented that it may be helpful for the Budget Planning Committee to look at these areas in more detail.

Resolved

(1) That the contents of the report be noted.

35 **Review of Committee Work Plan**

The Strategic Business Partner - Business Support & Reporting gave a verbal update on the Budget Planning Committee Work Plan.

The Strategic Business Partner - Business Support & Reporting advised that at the next scheduled meeting on 25 July, the Committee would consider the Council Tax Reductions Scheme, financial monitoring for the year end 2022/23 and the committee work programme for 2023/24.

Resolved

(1) That the verbal update on the Committee Work plan be noted.

The meeting ended at 6.44 pm

Chairman:

Date:

Cherwell District Council

Budget Planning Committee

Minutes of a meeting of the Budget Planning Committee held at Bodicote House, Bodicote, Banbury, Oxon OX15 4AA, on 23 May 2023 at 6.58 pm

Present:

Councillor Patrick Clarke (Chairman)
Councillor Douglas Webb (Vice-Chairman)
Councillor Becky Clarke MBE
Councillor Donna Ford
Councillor David Hingley
Councillor Matt Hodgson
Councillor Simon Lytton
Councillor Adam Nell
Councillor Barry Wood
Councillor Sean Woodcock

Apologies for absence:

Councillor Tom Beckett
Councillor Dorothy Walker

1 Appointment of Chairman for the municipal year 2023/2024

It was proposed by Councill Ford and seconded by Councillor Wood that Councillor Patrick Clarke be elected Chairman of the Budget Planning Committee.

There were no further nominations.

Resolved

- (1) That Councillor Patrick Clarke be elected Chairman of the Budget Planning Committee for the municipal year 2023/2024.

2 Appointment of Vice-Chairman for the municipal year 2023/2024

It was proposed by Councill Ford and seconded by Councillor Wood that Councillor Webb be elected Vice-Chairman of the Budget Planning Committee.

There were no further nominations.

Resolved

- (1) That Councillor Webb be elected Vice-Chairman of the Budget Planning Committee for the municipal year 2023/2024.

The meeting ended at 6.59 pm

Chairman:

Date:

Cherwell District Council

Budget Planning Committee

25 July 2023

Council Tax Reduction Scheme 2024-25

Report of Assistant Director of Finance

This report is public

Purpose of report

To enable members to consider the proposed banded scheme for Council Tax Reduction for 2024-25.

The current scheme was introduced from April 2020 following a period of consultation and engagement. In general, it has been well received with limited contact from customers. It is proposed to continue with the current scheme, updated for inflationary factors.

The scheme assesses the maximum level of Council Tax Reduction based on the net income of the applicant and household members, the main principles of the scheme remain unchanged. Pensioners are protected and continue to be eligible to receive 100% Council Tax Reduction

If the applicant or partner is in receipt of a passported benefit such as Income Support Job Seekers Allowance (JSA) income based and income related Employment and Support Allowance (ESA) or receiving War widows or War disablement pensions they will be placed into the highest band and will receive 100% Council Tax Reduction.

Working age households will receive a discount, depending on their level of income and the band that they fall into.

The current scheme is understood by customers and has enabled them to budget for their council tax payments, and this is reflected in the Council Tax collection rates with Cherwell being the highest performer across the county for 2022-23.

The current scheme reduces the number of changes that the customer will experience with less bills and notification letters generated and enables better personal budgeting. There is still a lot of financial uncertainty for many customers and in the current financial climate with the ongoing cost of living crisis it is therefore recommended that the existing scheme should be retained for 2024.25.

1.0 Recommendations

The meeting is recommended:

- 1.1 To note the contents of the report, and any financial implications for the Council

- 1.2 To recommend to Executive that the current scheme (adjusted for inflationary factors) is retained for 2024/25

2.0 Introduction

- 2.1 The Council Tax Reduction (CTR) caseload has been monitored and there has been a reduction in the number of live cases from 6,292 in June 2022 to 6,147 in April 2023 and 6,109 in June 2023.
- 2.2 As customers transition onto Universal Credit customers are not all ways advised by Department for Works and Pensions that in order to make a claim for CTR they will need to make this directly with the local authority, so in these circumstances we do see the caseload fluctuate when backdated request for CTR are received throughout the year.
- 2.2 The in-year Council Tax collection rate for the 2020/21 financial year was 97.46% compared to 98.07% in 2021/22 and 98.05% for 2022/23 which remains the highest rate within the Oxfordshire authorities. In considering the CTR Scheme for 2024/25 members should be mindful that any changes to the scheme that reduce entitlement to CTR Scheme could have an adverse impact on collection rates.

3.0 Report Details

- 3.1 Since the introduction of the Council Tax Reduction Scheme (CTRS) the benefits landscape has drastically changed. Universal Credit is based on real time information which means that any change in income generates a change in Council Tax Reduction through data files received directly from the Department for Work and Pensions. Residents were therefore, receiving multiple bills and letters during the year making the process a poor user experience and making budgeting for individuals very difficult.
- 3.2 In December 2019 the Council agreed to move to an income banded scheme for customers that were of working age. The scheme assesses the maximum level of CTR based on the net income of the applicant and household members, the main principles of the scheme are as follows:
 - If the applicant or partner is in receipt of one of the main passported benefits (Income Support, JSA Income Based and Income Related ESA or receiving War Widows or War Disablement Pensions) they will automatically be placed in the highest band of the scheme and will receive 100% support.
 - Working age households will receive a discount, depending on their level of income and the band that they fall into.
 - Under this scheme, as part of our ongoing commitment to support disabled people, we will continue to disregard Disability Living Allowance, Personal Independence Payments, War Disablement Benefits and will also continue to disregard Child Benefit and child maintenance.

- As highlighted earlier in this report the introduction of Universal Credit and Real Time Information files means that customers can experience frequent changes in their Council Tax Reduction which in turn impacts on the amount of Council Tax payable. This makes budgeting for households more of a challenge and is impacting on our ability to collect Council Tax. The banded scheme is more simple for residents to understand and any future changes to the value of awards can be achieved by simply adjusting the banding thresholds.
- Residents experience less change in their Council Tax Reduction and the scheme reduces the number of letters and Council Tax demands issued. The Council has seen a 27% reduction in printed mail and dispatch when comparing the first quarter of 2019 the first quarter of 2022 and in April and May 2023 the printed mail packs have reduced further by 1706 packs compared to April and May 2022.

3.3 The current scheme was introduced from April 2020 following a period of consultation and engagement. In general, it has been well received with limited contact from customers affected by the change.

3.4 There is a requirement to consult with the public, major preceptors and other parties who may have an interest in the CTRS on any material changes to the scheme. If members would like to consider a change to the current banded scheme, then a full consultation will need to be undertaken.

3.5 Any amendments proposed to the scheme (other than uprating thresholds for inflation) would require significant consultation to take place. If any changes were made to the scheme it is unlikely to generate significant additional resources to the Council.

4.0 Conclusion and Reasons for Recommendations

4.1 The current scheme is understood by customers and has enabled them to budget for their council tax payments. One of the main advantages of the banded scheme is that it reduces the number of changes that the customer will experience enabling more effective personal budgeting.

4.2 There is still a lot of financial uncertainty for many customers and in the current financial climate with the ongoing cost of living crisis it is therefore recommended that the existing scheme should be retained for 2024 / 25.

5.0 Consultation

None

6.0 Alternative Options and Reasons for Rejection

6.1 The alternative option is to undertake a review of the current CTRS scheme but paragraphs 4.1 and 4.2 explain the rationale for not taking this course of action.

7.0 Implications

Financial and Resource Implications

- 7.1 The Medium Term Financial Strategy has assumed the current scheme will be retained. Any changes to the existing caseload will be accommodated as part of the budget process with final estimates included in the annual council tax base calculation.

Comments checked by:

Michael Furness Assistant Director of Finance

Michael.furness@cherwell-dc.gov.uk

Legal Implications

- 7.2 Since 1 April 2013, local authorities in England have been responsible for running their own local schemes for help with council tax. These are called Council Tax Reduction schemes.

Section 13A of the Local Government Finance Act 1992 requires the Council as the billing authority to make a localised council tax reduction scheme in accordance with section 1A of the Act. Each financial year the council must consider whether it wants to revise the scheme, leave as is or replace it. Consultation must occur on any options required to change the scheme prior to introduction, and is set out in Schedule 1A (3) of the Local Government Finance Act 1992. No changes to the scheme are being considered in this report.

Comments checked by:

Shahin Ismail, Legal Services Manager

Shahin.ismail@cherwell-dc.gov.uk

Risk Implications

- 7.3 There are no risk implications.

Comments checked by:

Celia Prado-Teeling, Interim Assistant Director – Customer Focus, 01295 221556

Celia.prado-teeling@cherwell-dc.gov.uk

Equalities and Inclusion Implications

- 7.4 This report, and the proposal to continue the Council Tax Reduction Scheme have been developed with our most vulnerable residents in mind. Any equality and diversity concerns have been appropriately considered from the outset, if a new proposal arises this will be screened for relevance against our statutory duties to promote equality and an impact assessment will be completed.

Comments checked by:

Celia Prado-Teeling, Interim Assistant Director – Customer Focus, 01295 221556

Celia.prado-teeling@cherwell-dc.gov.uk

Sustainability Implications

7.5 There are no sustainability implications.

Comments checked by:
Jo Miskin, Climate Action Manager
Jo.miskin@cherwell-dc.gov.uk

8.0 Decision Information

Key Decision N/A

Wards Affected

All

Links to Corporate Plan and Policy Framework

Housing that meets your needs
Healthy, resilient and engaged communities

Lead Councillor

Councillor Nell, Portfolio Holder for Finance

Document Information

Appendix number and title

- None

Report Author and contact details

Jacey Scott, Head of Revenues and Benefits
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01295 221548

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Cherwell District Council

Budget Planning Committee

25 July 2023

Budget Process 2024/25

Report of Assistant Director of Finance

This report is public

Purpose of report

This report summarises the approach Cherwell District Council (CDC) intends to take in order to set its 2024/25 budget and 5-year Medium-Term Financial Strategy (MTFS) for the period to 2028/29 and revises the Reserves Policy.

1.0 Recommendations

The meeting is recommended:

- 1.1 To note the contents of Appendix 1.

2.0 Introduction

- 2.1 The report submitted to, and approved at, the 3 July Executive Committee at Appendix 1 summarises the approach CDC intends to take in order to set its 2024/25 budget and 5-year MTFS for the period 2024/25 to 2028/29. It also proposes a revision to the Reserves Policy.

3.0 Report Details

- 3.1 The council must set a balanced revenue budget for 2024/25 and the MTFS approved by Council in February 2023 identified a budget gap of £4.7m. The report to the Executive Committee appended sets out how CDC will address this gap in setting the budget for 2024/25.
- 3.2 The recommendations within the report at Appendix 1 approved by Executive on 3 July 2023 are as follows:
 - a. Approve the Budget and Business Planning Process for 2024/25
 - b. Approve the base assumptions to be used for the 2024/25 budget.
 - c. Approve a five-year period for the Medium-Term Financial Strategy to 2028/29 and five-year period for the Capital Programme to 2028/29.

d. Approve the revised Reserves Policy at Appendix 4

- 3.3 Section 3.4 of Appendix 1 sets out the base budgeting assumptions which were included in the MTFS approved in February 2023. These include assumptions in relation rates of salary, contract and Fees & Charges inflation (section 3.4 – 3.6) and to Funding (section 3.7 - 3.11) in the form of expected levels of government grants and Council Tax rates.
- 3.4 Sections 3.12 to 3.13 of Appendix 1 forecast the level of earmarked reserves at the end of 2023/24 (£25.9m). The General Fund reserve recommended level of £6.0m remains as deemed prudent by the Section 151 Officer in the Section 25 report submitted with the February 2023 Council report.
- 3.5 Sections 3.14 to 3.16 of Appendix 1 explain the context for the proposed addition to the Reserves Policy of a paragraph giving the Section 151 Officer the delegated authority to approve reserves movements which are required as a result of the external audit. The proposal also requires any changes made under this delegated authority to be reported to the Executive.
- 3.6 Sections 3.17 to 3.24 of Appendix 1 discuss the potential impact of the Cost-of-Living Crisis and government announcements on the Council and its residents.
- 3.7 Sections 3.25 to 3.32 of Appendix 1 describe how the Council will approach breaching the budget gap and how the MTFS will be used to deliver the strategic aims listed in the Council's Business Plan.
- 3.8 Appendix 1 discusses the process for consultation and engagement are discussed in sections 3.33 to 3.37 and finally, the high-level timeline for the budget process is detailed in sections 3.38 to 3.43.
- 3.9 There were four appendices to the Executive report, including a summary of the savings and growth included in the MTFS approved in February 2023 (Appendices 1 & 2 respectively), the timetable for the budget setting process (Appendix 3) and the revised Reserves Policy (Appendix 4).

4.0 Conclusion and Reasons for Recommendations

- 4.1 Budget Planning Committee are invited to note and comment on the contents of Appendix 1.

5.0 Consultation

None required.

6.0 Alternative Options and Reasons for Rejection

- 6.1 No alternative options have been considered.

7.0 Implications

Financial and Resource Implications

- 7.1 There are no financial implications arising directly 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:

Shiraz Sheikh, Assistant Director Law & Governance, 01295 221651
shiraz.sheikh@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 – Budget Process 2024/25 – report to Executive and relevant appendices

Background Papers

None

Report Author and contact details

Joanne Kaye

Head of Finance (Deputy S151)

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01295 221545

Cherwell District Council

Executive

3 July 2023

Budget and Business Planning Process 2024/25 – 2028/29

Report of the Assistant Director of Finance

This report is public.

Purpose of report

This report is to inform the Executive of the proposed approach to the 2024/25 Budget and Business Planning Process and provides context and background information on the existing Medium-Term Financial Strategy and information on latest government announcements relevant to the Strategy.

1.0 Recommendations

The meeting is recommended to:

- 1.1 Approve the Budget and Business Planning Process for 2024/25
- 1.2 Approve the base assumptions to be used for the 2024/25 budget.
- 1.3 Approve a five-year period for the Medium-Term Financial Strategy to 2028/29 and five-year period for the Capital Programme to 2028/29.
- 1.4 Approved the revised Reserves Policy at Appendix 4.

2.0 Introduction

- 2.1 This report is the first in the series on the Transformation Budget and Business Planning process for the forthcoming year. It forms context and background information and is part of the process which will culminate in Council setting a budget for 2024/25; a medium-term financial strategy to 2028/29, the capital programme to 2028/29 and a Business Plan in February 2024.
- 2.2 The Business Plan will be supported by an Annual Delivery Plan which will set out the clear priorities and objectives for the year, it will establish a clear direction for the Council on an annual basis in support of the vision, aims and ambitions of the Council as contained in the Council's Business Plan.

- 2.3 The Annual Delivery Plan will enable an informed development of the Medium-Term Financial Strategy, a key policy framework of the Council, through ensuring that the resourcing strategy i.e., the annual budget supports the Annual Delivery Plan. Thus, it is envisaged that an Annual Delivery Plan would accompany the annual budget cycle and approval process for the Council.
- 2.4 The Medium-Term Financial Strategy (MTFS) to 2027/28, agreed by Council in February 2023, identified savings of £4.7m to be delivered in 2024/25. The MTFS also reflects expected growth for demographic and other additional directorate spending needs and inflationary costs plus impacts of agreed savings and other income growth.
- 2.5 Information on latest government announcements and their impact, as well as an overview of new and emerging pressures which will need addressing through the Budget and Business Planning process for 2024/25, are set out in the report.
- 2.6 There is uncertainty in government funding for 2024/25 and beyond; whilst there was a three-year Spending Review announced in 2021, local authority specific funding allocations have not yet been announced beyond 2023/24. The Council does not expect to have received the Provisional Financial Settlement until December. In addition, announcements are awaited with regards to the introduction of a new Fairer Funding Formula, alongside a Business Rates Reset. These are now expected to be introduced from 2025/26 within the MTFS. This level of uncertainty remains as high as last year; however, in reviewing and updating the MTFS prudent assumptions will be made based on the latest information available and using scenarios and a sensitivity analysis to form a view.

3.0 Report Details

- 3.1 This initial report sets the context and the starting point for the Budget and Business Planning process. It sets out the assumptions on which the existing MTFS agreed in February 2023 is based, information arising from government and other announcements plus new and emerging financial issues for 2024/25 and beyond which impact on the existing MTFS. It also sets out the process for updating the Business Plan, supported by our Annual Delivery Plan, as well as the timetable of events for the Budget and Business Planning process.
- 3.2 The following appendices are attached to this report:
- Appendix 1: Previously agreed Savings 2023/24 – 2027/28
 - Appendix 2: Previously agreed Growth 2023/24 – 2027/28
 - Appendix 3: Budget and Business Planning timetable for 2024/25
 - Appendix 4: Reserves Policy
- 3.3 It is proposed that the MTFS continues to cover a five-year time frame given the financial challenges the Council is facing and is therefore extended by one year to cover 2028/29. It is also proposed that the Capital Programme also cover the same five-year period to 2028/29 as the MTFS.

Assumptions in the existing Medium-Term Financial Strategy

Additional Spending & Savings

- 3.4 The 2023/24 – 2027/28 MTFS agreed by Council in February 2023 identified the requirement for additional annual savings of £4.7m in 2024/25 to offset funding reductions and to meet additional expenditure needs – this is in addition to the £0.3m savings already planned for 2024/25. Delivery of savings identified in February 2023 for implementation in 2023/24 of £1.0m are being monitored through the monthly Performance, Finance and Risk Monitoring Reports to Executive throughout the financial year. To the extent that savings anticipated in 2023/24 are not delivered on an ongoing basis this will increase the level of savings required in 2024/25. The Council is working to minimise any ongoing savings non-delivery in 2023/24.
- 3.5 The existing MTFS has provided for inflation on pay, contracts, and fees and charges within the budget. It assumes that there will be 5 percent pay awards in the three years to 2025/26. In the remaining two years of the MTFS period pay awards are assumed to increase at 2.5 percent annually. Contract inflation had been provided for at 6 percent in 2023/24 in the February 2022 MTFS. This provision has been increased by £3m for 2023/24 to reflect inflationary pressures on utilities, and other contracts with ongoing provision in future years at 2 percent. Fees and charges have been reviewed and increased for 2023/24 to reflect cost recovery and are then assumed to increase by 2 percent annually. For 2024/25, the Council will look to consider uplifting fees and charges by 10% (where not set by another body) to reflect the ongoing impact of high levels of inflation faced by the Council.
- 3.6 Details of the savings and growth assumed in the existing MTFS, approved by Council in February 2023, for 2023/24 to 2027/28 are set out in Appendix 1 and 2.

Funding

- 3.7 The MTFS for 2023/24 approved by Council in February 2023 identified temporary funding received as a result of the delay to the proposed reset of business rates growth within the Business Rates Retention System and a further two year's payment of the New Home Bonus grant prior to its winding down. Despite this, the existing MTFS has a budget shortfall of £4.7m in 2024/25. If the Government chooses not to continue New Homes Bonus funding in 2024/25 then the funding gap could be greater in 2024/25.
- 3.8 However, now that the business rates reset is expected to be delayed until 2025/26, the income retained from the Business Rates Retention Scheme is estimated to remain in the region of £14.6m in 2024/25. The amount retained in 2025/26 is now expected to reduce by £10.3m but is predicated on the assumption that growth in business rates above the baseline reduces with the expectation of a business rates reset in April 2025.
- 3.9 Revenue Support Grant, which was extended for another year in 2023/24, is now expected continue in 2024/25. The continuing phased reduction of the New Homes Bonus grant will also be assumed.
- 3.10 Maximum council tax increases of £5 for a Band D property are assumed across all years of the existing MTFS. It is assumed the Council Tax base will increase 1.6% on average annually. Total income from Council Tax (not including collection surpluses) is estimated to be £10.4m a year by 2027/28.

3.11 Details of the MTFS approved in February 2023 are set out in Table 1 below.

Table 1: MTFS as approved February 2023

MTFS Movements	2023/24	2024/25	2025/26	2026/27	2027/28
	£m	£m	£m	£m	£m
Base budget b/f	23.492	0.000	0.000	0.000	0.000
Service Pressures	2.009	(0.222)	0.013	0.171	0.001
Service Savings	(1.004)	(0.297)	(0.218)	(0.214)	(0.104)
Capital Impact	0.288	(0.056)	0.024	0.022	0.106
Corporate changes	3.309	0.909	(2.940)	0.612	0.001
Inflation	3.504	1.213	1.214	0.529	0.562
Use of reserves	(1.667)	0.462	0.454	0.472	0.000
Additional government grants	(1.757)	0.000	2.993	0.000	0.000
Net Budget Requirement	28.174	2.009	1.540	1.592	0.566
Revenue Support Grant	(0.132)	0.000	0.132	0.000	0.000
Council Tax	(9.290)	0.170	(0.481)	(0.419)	(0.422)
Business Rates	(17.127)	2.495	10.262	(0.207)	(0.297)
New Homes Bonus	(1.625)	0.000	1.625	0.000	0.000
Total Income	(28.174)	2.665	11.538	(0.626)	(0.719)
Funding Gap / (Surplus)	0.000	4.674	13.078	0.966	(0.153)

Earmarked Reserves and General Balances

- 3.12 When the Council set its budget in February 2023, earmarked reserves (reserves held for a specific purpose) were forecast to be £25.9mas at the end of 2023/24. The latest forecast estimates that general balances will remain around £6.0m at the end of 2023/24. As with general balances, the level of earmarked reserves is reviewed each year as part of the Budget and Business Planning process. A risk assessment to determine the level of appropriate balances will also be undertaken as part of the Budget & Business Planning process.
- 3.13 Executive approved the Reserves Policy (Appendix 4) which is reviewed periodically. Section 6.1 of the policy introduced far tighter restrictions on the ability to use reserves with the Executive being required to approve contributions to and from reserves where there is not a specific ringfence around how the money must be spent. In cases where such a ringfence exists, the S151 Officer is able to authorise expenditure in line with the specific ringfence.
- 3.14 Section 6.2 is proposed as an addition to the approval process to reflect the complexities recently experienced in relation to extended external audits and their impact on the reserves position. The outturn report to Executive (normally presented in June) is the final opportunity for reserves uses/contributions to be approved for the financial year being reported.
- 3.15 However, with the example of the 2021/22 audit, technical changes required to the 2021/22 accounts could have an impact on the opening reserves position for

2022/23 and could change how the Council would choose to prudently manage its balances in 2022/23 after the outturn report is finalised and approved by the Executive. The proposed addition at 6.2 reads as follows:

The current trend for external audits to extend beyond the end of the next financial accounting year can result in changes to the accounts which could have an impact on useable reserves. Therefore, for changes to and from useable reserves which come about as a result of external audit following the submission of the annual outturn report, the Section 151 Officer will have delegated authority, in consultation with the Portfolio Holder for Finance, to manage the impact on useable reserves of such changes to ensure the long-term resilience of the Council. Any such changes made under this delegated power will be reported to the Executive when the audit is complete.

- 3.16 This allows the S151 Officer to ensure that the General Balances and Earmarked Reserves positions remain at the level identified as prudent in the annual Section 25 report (described at section 4 of the policy). Any reserves movements approved by the S151 Officer under this new section will be reported to the Executive as soon as possible after the audit that resulted in them is finalised.

Cost-of-Living Crisis

- 3.17 The economy remains beset by a cost-of-living crisis wherein inflation remains at persistently high levels, driven by increased fuel costs. Changes to national policy are being formulated in order to drive the growth in the economy to aid recovery and ward off a recession.
- 3.18 It remains unclear whether businesses will be able to continue to operate and grow at the rates assumed in the MTFS. There are clearly significant challenges for businesses and the detail of future measures to help them have not yet been released. If the economic recovery is not swift enough, then some businesses may not continue into 2024/25 putting at risk the anticipated growth of business rates. In addition, if business rates growth is less than anticipated for 2023/24, this will result in a deficit to the Collection Fund which will have to be considered when setting the 2024/25 budget.
- 3.19 In addition to the reduced rates of growth in business rates, the Council has seen increases in the levels of those eligible for working age Council Tax Support and receiving discounts on their council tax bills. There is a risk that, as the cost-of-living crisis continues, levels of working age Council Tax Support will continue to increase. This could have the impact of reducing levels of Council Tax that will be received by the Council compared to the MTFS.
- 3.20 It is inevitable that an economic downturn and the continuing cost-of-living crisis could mean additional costs and income losses could be felt by the Council in 2024/25.

Government Announcements

- 3.21 Since Council approved the 2023/24 budget, MTFS and Capital Programme, there have been a number of impacts on local government finance which have attempted

to reduce uncertainty for 2024/25 and 2025/26. However, beyond that the following will impact on the Council:

- the on-going financial impact of the cost-of-living crisis
- an expected further delay in implementing the Fair Funding Review, which is now expected to be implemented from April 2025
- an expected further delay in Business Rates Reform, which is now expected to be introduced from April 2025
- Anticipated consultation on a revised NHB scheme
- Extended Producer Responsibility – waste reforms and the impact this will have on the Council when collecting waste and recycling.

Further Medium-Term Uncertainty

- 3.22 To compound the planning uncertainty, there are major changes to the way local government funding works, and how that funding is allocated between authorities, which have already been delayed by four years and are not now expected to be implemented until April 2025. However, it is not possible to predict the overall financial impact of these proposals as they are still being designed and yet to be consulted on. Therefore, for now the planning assumption is that they are cost neutral.
- 3.23 There has been no Government consultation issued on how the anticipated business rates reset could be implemented. Due to the lead time required for a consultation and implementation of how a business rates reset would work, the government has indicated a reset won't take place until 2025/26.
- 3.24 As there is so much uncertainty around future local government funding, in particular from 2025/26 onwards, the MTFS will be updated to include a number of scenarios that make differing assumptions about a business rates reset. The current MTFS assumes a full reset with all growth redistributed. Alternative options could include a phased reset or a partial reset of the system.

Savings Proposals

- 3.25 Given the challenging situation relating to funding and the high levels of uncertainty, the Council will undertake to identify savings proposals to address the MTFS gap.
- 3.26 In line with the MTFS approved in February 2023 the Council will:
- Adopt a transformational approach to service delivery to shape the thinking for the future design of the Council.
 - Review the Council's priorities and alignment of resources to maximise delivery of priorities within the resources available
 - Maximise income opportunities
 - Continue to lobby policy makers
- 3.27 Savings proposals will take the form of both expenditure reduction and increases in income. These will take into account the impacts identified in the MTFS approved in February 2023 and also the financial impacts and the cost-of-living crisis. Assumptions will be revisited and revised as information becomes clearer, but it is

important to note that the actual implications will not be known until very late in the Budget and Business Planning process.

- 3.28 The Budget and Business Planning Process will consider the impact that savings proposals may have on the strategic priorities of:
- Housing that meets your needs
 - Supporting environmental sustainability
 - An enterprising economy with strong and vibrant local centres
 - Healthy, resilient and engaged communities
- 3.29 The strategy for identifying savings will be based on the plan to address the MTFS gap which was approved by Council in February 2023. The Council will look to identify what savings can be provided by services and how they impact on priorities. In addition, the Council will undertake a cross-cutting review of the Council's strategic delivery themes identified in the Business Plan.

Business Plan

- 3.30 The Business Plan sets a framework for the Council's vision, aims and ambitions of for our local communities. The four key strategic aims of the Business Plan are shown in Diagram 1 below, supported by the priorities which will be contained in the Annual Delivery Plan. The overarching priorities of this Business Plan will be supported by the MTFS to achieve the strategic aims of the Council.

Diagram 1: Strategic Aims of the Business Plan

<p>Housing that meets your needs</p> <ul style="list-style-type: none"> • Support the delivery of affordable and green housing. • Ensure minimum standards in rented housing. • Work with partners supporting new ways to prevent homelessness. • Support our most vulnerable residents. • Prepare the Local Plan. 	<p>Supporting environmental sustainability</p> <ul style="list-style-type: none"> • Work towards our commitment to be carbon neutral by 2030. • Promote the green economy. • Support waste reduction, reuse, and recycling. • Work with partners to improve air quality.
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<p>An enterprising economy with strong and vibrant local centres</p> <ul style="list-style-type: none"> • Support business retention and growth. • Work with partners to support skills development and innovation. • Work with others to support growth. • Work with partners to promote the district as a visitor destination and attract investment in our town centres. • Work with businesses to ensure compliance and promote best practice. 	<p>Healthy, resilient, and engaged communities</p> <ul style="list-style-type: none"> • Support and encourage active lifestyles and health and wellbeing. • Support development of leisure services and facilities meeting the needs of residents. • Support community and cultural development. • Work towards our commitment to equalities, diversity, and inclusion. • Work with partners to address the causes of health inequality and deprivation. • Work with partners to reduce crime and antisocial behaviour.
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- 3.31 The Outcomes Framework, will also be revised to make sure it reflects our strategic priorities, ensuring the framework accurately describes the performance actions supporting the plan. Furthermore, the council Risk Strategy and Leadership Risk Register will be reviewed to ensure they both align with the objectives stated in the Business plan, reflecting any risks to their delivery.
- 3.32 Performance indicators (key performance indicators and qualitative measures) will be reviewed and updated to ensure that they have a clear and direct line to outcomes and the council's priorities. The performance measures and target setting process will ensure that the reasons for changing or maintaining a target across years are transparent and support the priorities.

Consultation and Engagement

- 3.33 Residents and service users expect to be consulted about council spending and council tax levels. There are no prescriptive guidelines on how and when councils should consult. Some councils prefer to consult early and explore the principles by which the council could approach balancing its budget ie on the 'shape of the budget', whereas others prefer to consult later and consult on the 'substance' of the budget when more formed proposals have been developed. Some council's do both and some do neither.
- 3.34 The common law duty to consult applies to budget consultation as residents' and service users' views and feedback could legitimately be expected to inform the council's budget setting process. There are also legal duties to consult residents and services users on the detail of specific service change proposals and particularly cuts, and these are judged on a case-by-case basis.
- 3.35 Under section 65 of the Local Government Finance Act 1992, billing authorities must 'consult persons or bodies appearing to be representative of persons subject to non-domestic rates under section 43 and 45 of the 1998 Act about the rateable

value (hereditaments) of properties.’ We will engage businesses in our autumn consultation set out below.

Formal consultation

- 3.36 A public consultation will be published at the end of November on the ‘substance’ of the budget, to give the wider population and stakeholders (including businesses to meet our statutory duty) the opportunity to feedback on the council’s ‘formed’ budget proposals. It does not, however, replace the need to specifically consult on service change proposals relating to significant service changes and where there is a legal requirement to do so.
- 3.37 Our approach will be digital first, using Cherwell District Council’s consultation platform, Citizens Space Cherwell. In line with our commitment to Equality, Diversity and Inclusion, paper copies of both the booklet and questionnaire will also be available and customer services will be fully briefed to support residents if they need to request materials in alternative formats A communications promotional plan will support this exercise.

Budget and Business Planning Timetable

- 3.38 An online public consultation on CDC’s budget proposals will commence when the information is published at the end of November 2023, with Budget Planning Committee (BPC) considering the budget pressures, savings and Fees & Charges proposals and on 5 December 2023. Comments from BPC, along with other responses, will feed into the final formulation of proposals. An All-Member briefing will be scheduled for early December 2023.
- 3.39 Capital proposals will also be considered by Budget Planning Committee on 5 December 2023. The Capital & Investment Strategy which incorporates the Treasury Management Strategy will be considered at the meeting in January 2024.
- 3.40 The Executive will take into consideration the comments from the BPC in December 2023 and comments from the public consultation alongside the funding available announced as part of the provisional settlement, at its meeting on 5 February 2024 in setting out its proposed budget to Council.
- 3.41 At this time, there are no indications when we can expect the provisional local government finance settlement, though it is anticipated that it will be received in late December as in previous years. This will confirm the general Government funding available to the Council for 2024/25 and the Council Tax referendum limit to be applied.
- 3.42 The Council meeting to agree the 2024/25 revenue budget, MTFS and capital programme will take place on 26 February 2024.
- 3.43 A timetable for the Budget and Business Planning process is attached at Annex 2.

4.0 Conclusion and Reasons for Recommendations

- 4.1 The Council has a legal obligation to set a balanced budget and ensure it maintains a suitable level of reserves each year. The process laid out in this report will allow CDC to develop budget proposals that will allow it to meet these legal obligations.

5.0 Consultation

None required.

6.0 Alternative Options and Reasons for Rejection

- 6.1 The Council has a legal obligation to set a balanced budget and evaluate its level of reserves to ensure they are held at a suitable level. Therefore, there are no alternative options other than to carry out a budget process that reviews the levels of reserves and identifies a budget proposal that can be delivered within the overall level of resources available to the Council.

7.0 Implications

Financial and Resource Implications

- 7.1 There are no immediate financial implications associated with agreeing a budget process.

Comments checked by:

Lynsey Parkinson, Strategic Finance Business Partner, 01295 221545,
lynsey.parkinson@cherwell-dc.gov.uk

Legal Implications

- 7.2 The Council legally has to set a balanced budget each year. Ensuring there is a robust process in place will help it to achieve that.

Comments checked by:

Shiraz Sheikh, Assistant Director Law & Governance and Democratic Services,
01259 221651, Shiraz.Sheikh@cherwell-dc.gov.uk

Risk Implications

- 7.3 The Council faces significant risks given the scale of the financial challenge for 2024/25 and 2025/26. Having a robust process in place to develop budget proposals and the associated Corporate Plan will help to mitigate these. These risks are managed as part of the operational and leadership risk register.

Comments checked by:

Celia Prado-Teeling, Performance & Insight Team Leader, 01295 221556

Celia.prado-teeling@cherwell-dc.gov.uk

Equalities and Inclusion Implications

7.4 There are no equalities implications associated with agreeing a budget process.

Comments checked by:

Celia Prado-Teeling, Performance & Insight Team Leader, 01295 221556

Celia.prado-teeling@cherwell-dc.gov.uk

Sustainability Implications

7.5 There are no sustainability implications arising directly from this report to initiate the budget process. However, the implications of proposals arising from the process will need to be reviewed to consider whether they have sustainability impacts. As the Council looks to reduce its spend it would be hoped that this would also lead to a reduction in carbon impact as well.

Comments checked by:

Jo Miskin, Climate Action Manager, 01295 221748

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8.0 Decision Information

Key Decision **No**

Financial Threshold Met: **No**

Community Impact Threshold Met: **No**

Wards Affected

All

Links to Corporate Plan and Policy Framework

The Budget and Business Planning Process cuts across the entire Corporate Plan and Policy Framework

Lead Councillor

Cllr Nell, Finance

Document Information

Appendix number and title

- Appendix 1 – Previously agreed Savings 2023/24 – 2027/28
- Appendix 2 – Previously agreed Growth 2023/24 – 2027/28

- Appendix 3 – Budget and Business Planning Timetable for the 2024/25 Process
- Appendix 4 – Reserves Policy

Background papers

None

Report Author and contact details

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Appendix 1 - Savings Proposals 2023/24

Figures are shown as an incremental, year on year change to the budget

Chief Executive									
Reference	Existing or New	Title	Description	2023/24 (£m)	2024/25 (£m)	2025/26 (£m)	2026/27 (£m)	2027/28 (£m)	Total MTF5 (£m)
SAFFH221	Existing	Affordable and Social housing partnership work	Prioritise the building of affordable and social housing through greater partnership work with registered providers and developers, shifting the emphasis away from direct delivery by the Council	(0.185)	-	-	-	-	(0.185)
SDEBT221	Existing	Debt and Money advice contract	Review the debt and money advice contract to assess future options and cost reductions	(0.011)	-	-	-	-	(0.011)
SMUSE221	Existing	Reduction in Banbury Museum grant	Reduce the grant funding to the Banbury Museum Trust	-	(0.012)	(0.025)	(0.050)	-	(0.087)
SHUMR231	New	Reduction in consultancy fees	We no longer require consultancy support for the roll-out of our HR system so we can release the budget set aside for this in 2023/24	(0.020)	-	-	-	-	(0.020)
SHUMR232	New	Reduction in external legal support	We have reduced the need to access external legal advice for complex HR/staffing matters and are therefore proposing to reduce this budget in 2023/24.	(0.011)	-	-	-	-	(0.011)
SHUMR233	New	Back office efficiencies in HR	By reviewing our back-office HR processes we could make a saving in 2023/24.	(0.025)	(0.050)	-	-	-	(0.075)
SAFFH231	New	Rent increase for Affordable Rent and Shared Ownership properties	The Council's rent policy for Affordable Rent and Shared Ownership says we will follow Government guidance on rent increases. This is currently CPI plus 1% for Affordable Rent, and RPI plus 0.5% for Shared Ownership, which would mean an increase of around 13% next year. However, because of high inflation, the Government is consulting on a new rent cap of 7% or less for 2023/24, which would apply to our affordable rent tenants only. The Government has concluded its consultation and set the cap at 7% for affordable rented properties in 2023/24; the Council intends to increase its rent for affordable rent tenants at 7% in line with the cap. The rent cap does not apply to Shared Ownership properties, which would mean around 13% increase for all properties. However the Council is proposing to cap the increase at 7% in line with affordable rent increases.	(0.114)	-	-	-	-	(0.114)
SAFFH232	New	Bringing rent collection in house	By collecting the rent from council properties ourselves, instead of through a housing association we could achieve a saving in 2023/24	(0.015)	(0.015)	-	-	-	(0.030)
SHOSD231	New	Increase in HMO Licenses	By introducing a 7% increase in the license fee for landlords providing houses in multiple occupation we can generate additional income	(0.016)	-	-	-	-	(0.016)
SCDEV231	New	Increase grant income and or external funding	By applying for external grants and funding we hope to raise additional income in 2023/24 to support service delivery	(0.045)	-	-	-	-	(0.045)
SCPAR231	New	Review of funding arrangements to partnership programmes	We could make a small saving in 2023/24 by focusing the financial support we give to partnership programmes to those that are supporting our overarching strategic priorities such as tackling the cost-of-living crisis and climate change.	(0.008)	-	-	-	-	(0.008)
SMUSE231	New	Gradual reduction in support to Banbury Museum	We are proposing a gradual reduction in the funding we give to Banbury Museum over a three-year period. This is as a result of a change to their business model which will enable the museum to generate additional income. If we go ahead with this proposal, we will keep the situation under constant review, so if it becomes untenable for the museum we will work with them to consider what options are available.	-	(0.013)	(0.020)	(0.025)	-	(0.058)
SSDEV231	New	Adopting a full cost recovery model for our Holiday activities programme	Through delivering a holiday activity programme that generates enough income to cover its costs we can achieve a saving in 2023/24	(0.015)	-	-	-	-	(0.015)
SBTRA231	New	Joint transformation service	This money was earmarked for a joint transformation service with OCC, which we no longer need now that we will be delivering our own inhouse service.	(0.010)	-	-	-	-	(0.010)
Total				(0.475)	(0.098)	(0.045)	(0.075)	-	(0.685)

Appendix 1 - Savings Proposals 2023/24

Figures are shown as an incremental, year on year change to the budget

Communities									
Reference	Existing or New	Title	Description	2023/24 (£m)	2024/25 (£m)	2025/26 (£m)	2026/27 (£m)	2027/28 (£m)	Total MTFS (£m)
SAV2145	Existing	Food Waste Collection Service	Continued impact of introduction of the food waste collection service giving residents the opportunity to recycle their food waste on a weekly basis. This will reduce the amount of residual waste and increase CDC's recycling rate. Residents will still be able to subscribe to our current well used garden waste collection service, which will incur a charge.	(0.210)	(0.077)	-	-	-	(0.287)
SAV025 & SCARP222	Existing	Car park fees	Increase annual car parking charge of no more than 10p per hour	(0.200)	(0.145)	(0.100)	(0.100)	(0.100)	(0.645)
SBCON221	Existing	Building Control Fees	Increase building control fees	(0.001)	(0.001)	(0.001)	(0.001)	(0.001)	(0.005)
SDMAN225	Existing	Planning pre-application fees	Increase planning pre-application charges	(0.002)	(0.001)	(0.002)	(0.001)	(0.002)	(0.008)
SDMAN231	New	Planning Service Efficiencies	Approved investment in the planning team will result in ongoing efficiencies through realisation of the recommendations made to streamline activity, implement new IT solutions to case tracking and invest in house capacity of the team.	(0.075)	-	-	-	-	(0.075)
SPROT231	New	Reduction in cost of noise nuisance service	The Council utilises a noise recording app to assess noise nuisance complaints. The use of this app has reduced the need for officers to attend locations out of hours to carry out these assessments. Therefore, costs of the noise nuisance service have reduced slightly.	(0.002)	-	-	-	-	(0.002)
SLICE231	New	Licensing function and charges review	The Council will undertake a review of its licensing activities in recognition of the reduction in licence fees received by the council in recent years. This review will assess the capacity required by the council to fulfil its licensing functions in future years and the appropriate cost of the licences it issues to ensure the licensing costs are recovered by fees.	(0.040)	-	-	-	-	(0.040)
SBICR231	New	Gradual reduction in grant to Bicester Vision	We currently contribute £15k towards the work on Bicester Vision, which is the only contribution we make to organisations leading similar projects across the district. By tapering this contribution off over three years as a saving we can ensure we are treating these organisations equally and provide resilience for Bicester Vision to adapt its funding streams.	-	(0.010)	(0.005)	-	-	(0.015)
SECON233	New	Cutting grants to: Banbury Museum TIC and Experience Oxfordshire	Ceasing grants to Banbury Museum and Experience Oxfordshire would save the Council 25K per annum.	(0.014)	(0.006)	(0.005)	-	-	(0.025)
Total				(0.544)	(0.240)	(0.113)	(0.102)	(0.103)	(1.102)

Appendix 1 - Savings Proposals 2023/24

Figures are shown as an incremental, year on year change to the budget

Resources									
Reference	Existing or New	Title	Description	2023/24 (£m)	2024/25 (£m)	2025/26 (£m)	2026/27 (£m)	2027/28 (£m)	Total MTF5 (£m)
SFREV221	Existing	Revenues and Benefits insourcing	Reduce the cost of the revenues and benefits service now the service has been brought back inhouse	(0.013)	-	-	-	-	(0.013)
SAV2133b	Existing	Bodicote House Utilities	Fallout of temporary reduction in utilities spend due to reduced occupancy at Bodicote House	0.030	-	-	-	-	0.030
SAV2133d	Existing	LED lighting projects	Ongoing impact of not proceeding with planned LED lighting project at Bodicote House. This was replaced with LED lighting projects across other properties.	0.120	-	-	-	-	0.120
SELEC221	Existing	Parish Election Charges	Review of recharges to Parishes for CDC running Parish Elections	(0.002)	(0.001)	-	(0.002)	(0.001)	(0.006)
SFCOS231	New	Ensure services funded through external grants reflect the costs of support services required	Through adopting a new approach to allocating any grants we receive towards services we can deliver savings on existing and future grants by ensuring they take into account all the costs of providing the services	(0.040)	(0.040)	(0.080)	-	-	(0.160)
SINVP221	Existing	Commercial Rents	Increase rental income from commercial council properties through contractual lease reviews	(0.032)	0.074	0.020	(0.035)	-	0.027
SITBS231	New	Consolidation of telephony services	By consolidating our landline and mobile telephony services we could achieve a saving in 2023/24	(0.008)	-	-	-	-	(0.008)
SITBS232	New	Procurement exercise for Council internet connectivity to secure best value	Through carrying out a competitive procurement exercise for a new intranet connectivity supplier we are predicting a small saving in 2023/24	(0.002)	-	-	-	-	(0.002)
SITBS233	New	Increase charges for external IT customers	Proposal to increase the support charges to our external customers in-line with CPI as outlined in the Council contractual arrangements	(0.004)	-	-	-	-	(0.004)
SITBS234	New	Electronic Document Storage	By migrating Council documents to a more cost effective storage solution we could achieve a saving in 2023/24	(0.009)	-	-	-	-	(0.009)
SLEGL231	New	Increase in income from legal agreements	We have adjusted the budget to reflect recent trends in income from providing legal support.	(0.025)	-	-	-	-	(0.025)
			Total	0.015	0.033	(0.060)	(0.037)	(0.001)	(0.050)
			Total Existing Savings	(0.506)	(0.163)	(0.109)	(0.189)	(0.104)	(1.071)
			Total New Savings	(0.498)	(0.134)	(0.110)	(0.025)	-	(0.767)
			Total Savings	(1.004)	(0.297)	(0.219)	(0.214)	(0.104)	(1.838)

Appendix 2 - Revenue Pressures 2023/24

Figures are shown as an incremental, year on year change to the budget

Chief Executive									
Reference	Existing, Savings Non-Delivery, or New	Title	Description	2023/24 (£m)	2024/25 (£m)	2025/26 (£m)	2026/27 (£m)	2027/28 (£m)	Total MTFS (£m)
GRW026	Existing	FAST Programme	Fallout of time limited funding for the FAST Programme - Wellbeing Service	(0.027)	-	-	-	-	(0.027)
PCOMM221	Existing	Community engagement business system	Renewal of contract for community engagement business system	0.016	(0.001)	-	-	-	0.015
PPERF221	Existing	Performance Management System	Funding for the council's performance management business system	-	0.010	-	-	-	0.010
SAFFH221	Savings Non-Delivery	Affordable and Social housing partnership work	Prioritise the building of affordable and social housing through greater partnership work with registered providers and developers, shifting the emphasis away from direct delivery by the Council	0.130	-	-	-	-	0.130
PCUST231	New	Telephony costs	The cost of our telephony licences has increased	0.005	-	-	-	-	0.005
PLAND231	New	Land Charges LLC1 income	The national project to migrate Land Charges services to HM Land Registry will result in a loss of income for the Council	0.065	-	-	-	-	0.065
PPERF231	New	Licenses for Performance Management System	We have had to purchase more licenses for our performance management system, following the decoupling from Oxfordshire County Council	0.009	-	-	-	-	0.009
PAFFH231	New	Repairs and Maintenance	High inflation costs mean we need a further £75k for essential repairs and maintenance	0.060	0.015	-	-	-	0.075
PAFFH232	New	Town Centre House pressures	Loss of income due to the building being vacant whilst roof is repaired	0.266	(0.266)	-	-	-	-
PLEIS232	New	Utility Costs	We are predicting higher costs due to utility prices increasing	0.320	-	-	-	-	0.320
			Total	0.844	(0.242)	-	-	-	0.602

Communities									
Reference	Existing, Savings Non-Delivery, or New	Title	Description	2023/24 (£m)	2024/25 (£m)	2025/26 (£m)	2026/27 (£m)	2027/28 (£m)	Total MTF5 (£m)
GRW002	Existing	Growth Deal	Fallout of time limited contribution to Growth Deal	(0.277)	-	-	-	-	(0.277)
GRW013	Existing	Waste Collection Round	Increase in Waste Collection crew required due to district growth.	0.170	-	-	-	-	0.170
PSCEN221	Existing	Women's Cycling Tour	Fallout of time limited contribution towards AJ Bell Women's Cycling Tour in 2022/23	(0.030)	-	-	-	-	(0.030)
PDMAN223	Existing	Investment in development management	Fallout of time limited investment in development management to support service delivery due to increased demand	(0.050)	-	-	-	-	(0.050)
PCARP231	New	Adjusting the Car Parks income budget from 2023/24	Car Parking income dropped significantly during the covid pandemic and has not returned to pre pandemic levels due to changes in work patterns, reduced retail offers in town centres and the current cost of living crisis. It is not anticipated that car parking income will return to previous levels and therefore the income target must be adjusted.	0.800	0.045	-	-	-	0.845
PPCON231	New	Increased costs for cleaning and maintenance contract for public conveniences	The cleaning and maintenance of our public conveniences is contracted out and expected to rise in line with inflation and resourcing pressures for the new contract in 23/24 and onwards	0.010	-	-	-	-	0.010
PWAST231	New	Additional crew and vehicle for growth of the district	Housing growth in the district is rising rapidly, which means a new waste crew is required approximately every 3 years. As this is entirely dependent on the level of housing growth we cannot predict exactly when this need will arise. We anticipate needing an additional crew in 2026/27 and we have identified an additional vehicle through the vehicle replacement programme.	-	-	-	0.170	-	0.170
PWAST233	New	Food Waste Transfer station fees	Operationally to move the food waste collected in Banbury to the processing plant in Cassington we use a transfer station. We are hoping to share the transfer costs with OCC but in the meantime are incurring the full £80,000 transfer costs.	0.080	-	-	-	-	0.080
PWAST234	New	Dry Recycling, Glass and Residual Costs	Increase in recycling costs	0.050	-	-	-	-	0.050
PEMPL231	New	Inflationary costs in relation to the Council's Emergency Planning responsibilities	Cherwell District Council is supported by Oxfordshire County Council to prepare for and respond to emergency incidents that may arise in the district. Cherwell District Council pays for this support through a service level agreement with the County Council which includes provision for the rise in staffing costs	0.001	0.001	0.001	0.001	0.001	0.005
PLICE231	New	Reduction in licensing income	Levels of income for the Council's licensing function have not returned to pre-pandemic levels. We expect this trend to continue, which leaves a shortfall in the Council's licensing budget	0.040	-	-	-	-	0.040
PCSAF231	New	Reduced contributions for public space CCTV	The Council provides public space CCTV in Cherwell. A small proportion of the cost of this CCTV network is met from partner contributions. Partners have reduced their contributions to this cost and therefore the council is now required to meet a greater proportion if the monitoring is to continue at the same level of service.	0.008	-	-	-	-	0.008
			Total	0.802	0.046	0.001	0.171	0.001	1.021

Appendix 2 - Revenue Pressures 2023/24

Figures are shown as an incremental, year on year change to the budget

Resources									
Reference	Existing, Savings Non-Delivery, or New	Title	Description	2023/24 (£m)	2024/25 (£m)	2025/26 (£m)	2026/27 (£m)	2027/28 (£m)	Total MTFs (£m)
SAV2193	Existing	Commercial Rent	Forecast change in rental incomes for Council owned properties	(0.090)	0.205	0.012	-	-	0.127
PFREV221	Existing	Housing Benefit Subsidy costs	Additional Housing Benefit Subsidy costs to the Council	0.004	(0.200)	-	-	-	(0.196)
PPCAP222	Existing	Dover Avenue Garage Demolition	Fallout of one-off cost of demolition of Dover Avenue garage complex	(0.108)	-	-	-	-	(0.108)
PPCAP223	Existing	Garage Sites and Other Retained Land Development Potential	Fallout of one-off costs of feasibility study to investigate council owned land for progression to planning consent in principle	(0.048)	-	-	-	-	(0.048)
SAV2133a	Savings Non-Delivery	Joint OCC/CDC Service	Full year effect of establishing a joint CDC/Oxfordshire County Council Property Service by sharing resources and functions.	0.073	-	-	-	-	0.073
SINVP222	Savings Non-Delivery	Franklin House letting	Reduce business rate cost to the council for Franklin House (former customer services office) through letting the property	0.012	-	-	-	-	0.012
SPREV221	Savings Non-Delivery	Bodicote House utilities	Reduce utility costs at the council's main office, Bodicote House	0.032	-	-	-	-	0.032
SPREV222	Savings Non-Delivery	Maintenance and repairs services	End the maintenance and repairs services contract and procure these services from Oxfordshire County Council when needed	0.053	-	-	-	-	0.053
PITBS231	New	Increased Data Centre Costs	We are predicting the costs from running the cloud data centre environment to be greater than currently budgeted	0.050	-	-	-	-	0.050
PITBS232	New	Spatial Mapping and Local Land Property Gazetteer (LLPG) Address system support & maintenance	Additional support & maintenance costs for Spatial mapping and LLPG address systems, which are not currently included in the base budget	0.019	-	-	-	-	0.019
PITBS234	New	Reduction in income	Cost recovery from Oxfordshire County Council for sharing of IT services ceased following decoupling	0.033	-	-	-	-	0.033
PFCOS231	New	Electronic Bank Transfer/Card Processing costs.	Additional costs from an increase in electronic transactions by card and bank transfers	0.070	-	-	-	-	0.070
PFCOS232	New	Insurance premium increase	We are expecting an increase of 15%-20% when we renew our insurance contracts	0.063	-	-	-	-	0.063
PFREV231	New	Additional mandatory Department for Work and Pension reporting requirements	Additional work is required from a new DWP project including Housing Benefit Full Case Reviews (FCRs), Housing Benefit Matching Service (HBMS) referrals and Self-employed Earnings Reviews (SERs)	0.031	-	-	-	-	0.031
PFREV232	New	Computer software and licencing	Additional costs of computer licences and a new cloud based product	0.040	-	-	-	-	0.040
PDEMO233	New	New Legal Team structure	Cost of establishing our own legal team following the decoupling with Oxfordshire County Council	0.149	(0.031)	-	-	-	0.118
PINVP232	New	Reduced income	Removing unachievable income target	0.012	-	-	-	-	0.012
PPREV231	New	Bodicote House Utilities	Increase in energy and utility pricing	0.020	-	-	-	-	0.020
			Total	0.415	(0.025)	0.012	-	-	0.401

Corporate									
Reference	Existing, Savings Non-Delivery, or New	Title	Description	2023/24 (£m)	2024/25 (£m)	2025/26 (£m)	2026/27 (£m)	2027/28 (£m)	Total MTFS (£m)
UNAV2105	Existing	Housing and Growth Deal	Fallout of time limited funding for Housing and Growth Deal contribution	(0.052)	-	-	-	-	(0.052)
			Total	(0.052)	-	-	-	-	(0.052)
			Total Existing Pressures	(0.492)	0.014	0.012	-	-	(0.466)
			Total Savings Non-Delivery	0.300	-	-	-	-	0.300
			Total New Pressures	2.201	(0.236)	0.001	0.171	0.001	2.138
			Total Pressures	2.009	(0.222)	0.013	0.171	0.001	1.972

Budget and Business Planning Process High Level Timetable

Action	Date
Budget and Business Planning Process Report considered by Executive	3 July 2023
Budget Consultation Published	End November 2023
Budget Proposals considered by BPC	5 December 2023
Council Tax Reduction Scheme considered by Council	18 December 2023
Provisional Local Government Finance Settlement	Mid-December 2023
Council Tax Base considered by Executive	8 January 2024
Draft Treasury Management and Capital & Investment Strategies considered by AARC	17 January 2024
Draft Capital & Investment Strategies considered by BPC	23 January 2024
Proposed Budget from Executive	5 February 2024
Council to agree 2024/25 Budget	26 February 2024

DOCUMENT CONTROL

Organisation(s)	Cherwell District Council (CDC)
Policy title	Reserves Policy
Owner	Finance
Date of implementation	February 2020

DOCUMENT APPROVALS

This document requires the following committee approvals:

Committee	Date of meeting pending approval
Executive	05 July 2023

DOCUMENT DISTRIBUTION

This document will be available on the Finance intranet page.

DATE FOR REVIEW

No later than 31 March annually but sooner if required.

REVISION HISTORY

Version	Revision date	Summary of revision
2.0	05 July 2023	Addition of section 6.2

CHERWELL DISTRICT COUNCIL RESERVES POLICY

1. Background

- 1.1. The purpose of this policy is to set out how Cherwell District Council (CDC) will determine and review its overall level of reserves and how it uses them.
- 1.2. Sections 31A and 42A of the Local Government Finance Act 1992 require authorities to have regard to the level of balances and reserves needed for meeting estimated future expenditure when calculating the council tax requirement.
- 1.3. CDC has usable reserves and unusable reserves on its Balance Sheet. The unusable reserves are as a result of accounting adjustments and are not therefore available to spend. This policy will concentrate on usable reserves.

2. General Policy

- 2.1. Usable reserves can be split into the following categories:
 - General Balances
 - Earmarked Reserves
 - Revenue Grant Related Reserves
 - Capital Reserves
- 2.2. CDC maintains usable reserves primarily for the following reasons:
 - The need to put aside sums in case of unexpected or unplanned events or emergencies.
 - To smooth out the impact of payments on the revenue account
 - To cover timing differences such as grant money received in any given year where expenditure takes place in a later year
 - To provide pump prime funding for projects to deliver changes in working practices on an invest to save basis. Any approved use on this basis must include an agreed repayment plan
 - A means of building up funds to meet known or predicted liabilities
- 2.3. Reserves can only be used on a one-off basis which means that their application does not offer a permanent solution to delivering savings or reductions in the level of expenditure.

3. Usable Reserves

3.1. General Balances

3.1.1. These are funds that do not have restrictions as to their use. CDC can use them for any purpose within the General Fund. The purpose of general reserves is to manage the impact of exceptional emergencies and unforeseen events. Without such reserves the potential financial impact of these unforeseen events could cause a financial deficit in the General Fund, which would be severely disruptive to the effective operation of the authority.

3.2. Earmarked Reserves

3.2.1. Earmarked Reserves enable CDC to set aside sums to meet specific future anticipated liabilities. Funds could be set aside for items such as (but not limited to):

- cyclical maintenance,
- cyclical events such as elections,
- income generated that must be spent on specific purposes,
- managing market volatility (e.g. commercial rent)
- insurance.

3.2.2. Earmarked reserves should not be held for a sustained period of time as they are held for a specific purpose¹. Where earmarked reserves are no longer required for their original purpose or are not expected to be spent over the medium term they should be reviewed and a decision made on using for alternative purposes.

3.2.3. In line with financial regulations, where a service has generated a service underspend as part of its day to day running, this should not be requested to be set aside as an earmarked reserve without a specific purpose; it should contribute to the overall benefit of CDC's financial position and the achievement of its corporate objectives.

3.2.4. The request to use earmarked reserves, create new earmarked reserves or contribute to existing earmarked reserves (where not approved as part of the budget) must be approved by the Executive. The allocation of Earmarked Reserves will be made when services can demonstrate that the funding is required for that particular purpose.

3.3. Revenue Grant Related Reserves

3.3.1. These reserves relate to the unused element of grant support for which the conditions of the grant are expected to be met. The reserves will be used to meet future years' expenditure for the service for which the grant was awarded. These reserves are managed by Directors.

3.3.2. CDC holds various Section 106 reserves which were contributed by private companies to improve the local community. The fund must be used for the specific scheme and within the agreed timescale. If funds are not used they need to be returned back to the contributors.

¹ with the exception of insurance reserves held to manage risk for which it is difficult to forecast when they will be called upon

3.3.3. Use of these reserves should be planned as part of the budget setting process. Use of these reserves during the financial year requires approval by the Section 151 Officer.

3.4. Capital Reserves:

3.4.1. These are reserves that have been set aside to finance capital schemes and cannot be used to support revenue expenditure without the consent of the Secretary of State for Local Government. These reserves comprise:

- Capital Receipts Reserve reflects the income received from the disposal of capital assets prior to being used to fund future capital expenditure or for the redemption of debt. Capital receipts cannot be used to fund revenue expenditure except where allowed by statute. CDC will allocate resources from the Capital Receipts Reserve in line with its priorities
- Capital Grants Unapplied reflects the unused element of capital grants or capital contributions awarded to CDC, for which the conditions of the grant support are expected to be met or for which there are no conditions. The reserve will be used to meet future years' capital expenditure in a way which best fits with CDC's priorities.

4. **Determining the Level of General Balances and Earmarked Reserves**

4.1. CDC must maintain sufficient general balances and earmarked reserves to cover the key financial risks and contingencies.

4.2. Section 25 of the Local Government Finance Act 2003 requires that when a local authority is agreeing its annual budget and council tax precept, the Chief Finance Officer must report on the adequacy of the proposed financial reserves

4.3. As part of the budget setting process the Section 151 Officer will consider and assess the level of general balances and earmarked reserves. Consideration will be given to the strategic, operational and financial risks facing CDC.

4.4. Major factors to be considered when evaluating the level of general balances and earmarked reserves, include but are not limited to the following:

Budget Assumptions	Issues to Consider
Inflation and interest rate volatility	The overall financial standing of CDC
Scale of budget gap over the medium term	The trend of CDC's financial management and the robustness of the MTFS – i.e. is it balanced over the medium term and delivered annually?

Savings delivery	Size, scale, complexity and pace of the savings programme and risks around slippage or non-delivery.
The availability of other funds to deal with major contingencies and the adequacy of provisions	The adequacy of CDC's arrangements to cover major unforeseen risks.
Income streams	Volatility in levels of income
Government funding	Political landscape and approach to allocating funding across local government

5. Governance and Review

- 5.1. The Council recognises the need to hold and maintain adequate reserves that meet the needs of the organisation. However, there is an opportunity cost as a result of the Council allocating resources away from other potential uses. It is therefore essential for the Section 151 Officer to regularly review the purpose and level of reserves.
- 5.2. All anticipated use of reserves should be understood and recognised as part of the budget setting process and agreed when Council approves the budget.
- 5.3. Any identified use of, or contribution to, reserves after the budget has been set should be approved by the Executive, or the Section 151 Officer in the case of grant reserves, prior to the budget being changed. Uses should be for specific purposes for which reserves have been set aside and not to address savings non-delivery or budget pressures. Contributions to reserves should be for specific costs expected to be incurred in the future.
- 5.4. The reserves position is reported quarterly as part of the revenue monitoring process. The planned usage of reserves is also included as part of the budget setting process. In addition the level and use of reserves is reported and reviewed during the closedown process.
- 5.5. The reserves policy will be reviewed annually as part of the budget setting process.

6. Use of Reserves Approval

- 6.1. Table 1 below shows the level of approval required to use or contribute to usable reserves.

Table 1 Level of approval required for requested use of or contribution to reserves

Type of Reserves	Level of Approval Required
General Reserves and Balances	Executive*
Earmarked Reserves	Executive*
Revenue and Capital Grant Related Reserves	Section 151 Officer
Capital Reserves**	Executive*

* Unless previously approved by Full Council as part of approval of the budget

** Approval required for contribution from reserves only

- 6.2 The current trend for external audits to extend beyond the end of the next financial accounting year can result in changes to the accounts which could have an impact on useable reserves. Therefore, for changes to and from useable reserves which come about as a result of external audit following the submission of the annual outturn report, the Section 151 Officer will have delegated authority, in consultation with the Portfolio Holder for Finance, to manage the impact on useable reserves of such changes to ensure the long-term resilience of the Council. Any such changes made under this delegated power will be reported to the Executive when the audit is complete.

Cherwell District Council

Budget Planning Committee

25 July 2023

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) Outturn position for revenue and capital for 2022/2023 and gives the Committee the opportunity to consider the financial aspects of the report.

The council has been successful in delivering a revenue outturn position for 2022/23 with an overall minor underspend of (£0.001m). This is a significant achievement under the current economic circumstances.

The Council has an in-year capital underspend of (£14.958m) against a budget of £24.413m, of which £14.273m is requested to be reprofiled in future years. This represents an overall decrease in the total cost of schemes of (£0.685m) due to a number of schemes no longer going ahead.

1.0 Recommendations

The meeting is recommended:

- 1.1 To note the contents of this report.

2.0 Introduction

- 2.1 This report provides with financial insight on our overall delivery against the council's business plan priorities from April 2022 to March 2023.

Revenue Budget

- 2.2 The council has been successful in delivering an outturn position for 2022/23 with an overall minor underspend of (£0.001m). This is a significant achievement under the current economic circumstances.

Capital Budget

- 2.4 The Council has an in-year underspend of (£14.958m), of which £14.273m is requested to be reprofiled in future years. This represents an overall decrease in

the total cost of schemes of (£0.685m) due to a number of schemes no longer going ahead.

2.5 There is a total capital project spend for the council of £33.703m resulting in an underspend of (£0.685m).

3.0 Report Details

3.1 The council has been successful in delivering an outturn position for 2022/23 with an overall minor underspend of (£0.001m). This is a significant achievement under the current economic circumstances. In addition to being able to come in under budget, the Council has been able to address a number of items within the outturn to benefit the Council:

- £1.145m has been identified to be set aside to contribute to reserves. This will be used to mitigate a deficit in the business rates collection fund in 2024/25.
- The Council was able to identify underspends across the organisation to address an underachievement of S31 grant income in 2022/23 of £0.871m due to business rates reliefs funded by S31 grant being lower than budgeted.
- Addressing these two issues now have the dual benefit of
 - not increasing the pressure on the 2024/25 budget, and
 - relieves pressure on the 2022/23 budget which had assumed that it would need to make contributions to reserves to address these issues.
- The Council had also budgeted to use £1.200m of reserves from capital fund, none of which was required due to underspends elsewhere in the budget and has all been returned to reserves.
- In addition the Council was still able to make a contribution of £0.200m to the General Fund, compared to a budgeted commitment of £0.500m.

Report Details

Table 1: Year End Position

Service	Original Budget £m	Current Budget £m	Year End Position at March £m	March Variance (Under) / Over £m	% Variance to current budget %	January Variance (Under) / Over £m	Change since Previous (better) / worse £m	
HR & OD	0.822	0.852	0.809	(0.043)	-5.0%	0.000	(0.043)	Green
Wellbeing & Housing	3.339	3.780	3.776	(0.004)	-0.1%	0.170	(0.174)	Green
Customer Focus	1.606	1.848	2.021	0.173	9.4%	0.185	(0.012)	Red
Chief Executive	5.767	6.480	6.606	0.126	1.9%	0.355	(0.229)	Red
Finance	2.850	3.134	3.292	0.158	5.0%	(0.024)	0.182	Red
Legal & Democratic	1.709	1.904	2.111	0.207	10.9%	0.169	0.038	Red
ICT	1.235	1.251	1.380	0.129	10.3%	0.175	(0.046)	Red
Property	(3.196)	(1.483)	(1.539)	(0.056)	3.8%	(0.097)	0.041	Green
Resources	2.598	4.806	5.244	0.438	9.1%	0.223	0.215	Red
Planning & Development	1.752	1.814	0.923	(0.891)	-49.1%	(0.663)	(0.228)	Green

Growth & Economy	0.336	0.779	0.724	(0.055)	-7.1%	(0.040)	(0.015)	
Environmental	4.057	4.664	5.736	1.072	23.0%	0.933	0.139	
Regulatory	1.112	1.123	1.126	0.003	0.3%	0.000	0.003	
Communities	7.257	8.380	8.509	0.129	1.5%	0.230	(0.101)	
Subtotal for Directorates	15.622	19.666	20.359	0.693	3.5%	0.808	(0.115)	
Executive Matters	4.315	3.076	2.240	(0.836)	-27.2%	(0.515)	(0.321)	
Policy Contingency	3.555	0.750	0.021	(0.729)	-97.2%	(0.332)	(0.397)	
Total	23.492	23.492	22.620	(0.872)	-3.7%	(0.039)	(0.833)	

FUNDING	(23.492)	(23.492)	(22.621)	0.871	-3.7%	0.000	0.871	
(Surplus)/Deficit	0.000	0.000	(0.001)	(0.001)		(0.039)	0.038	

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.

Funding - Business Rates Income

Table 1.2 provides a breakdown of the business rates outturn position for 2022/23.

The variance of £0.871m has been met from underspends identified at year end across the organisation and is explained in detail in Appendix 2.

Table 1.2: Business Rates Outturn 2022/23

Business Rates Breakdown	Original Budget £m	Year End £m	Variance £m
Business Rates Share	(34.474)	(34.474)	0.000
Business Rates Tariff	29.072	29.072	0.000
Business Rates Levy	4.467	5.294	0.827
Business Rates Pooling Gain	(2.210)	(2.442)	(0.232)
Section 31 grants	(8.406)	(8.130)	0.276
Previous Year Collection Fund Deficit	10.479	10.479	0.000
Use of Section 31 Reserve	(10.324)	(10.324)	0.00
Grand Total	(11.397)	(10.526)	0.871

Table 2: Analysis of Forecast Variance – December 2022

Breakdown of current month forecast	Outturn £m	Base Budget Over/ (Under) £m	Savings Non-Delivery £m
Chief Executive	0.126	(0.097)	0.223
Resources	0.438	0.213	0.225
Communities	0.129	(0.249)	0.378
Subtotal Directorates	0.693	(0.133)	0.826
Executive Matters	(0.836)	(0.836)	0.000
Policy Contingency	(0.729)	(0.729)	0.000
Total	(0.872)	(1.698)	0.826
FUNDING	0.871	0.871	0.000
(Surplus)/Deficit	(0.001)	(0.827)	0.826

Table 3 – Budget compared with Outturn

The graph below shows the change from January's forecast to March's outturn position for the financial year.

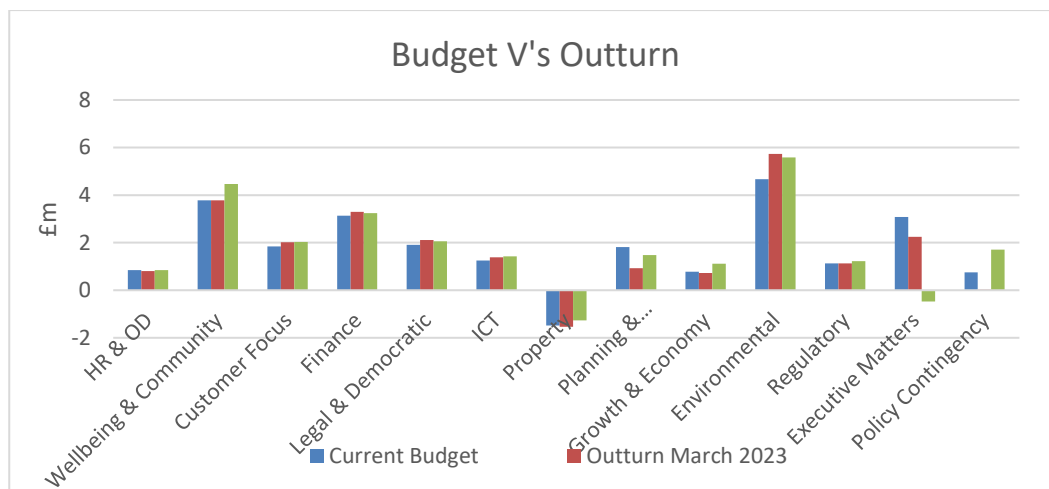


Table 4: Top Five Major Variances:

Portfolio	Current Budget	Variance	% Variance
Development Management	(0.024)	(0.850)	3541.7%
Policy Contingency	0.750	(0.729)	-97.2%
Interest	(2.375)	(0.593)	25.0%
Car Parks	(0.950)	0.347	-36.5%
Waste & Recycling	2.933	0.597	20.4%
Total	0.334	(1.228)	

The top 5 services differ slightly from last month although there is an overall improvement of (£1.136m)

Development Management Variance (£0.850m) [January Variance (£0.742m)]: -

Development Management income exceeded expectations (£2.702m) compared to a budget of (£2.249m) and a further (£0.118m) was received from monitoring fees owing. This represents an additional (£0.571m) over that expected.

Policy Contingency

The movement in policy contingency is shown in the table below: -

Policy Contingency	Budget	Expenditure	Notes
Original Budget	3.555		
Inflation Contingency	-0.334		Used to fund pay award
Affordable Housing	-0.840		For Town Centre Roof
Commercial Risk	-0.458		Car Park Income
General Contingency	0.077		£77k is relating to Saving GWR002 removed
General Contingency	0.300		Reduction in General fund contribution
General Contingency	-0.010		Utility cost review
General Contingency	-0.010		Elections budget realignment
General Contingency	-0.047		Pension Strain
Separation Costs	-0.399		Decoupling pressure
General Contingency	0.061		NI reduction returned from services to Policy Contingency
General Contingency	-1.145		Contribution to S31 Reserve
		0.021	Minor corporate costs funded from general contingency
	0.750	0.021	

Interest Variance (£0.593m) [January Variance (£0.515m)]: -

In July 2022 the Council identified that interest rates were rising and took the decision to borrow £66m to address its borrowing needs over the following two years. This has successfully insulated the Council from the increased borrowing costs that have taken place since then. The Council has been able to invest this surplus cash prior to loan repayments becoming due. As interest rates have increased, the council is anticipating higher than budgeted income of (£0.593m).

Car Parks Variance £0.347m [January Variance £0.332m]: -

There is a £0.347m reduction in car park income which has previously been reported mainly due to reduced volumes as a result of ongoing changes in customer behaviour. This has been addressed in the budget for 2023/24 and a review of the councils assets in the future will aim to maximise use of space.

Waste & Recycling Variance £0.597m [January Variance £0.624m]: -

The pressure within Waste and Recycling of £0.597m is a result of a combination factors. An increase of £0.571m in employee costs due to continued unusual amount of long-term sickness and vacancies. Gate fees have risen by £0.269m due to a decrease in the value of recycled materials and an increase of £0.081m on transport costs of which £0.109m is result of high fuel costs.

For further details of forecast variances please see appendix 2

Table 5 - Earmarked Reserves and General Balances at March 2023

The table below is a summary of the level of reserves the council holds.

Reserves	Balance 1 April 2022	Original Budgeted use/ (contribution)	Changes agreed since budget setting	Changes proposed March 2023	Balance 31 March 2023
	£m	£m	£m	£m	£m
General Balance	(5.950)	(0.500)	0.000	0.300	(6.150)
Earmarked	(23.691)	2.262	(2.067)	(4.555)	(28.051)
Ringfenced Grant	(16.215)	11.205	2.696	(2.015)	(4.329)
Subtotal Revenue	(45.856)	12.967	0.629	(6.270)	(38.530)
Capital	(8.049)	0.000	0.000	0.000	(8.049)
Total	(53.905)	12.967	0.629	(6.270)	(46.579)

For further detail on the reserves please see Appendix 5.

4.2 Capital

The Council has an in-year underspend of (£14.958m), of which £14.273m is requested to be reprofiled in future years. This represents an overall decrease in the total cost of schemes of (£0.685m) due to a number of schemes no longer going ahead.

Table 6 - Capital Spend 2022/2023

Directorate	Budget £m	Outturn 2022/23 £m	Re-profiled beyond 2022/23 £m	Variance to Budget £m	Prior Month Variance to Budget £m
Chief Executives	4.602	2.305	2.297	0.001	(0.002)
Resources	14.571	6.133	7.738	(0.699)	(0.552)
Communities	5.241	1.017	4.238	0.014	0.020
Total	24.413	9.455	14.273	(0.685)	(0.534)

Table 7 – How the Capital Programme is financed

Financing	22/23 Budget	Future Years
Borrowing	17.230	9.312
Reserves	7.183	0
	24.413	9.312

Table 8 – Total Capital Project Forecast

There is a total capital project spend for the council of £33.703m resulting in an underspend of (£0.685m).

Directorate	Budget £m	Total Outturn 2022/23 £m	Variance to Budget £m	Prior Month Variance to Budget £m
Chief Executives	5.320	5.320	0.001	(0.002)
Resources	14.551	13.851	(0.700)	(0.552)
Communities	13.833	13.847	0.014	0.020
Total	33.703	33.019	(0.685)	(0.534)

For further detail please view appendix 1 Finance Capital December 2022.

Table 9 - Top Five in Year Capital Variances: -

Code	Assistant Director	Top 5 In-Year Variances	Budget Total £'000	Reprofile to 23/24 £'000
40260	Ed Potter	Land for New Bicester Depot	3,000	2,989
40144	Andrew Low	Castle Quay	3,257	2,985
40131	Nicola Riley	S106 Capital Costs	1,744	1,637
40239	Andrew Low	Bicester East Community Centre	1,450	1,371
40262	Andrew Low/Nicola Riley	Affordable Housing	1,200	1,156
			4,394	4,164

The top 5 capital projects differ to January's reporting and there has been an increase in the budget reprofiling into 2023/24 of £5.329m.

Land for New Bicester Depot: -

Due to rapid growth within the area the Council has identified a new site for the Bicester Depot and terms for the purchase are expected to be finalised early in 23/24. A project team has been established to develop the site under a separate capital scheme. The design is expected to maximise income opportunities in vehicle maintenance, energy cost reduction and which will greatly benefit the district and further our commitment to carbon reduction.

Castle Quay : -

As part of the Castle Quay Development and the regeneration of Banbury, the Council is working closely and in partnership with Oxfordshire County Council and The Mill Arts to provide new Library and Arts Facilities in Banbury respectively. Whilst arrangements are being finalised the Council has paused developments resulting in capital slippage which will be required in 2023/24.

S106 Capital : -

The budget allocation is for 16 projects funded by S106. Due to the clauses of grant agreements, the passporting of S106 funds is reliant upon timely project delivery by other bodies outside of the Council's control. Therefore, the majority of projects will be delivered in 2023/24.

Bicester East Community Centre: -

Expected start date on site is Quarter 1 of 2023/24. £1.371m of capital funding from 22/23 remains allocated to deliver this bespoke community centre for local residents.

Affordable Housing: -

We have engaged design professionals to prepare the specification of works which are required to effect both the repair to the roof and the reinstatement of the living accommodation, which has been affected by the invasive investigative works which we have undertaken. The tender process will be completed in early 2023/24 with the aim being to complete the required works within the next 12 months.

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 outturn position for 2022/23. 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

7.2 Legal Implications

There are no legal implications and no direct costs as a result of this report.

Comments checked by:
Shiraz Sheikh, Assistant Director Law & Governance, 01295 221651
shiraz.sheikh@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 – Finance Capital March 2023

- Appendix 2 – Detailed Revenue Narrative on Outturn 2023
- Appendix 3 – Virements and Aged Debt Outturn 2023
- Appendix 4 – Funding Outturn 2023
- Appendix 5 – Use of Reserves and Grant Funding Outturn 2023
- Appendix 6 – Transfers to Reserves to be released in 23/24

Report Author and contact details

Leanne Lock

Strategic Finance Business Partner

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Appendix 1 - CHERWELL TOTAL CAPITAL PROJECT EXPENDITURE

CODE	ASSISTANT DIRECTOR/RESPONSIBLE OFFICER	DESCRIPTION	Total 22/23 Project Budget	March Outturn	RE-PROFILED BEYOND 2022/23	22/23 Variance	Future Years Budget	Project Total Budget	Project Total forecast	Project Total Variance	Narrative
40083	Nicola Riley	Disabled Facilities Grants	1,811	1,726	85	(0)	0	1,811	1,811	(0)	The outturn for 2022/23 is £1.726m. This is less than previously forecast due to some case complexity with individual grants. Therefore there is a need to reprofile the underspent budget to fund these works in 2023/24
40160	Nicola Riley	Housing Services - capital	345	182	160	(3)	0	345	342	(3)	Practical completion payment is still due for development at NW Bicester that will now be due in 2023/24
40084	Nicola Riley	Discretionary Grants Domestic Properties	253	142	108	(3)	600	853	850	(3)	The outturn for 2022/23 is a spend of £0.142m. Therefore a request to reprofile the unspent budget of £0.111m to offset the reduction in DFG core funding in 2023/24
40010	Nicola Riley	North Oxfordshire Academy AstroTurf	183	0	183	0	0	183	183	0	Delivery linked to external partners approval so spend will now take place in 2023/24
40019	Nicola Riley	Bicester Leisure Centre Extension	79	0	79	0	0	79	79	0	Through the utilisation of UKSPF in 2022/23, the unspent core budget is required to be reprofiled to continue the development of a learner pool in Bicester.
40131	Nicola Riley	S106 Capital Costs	1,744	107	1,637	(0)	0	1,744	1,744	(0)	Regular communication with Parish Councils is allowing us to monitor the projects that make up this programme of works. Cherwell hold developer contributions for each project and release funds as requested by the parish. Some projects are taking parishes longer to complete than first anticipated which explains why the spending is slower.
40181	Nicola Riley	Sunshine Centre (new extension to the front of the site)	0	0	0	0	0	0	0	0	Project completed in 2021/22
40251	Nicola Riley	Longford Park Art	45	0	45	0	0	45	45	0	The request for budget to be reprofiled as no further Public Art spend possible until the Country Park is transferred from the developer
40261	Nicola Riley	Replacement Pool Covers at Woodgreen Open Air Pool	40	40	0	0	0	40	40	0	Project complete
40276	Nicola Riley	UKSPF - Bridge Street Community Garden	2	2	0	0	0	2	2	0	Project complete
Wellbeing & Community			4,502	2,198	2,297	(6)	600	5,100	5,093	(6)	
40208	Claire Cox	Project Manager for HR/Payroll system	100	107	0	7	120	220	227	7	The project has concluded in Q4 2022/23
HR & OD			100	107	0	7	120	220	227	7	
Chief Executives			4,602	2,305	2,297	1	720	5,320	5,320	1	
40139	Andrew Low	Banbury Health Centre - Refurbishment of Ventilation, Heating & Cooling Systems	100	0	104	4	0	100	104	4	£0.100m reprofiled from 2021/22. New tender package is going out to suppliers shortly for commencement in Q1 2023/24
40141	Andrew Low	Castle Quay Waterfront	2,111	2,111	0	0	0	2,111	2,111	0	Project complete
40144	Andrew Low	Castle Quay	3,257	272	2,985	0	0	3,257	3,257	0	A number of Capital Projects have been paused whilst they are reviewed to ensure they will continue to meet the strategic direction for Castle Quay and remain relevant to meet the challenges of the changing retail market.
40162	Andrew Low	Housing & IT Asset System joint CDC/OCC	8	(18)	26	0	0	8	8	0	£0.100m allocated project budget of which £0.048m has been reprofiled from 2021/22. Initial set up cost of £0.052m with £0.002m cost per annum for hosting and software support costs for 3 years (2022/23 to 2024/25).
40167	Andrew Low	Horsefair, Banbury	55	0	55	0	0	55	55	0	The works design is now completed, pending tender. Tender went out in Feb 2023 for delivery in Q1 2023/24
40191	Andrew Low	Bodicote House Fire Compliance Works	141	0	149	8	0	141	149	8	Works are ready to be tendered, due to Bodicote House review we are re evaluating whether the works are now required.
40197	Andrew Low	Corporate Asbestos Surveys	50	0	50	0	0	50	50	0	Review of the work needs to be carried out and costs reassessed
40201	Andrew Low	Works From Compliance Surveys	122	23	99	(0)	0	122	122	(0)	Final phase now planned for Q1 2023/24
40203	Andrew Low	CDC Feasibility of utilisation of proper Space	100	0	100	0	0	100	100	0	This amount has been set aside to consider the future office space of the Council.
40219	Andrew Low	Community Centre - Works	130	76	54	0	0	130	130	0	Anticipated completion in Q1 2023/24
40239	Andrew Low	Bicester East Community Centre	1,450	79	1,371	(0)	0	1,450	1,450	(0)	Expected start date on site is Quarter 1 of 2023/24. £1.371m of capital funding from 22/23 remains allocated to deliver this bespoke community centre for local residents
40240	Andrew Low	Bicester Dovecote	27	3	0	(24)	0	27	3	(24)	Works complete - no more spend expected
40241	Andrew Low	Thorpe Place Roof Works	35	0	35	0	0	35	35	0	£0.035m reprofiled - project is to be reviewed as part of the portfolio assessment for 2023/24
40242	Andrew Low	H&S Works to Banbury Shopping Arcade	127	15	127	15	0	127	142	15	£0.127m reprofiled - project is to be reviewed as part of the portfolio assessment for 2023/24
40246	Andrew Low	Banbury Museum Pedestrian Bridge	77	73	3	(1)	0	77	76	(1)	£0.077m reprofiled from 2021/22. Works are complete - retention of £3.177 due to be released in Oct 2023

40249	Andrew Low	Retained Land	286	0	260	(26)	0	286	260	(26)	Due to PSDS project, some projects have been delayed. Progress will be reviewed monthly and changed if progress is better than expected. Full spend anticipated by Q2 2023/24
40225	Andrew Low	Drayton Pavillion - Decarbonisation Works	0	0	0	0	0	0	0	0	
40229	Andrew Low	Stratfield Brake Sports Ground - Decarbonisation Works	0	0	0	0	0	0	0	0	
40226	Andrew Low	Thorpe Lane Depot - Decarbonisation Works	143	143	32	32	0	143	175	32	
40227	Andrew Low	Banbury Museum - Decarbonisation Works	374	349	25	0	0	374	374	0	
40228	Andrew Low	Franklins House - Decarbonisation Works	81	81	0	0	0	81	81	0	
40230	Andrew Low	Whitelands - Decarbonisation Works	91	91	0	0	0	91	91	0	
40231	Andrew Low	Bicester Leisure Centre - Decarbonisation Works	734	734	0	0	0	734	734	0	
40232	Andrew Low	Kidlington Leisure Centre - Decarbonisation Works	351	351	0	0	0	351	351	0	
40233	Andrew Low	Spiceball Leisure Centre - Decarbonisation Works	766	766	0	0	0	766	766	0	
40234	Andrew Low	Woodgreen Leisure Centre - Decarbonisation Works	338	338	0	(0)	0	338	338	(0)	
40252	Andrew Low	Expiring Energy Performance Certificates plus Associated works	96	0	96	0	0	96	96	0	
40253	Andrew Low	Energy Performance Certificates Gov't Implementation of target B - Strategic Plan	60	0	60	0	0	60	60	0	
40254	Andrew Low	Thorpe Lane Depot - Renewal of Electrical Incoming Main	270	99	171	0	0	270	270	0	
40255	Andrew Low	Installation of PV at CDC Property	79	0	79	0	0	79	79	0	
40277	Andrew Low	BEIS = Repayment of Decarbonisation Grant/Capital Grants repaid	0	64	0	64	0	0	64	64	
40263	Andrew Low	Kidlington Leisure New Electrical Main	200	180	20	0	0	180	200	20	
40121	Andrew Low	Bicester Library (phase 1b)	645	0	0	(645)	0	645	0	(645)	
40111	Andrew Low	Admiral Holland Redevelopment Project (phase 1b)	61	0	61	0	0	61	61	0	
40118	Andrew Low	Creampot Crescent Cropredy (phase 1b)	(10)	0	0	10	0	(10)	0	10	
40177	Andrew Low	Bullmarsh Close (Phase 2)	17	12	0	(5)	0	17	12	(5)	
40213	Andrew Low	Build Team Essential Repairs & Improvements	149	33	116	(0)	0	149	149	(0)	
40224	Andrew Low	Fairway Flats Refurbishment	362	0	362	0	0	362	362	0	
40262	Andrew Low/Nicola Riley	Affordable Housing	1,200	44	1,156	(0)	0	1,200	1,200	(0)	
Property			14,083	5,920	7,596	(566)	0	14,063	13,517	(546)	
40256	Michael Furness	Processing Card Payments & Direct Debits	20	0	20	0	0	20	20	0	
Finance Total			20	0	20	0	0	20	0	0	
40056	Mark Duff	5 Year Rolling HW / SW Replacement Prog	50	45	0	(5)	0	50	45	(5)	
40212	Mark Duff	Procurement of Joint Performance system	20	0	0	(20)	0	20	0	(20)	
40237	Mark Duff	Council Website & Digital Service	162	44	122	4	0	162	166	4	

All projects are at practical completion. Under the grant conditions we will be returning unspent grant which is in the region of £0.800m. There was a need for the Council to bid for the funding at short notice and after receiving the grant and fully investigating the schemes, realised some were not affordable but were able to redirect some of the resource onto other schemes

Scopes reviewed - expected instruction shortly

Scopes reviewed - expected instruction shortly

Works are currently designed pending tender of the Electrical supply infrastructure. Works to be coordinated with the District Network Operator (Western Power) to instal the new sub station, who are engaged. Waiting for dates from the DNO. Reprofile balance of funds £0.171m into 2023/24

This will now take place along with the new capital works planned for 2023/24

Balance of payment back to Salix

Project to install new electrical main for kindlington leisure centre by Scottish and Southern Electricity. Expected to start Q1 2023/24 so balance expected to be spent during this period.

Capital project no longer required.

With construction formally completed end of September 2020 there is the need to budget for retention – the retention is £0.061m.

Retention payment now paid.

Retention payment now paid.

Work is currently underway and it is likely that all capital expenditure will take place during financial year 2023/24. Need to combine this with the Affordable Housing capital budget.

Instructing the consultants shortly to progress the design ready for tendering

We have engaged design professionals to prepare the specification of works which are required to effect both the repair to the roof and the reinstatement of the living accommodation, which has been affected by the invasive investigative works which we have undertaken. The tender process will be completed in early 2023/24 with the aim being to complete the required works within the next 12 months.

The project has concluded in Q4 2022/23

Budget required for hardware refresh, delayed due to Co-Vid and council wide remote working. Project underway and on-track to complete early Q4 2022/2023

Budget not required post decoupling from OCC. Can be handed back.

2nd stage of project expected to conclude Q4 2022/2023. Further stages of work expected in 2023/2024, delayed from current stage due to other council priorities.

40238	Mark Duff	IT Shared Services	0	0	0	0	0	0	The Digital Futures programme is in the process of being established and work is underway to explore areas of improvement to reduce the demand on services and provide proactive services to our citizens.		
40274	Mark Duff	Digital Future Programme	236	124	0	(112)	0	236	124	(112)	Digital Futures Programme is progressing with pilot initiatives and discovery work.
ICT			468	213	122	(133)	0	468	335	(133)	
Resources			14,571	6,133	7,738	(700)	0	14,551	13,851	(680)	
40062	Robert Jolley	East West Railways	118	1	117	(0)	4,189	4,307	4,307	(0)	The capital fund has been set up to enable the Council's costs to be recharged when responding to enquiries and regulatory applications, involving for example environmental and land drainage matters, made in connection with the EWR project. This is in partnership with England's Economic Heartland. Cherwell's contribution towards fibre connectivity will now take place in 2023/24 and therefore requires the remaining budget to be reprofiled
40109	Robert Jolley	Hope House	0	12	0	12	0	0	12	12	We commissioned the work to address two issues with the hardstandings at Hope Close and Fairway that were presenting health and safety issues.
Growth & Economy			118	13	117	12	4,189	4,307	4,319	12	
40015	Ed Potter	Car Park Refurbishments	74	28	46	(0)	0	74	74	(0)	£0.046m slippage required in to 2023/24. Full spend anticipated by March 2024
40026	Ed Potter	Off Road Parking	18	0	18	0	0	18	18	0	£0.018m slippage required in to 2023/24. Full spend anticipated by March 2024
40028	Ed Potter	Vehicle Replacement Programme	1,166	537	629	0	4,344	5,510	5,510	0	£0.629m slippage required in to 2023/24. Full spend anticipated by March 2025. Additional bids anticipated as further electric vehicles are introduced to the fleet.
40031	Ed Potter	Urban City Electricity Installations	15	9	0	(6)	0	15	9	(6)	Project completed in 2022/23.
40187	Ed Potter	On Street Recycling Bins	18	0	18	0	0	18	18	0	£0.018m slippage required in to 2023/24. Full spend anticipated by March 2024
40186	Ed Potter	Commercial Waste Containers	25	25	0	0	25	50	50	0	Full spend anticipated by March 2024
40188	Ed Potter	Thorpe Lane Depot Capacity Enhancement	158	165	0	7	0	158	165	7	Project completed in 2022/23.
40216	Ed Potter	Street Scene Furniture and Fencing project	36	0	36	0	24	60	60	0	£0.036m slippage required in to 2023/24, full spend anticipated by March 2026.
40217	Ed Potter	Car Parking Action Plan Delivery	175	157	18	0	0	175	175	0	£0.018m slippage required in to 2023/24. Full spend anticipated by March 2024
40218	Ed Potter	Depot Fuel System Renewal	35	0	35	0	0	35	35	0	£0.035m slippage required in to 2023/24. Full spend anticipated by March 2024
40220	Ed Potter	Horsefair Public Conveniences	0	0	0	0	0	0	0	0	Project completed in 2021/22. Retention payment still outstanding
40222	Ed Potter	Burnehyll- Bicester Country Park	220	61	159	(0)	0	220	220	(0)	£0.159m slippage required in to 2023/24, full spend anticipated by March 2024.
40235	Ed Potter	Chargeable Garden & Food Waste	0	0	0	0	0	0	0	0	Project completed in 2022/23.
40248	Ed Potter	Solar Panels at Castle Quay	53	0	53	0	0	53	53	0	£0.053m slippage required in to 2023/24, full spend anticipated by March 2024
40257	Ed Potter	Additional Commercial Waste Containers	10	11	0	1	10	20	21	1	Full spend anticipated by March 2024
40258	Ed Potter	Kidlington Public Convenience Refurbishment	90	0	90	0	0	90	90	0	£0.090m slippage required in to 2023/24, completed in Q1 2023/24
40259	Ed Potter	Market Equipment Replacement	15	0	15	0	0	15	15	0	£0.015m slippage required in to 2023/24, full spend anticipated by March 2024.
40260	Ed Potter	Land for New Bicester Depot	3,000	11	2,989	(0)	0	3,000	3,000	(0)	Due to rapid growth within the area the Council has identified a new site for the Bicester Depot and terms for the purchase are expected to be finalised early in 23/24. A project team has been established to develop the site under a separate capital scheme. The design is expected to maximise income opportunities in vehicle maintenance, energy cost reduction and which will greatly benefit the district and further our commitment to carbon reduction.
Environmental			5,108	1,004	4,106	2	4,403	9,511	9,513	2	
40245	Richard Webb	Enable Agile Working	15	0	15	0	0	15	15	0	The funding is intended to be used to purchase the technology needed to enable the teams to use our new case management system whilst 'on-site' carrying out inspection work, etc. We have trialled different tablets but have delayed the project since the release of the app that will support mobile working has been delayed by IDOX (the case management system provider). The app is now due for release in early summer.

	15	0	15	0
Communities	5,241	1,017	4,238	14
Capital Total	24,413	9,455	14,273	(685)

	0	15	15	0
	8,592	13,833	13,847	14
	9,312	33,703	33,019	(665)

CHERWELL CAPITAL EXPENDITURE 2022-23

CODE	ASSISTANT DIRECTOR/RES PONSIBLE OFFICER	DESCRIPTION	BUDGET	Outturn	RE-PROFILED BEYOND 2022/23	Current month Variances £000	Prior month Variances £000	OUTTURN NARRATIVE
40083	Nicola Riley	Disabled Facilities Grants	1,811	1,726	85	(0)	-	Final spend of £1.726m which is less than previously forecast due to some case complexity with individual grants. Therefore there is a need to reprofile the underspent budget to fund these works in 2023/24
40160	Nicola Riley	Housing Services - capital	345	182	160	(3)	-	Practical completion payment of £0.160m is still due for development at NW Bicester that will now be due in 2023/24
40084	Nicola Riley	Discretionary Grants Domestic Properties	253	142	108	(3)	-	Final spend of £0.142m. Therefore a request to reprofile the unspent budget of £0.111m to offset the reduction in DFG core funding in 2023/24
40010	Nicola Riley	North Oxfordshire Academy Astro turf	183	0	183	-	-	The delivery of a new Astro turf pitch at North Oxfordshire Academy has been complicated by issues arising from securing appropriate and timely developer contributions. Appointed external consultant to support with initial scope of works up to a point where a decision on planning permission is made and a detailed specification for the tendering of the works is ready to be advertised, this should happen in early 2023/24
40019	Nicola Riley	Bicester Leisure Centre Extension	79	0	79	-	-	Detailed feasibility work now started which have been funded through the utilisation of UKSPF in 2022/23. This has therefore resulted in the need to reprofile the unspent core budget to 2023/24 to continue the development of a learner pool in Bicester.
40131	Nicola Riley	S106 Capital Costs	1,744	107	1,637	(0)	-	The budget allocation is for 16 projects funded by S106. Due to the clauses of grant agreements, the passporting S106 funds is reliant upon timely project delivery by other bodies outside of the Council's control. Therefore, the majority of projects will be delivered in 2023/24.
40181	Nicola Riley	Sunshine Centre (new extension to the front of the site)	0	0	0	-	(2)	Project completed in 2021/22.
40251	Nicola Riley	Longford Park Art	45	0	45	-	0	There is a hold on any Public Art delivery on Longford at the moment due to developers refusing artists permission to carry out installation of art until the country park is approved complete and been handed over to the Council.
40261	Nicola Riley	Replacement Pool Covers at Woodgreen Open Air Pool	40	40	0	-	0	Project completed in 2022/23
40276	Nicola Riley	UKSPF - Bridge Street Community Garden	2	2	0	-	0	Project completed in 2022/23
Wellbeing & Community			4,502	2,198	2,297	(6)	(2)	
40208	Claire Cox	Project Manager for HR/Payroll system	100	107	0	7	0	The project has concluded in Q4 2022/23
HR & OD			100	107	0	7	0	
Chief Executive			4,602	2,305	2,297	1	(2)	
40139	Andrew Low	Banbury Health Centre - Refurbishment of Ventilation, Heating & Cooling Systems	100	0	104	4	(4)	£0.100m reprofiled from 2021/22. New tender package is going out to suppliers shortly for commencement in Q1 2023/24
40081	Andrew Low	Bicester Town Centre Redevelopment	0	0	0	0	0	These cost are in connection with the solicitors advising on the latent defect in connection with the failing paintwork on the Sainsburys unit
40141	Andrew Low	Castle Quay Waterfront	2,111	2,111	0	0	0	Project complete
40144	Andrew Low	Castle Quay	3,257	272	2,985	0	0	A number of Capital Projects have been paused whilst they are reviewed to ensure they will continue to meet the strategic direction for Castle Quay and remain relevant to meet the challenges of the changing retail market.
40162	Andrew Low	Housing & IT Asset System joint CDC/OCC	8	(18)	26	0	0	£0.100m allocated project budget of which £0.048m has been reprofiled from 2021/22. Initial set up cost of £0.052m with £0.002m cost per annum for hosting and software support costs for 3 years (2022/23 to 2024/25).
40167	Andrew Low	Horsefair, Banbury	55	0	55	0	0	The works design is now completed, pending tender. Tender went out in Feb 2023 for delivery in Q1 2023/24
40191	Andrew Low	Bodicote House Fire Compliance Works	141	0	149	8	0	Works are ready to be tendered, due to Bodicote House review we are re evaluating whether the works are now required.
40197	Andrew Low	Corporate Asbestos Surveys	50	0	50	0	0	Review of the work needs to be carried out and costs reassessed
40201	Andrew Low	Works From Compliance Surveys	122	23	99	(0)	0	Final phase now planned for Q1 2023/24
40203	Andrew Low	CDC Feasibility of utilisation of proper Space	100	0	100	0	0	This amount has been set aside to consider the future office space of the Council.
40219	Andrew Low	Community Centre - Works	130	76	54	0	0	Anticipated completion in Q1 2023/24
40239	Andrew Low	Bicester East Community Centre	1,450	79	1,371	(0)	0	Expected start date on site is Quarter 1 of 2023/24. £1.371m of capital funding from 22/23 remains allocated to deliver this bespoke community centre for local residents
40240	Andrew Low	Bicester Dovecote	27	3	0	(24)	(24)	Works complete - no more spend expected
40241	Andrew Low	Thorpe Place Roof Works	35	0	35	0	0	£0.035m reprofiled - project is to be reviewed as part of the portfolio assessment for 2023/24
40242	Andrew Low	H&S Works to Banbury Shopping Arcade	127	15	127	15	0	£0.127m reprofiled - project is to be reviewed as part of the portfolio assessment for 2023/24

40246	Andrew Low	Banbury Museum Pedestrian Bridge	77	73	3	(1)	0	£0.077m reprofiled from 2021/22. Works are complete - retention of £3,177 due to be released in Oct 2023
40249	Andrew Low	Retained Land	286	0	260	(26)	0	Due to PSDS project, some projects have been delayed. Progress will be reviewed monthly and changed if progress is better than expected. Full spend anticipated by Q2 2023/24
40225	Andrew Low	Drayton Pavilion - Decarbonisation Works	0	0	0	0	0	£0.086m reprofiled from 2021/22. PSDS Project, Scheme Withdrawn. - In principal, the PSDS works should be treated as one budget and despite some schemes appearing to have overspent, overall there is expected to be an underspend which will require repayment to Salix.
40229	Andrew Low	Stratfield Brake Sports Ground - Decarbonisation Works	0	0	0	0	0	£0.159m reprofiled from 2021/22. PSDS Project, Scheme Withdrawn. - In principal, the PSDS works should be treated as one budget and despite some schemes appearing to have overspent, overall there is expected to be an underspend which will require repayment to Salix.
40226	Andrew Low	Thorpe Lane Depot - Decarbonisation Works	143	143	32	32	0	PSDS Project - Project completed. In retention
40227	Andrew Low	Banbury Museum - Decarbonisation Works	374	349	25	0	0	PSDS Project - Works at practical completion at 95% pending commissioning of plant.
40228	Andrew Low	Franklins House - Decarbonisation Works	81	81	0	0	0	PSDS Project - Project completed. In retention
40230	Andrew Low	Whitelands - Decarbonisation Works	91	91	0	0	0	PSDS Project - Project completed. In retention
40231	Andrew Low	Bicester Leisure Centre - Decarbonisation Works	734	734	0	0	0	PSDS Project - Works at practical completion at 97.5% pending commissioning of plant.
40232	Andrew Low	Kidlington Leisure Centre - Decarbonisation Works	351	351	0	0	0	PSDS Project - Works at practical completion at 95% pending commissioning of plant and works by district networks operator. £200k for additional project costs to accommodate new electrical mains as per cost centre 40263
40233	Andrew Low	Spiceball Leisure Centre - Decarbonisation Works	766	766	0	0	0	PSDS Project - Works at practical completion at 97.5% pending commissioning of plant.
40234	Andrew Low	Woodgreen Leisure Centre - Decarbonisation Works	338	338	0	(0)	77	PSDS Project - Works at practical completion at 97.5% pending commissioning of plant.
40252	Andrew Low	Expiring Energy Performance Certificates plus Associated works	96	0	96	0	0	Scopes reviewed - expected instruction shortly
40253	Andrew Low	Energy Performance Certificates Gov't Implementation of target B - Strategic Plan	60	0	60	0	0	Scopes reviewed - expected instruction shortly
40254	Andrew Low	Thorpe Lane Depot - Renewal of Electrical Incoming Main	270	99	171	0	0	Works are currently designed pending tender of the Electrical supply infrastructure. Works to be coordinated with the District Network Operator (Western Power) to instal the new sub station, who are engaged. Waiting for dates from the DNO. Reprofile balance of funds £0.171m into 2023/24
40255	Andrew Low	Installation of Photovoltaic at CDC Property	79	0	79	0	0	This will now take place along with the new capital works planned for 2023/24
40277	Andrew Low	BEIS = Repayment of Decarbonisation Grant/Capital Grants repaid	0	64	0	64	64	Balance of payment back to Salix
40121	Andrew Low	Bicester Library (phase 1b)	645	0	0	(645)	(635)	Capital project no longer required.
40263	Andrew Low	Kidlington Leisure New Electrical Main	200	180	20	0	0	Project to install new electrical main for kidlington leisure centre by Scottish and Southern Electricity. Expected to start Q1 2023/24 so balance expected to be spent during this period.
40111	Andrew Low	Admiral Holland Redevelopment Project (phase 1b)	61	0	61	0	-	With construction formally completed end of September 2020 there is the need to budget for retention – the retention is £0.061m.
40118	Andrew Low	Creampot Crescent Cropreddy (phase 1b)	(10)	0	0	10	-	Retention payment now paid.
40177	Andrew Low	Bullmarsh Close (Phase 2)	17	12	0	(5)	(5)	Retention payment now paid.
40213	Andrew Low	Build Team Essential Repairs & Improvements	149	33	116	(0)	-	Work is currently underway and it is likely that all capital expenditure will take place during financial year 2023/24. Need to combine this with the Affordable Housing capital budget.
40224	Andrew Low	Fairway Flats Refurbishment	362	0	362	0	-	Instructing the consultants shortly to process the design ready for tendering
40262	Andrew Low/Nico	Affordable Housing	1,200	44	1,156	(0)	-	We have engaged design professionals to prepare the specification of works which are required to effect both the repair to the roof and the reinstatement of the living accommodation, which has been affected by the invasive investigative works which we have undertaken. The tender process will be completed in early 2023/24 with the aim being to complete the required works within the next 12 months.
Property			14,083	5,920	7,596	(566)	(527)	Did we start the tender process? This is as at 31 March - we should be able to say if it started, concluded etc.
40256	Michael Furness	Processing Card Payments & Direct Debits	20	0	20	0	0	
Finance			20	-	20	-	-	I believe its only just gone to tender!
40056	Mark Duff	5 Year Rolling HW / SW Replacement Prog	50	45	0	(5)	(5)	Refresh now completed, no further spend expected.
40212	Mark Duff	Procurement of Joint Performance system	20	0	0	(20)	(20)	Budget not required post decoupling from OCC. Can be handed back.
40237	Mark Duff	Council Website & Digital Service	162	44	122	4	0	2nd stage of project concluded January 2023. Budget reprofiled to support further improvements to be reviewed for delivery under the Digital Futures programme in 2023/24.
40238	Mark Duff	IT Shared Services	0	0	0	0	0	Budget transferred to Digital Futures programme.
40274	Mark Duff	Digital Futures Programme	236	124	0	(112)	0	Digital Futures Programme is progressing with pilot initiatives and discovery work.
ICT			468	213	122	(133)	(25)	
Resources			14,571	6,133	7,738	(699)	(552)	
40062	Robert Jolley	East West Railways	118	1	117	(0)	20	The capital fund has been set up to enable the Council's costs to be recharged when responding to enquiries and regulatory applications, involving for example environmental and land drainage matters, made in connection with the EWR project. This is in partnership with England's Economic Heartland. Cherwell's contribution towards fibre connectivity will now take place in 2023/24 and therefore requires the remaining budget to be reprofiled
40109	Robert Jolley	Hope House	0	12	0	12	0	We commissioned the work to address two issues with the hardstandings at Hope Close and Fairway that were presenting health and safety issues.
Growth & Economy			118	13	117	12	20	
40015	Ed Potter	Car Park Refurbishments	74	28	46	(0)	-	£0.046m slippage is required in to 2023/24 to continue the projects of pay on exits sites across the district and upgrading of pay machines from 3G to 4G/5G. This project is in conjunction with CC 40026 and 40217.
40026	Ed Potter	Off Road Parking	18	0	18	-	-	£0.018m slippage is required in to 2023/24 to continue the project of installing LED lighting at various sites. This project is in conjunction with CC 40015 and 40217.

40028	Ed Potter	Vehicle Replacement Programme	1,166	537	629	0	0	£0.629m slippage is required in to 2023/24 due to supply chain issues and availability of electric vehicles.
40031	Ed Potter	Urban City Electricity Installations	15	9	0	(6)	(5)	Project completed in 2022/23
40186	Ed Potter	Commercial Waste Containers	25	25	0	0	-	Project completed in 2022/23
40187	Ed Potter	On Street Recycling Bins	18	0	18	-	-	£0.018m slippage is required in to 2023/24 due to negotiations with external clients needed for their requirements and to identify sites in need of refurbishment.
40188	Ed Potter	Thorpe Lane Depot Capacity Enhancement	158	165	0	7	5	Project completed in 2022/23
40216	Ed Potter	Street Scene Furniture and Fencing project	36	0	36	0	0	£0.036m slippage is required in to 2023/24. Ongoing issues with lease and land ownership. Optimistic will be resolved in early 2023, this work is in addition to works at other sites.
40217	Ed Potter	Car Parking Action Plan Delivery	175	157	18	0	-	£0.018m slippage is required in to 2023/24 as part of ongoing review of Car Park Action Plan. This project is in conjunction with CC 40015 and 40026.
40218	Ed Potter	Depot Fuel System Renewal	35	0	35	-	-	£0.035m slippage required in to 2023/24 once more information on new Bicester Depot site site obtained.
40220	Ed Potter	Horsefair Public Conveniences	0	0	0	-	-	Retention payment still outstanding
40222	Ed Potter	Burnehyll- Bicester Country Park	220	61	159	0	0	£0.159m slippage is required in to 2023/24 to continue development of country park.
40248	Ed Potter	Solar Panels at Castle Quay	53	0	53	-	-	£0.053m slippage is required in to 2023/24. Project to commence in early 2023/24.
40235	Ed Potter	Chargeable Garden & Food Waste	0	0	0	-	-	Accruals now written off, project completed in 2022/23.
40257	Ed Potter	Additional Commercial Waste Containers	10	11	0	1	-	Project completed in 2022/23
40258	Ed Potter	Kidlington Public Convenience Refurbishment	90	0	90	-	-	£0.090m slippage is required in to 2023/24. Tenders returned higher than expected, design/specifications to be reviewed and re-tendered in quarter 1 2023/24.
40259	Ed Potter	Market Equipment Replacement	15	0	15	-	-	£0.015m slippage required in to 2023/24.
40260	Ed Potter	Land for New Bicester Depot	3,000	11	2,989	(0)	-	Due to rapid growth within the area the Council has identified a new site for the Bicester Depot and terms for the purchase are expected to be finalised early in 23/24. A project team has been established to develop the site under a separate capital scheme. The design is expected to maximise income opportunities in vehicle maintenance, energy cost reduction and which will greatly benefit the district and further our commitment to carbon reduction.
Environmental			5,108	1,004	4,106	2	(4)	
40245	Richard Webb	Enable Agile Working	15	0	15	-	-	The funding is intended to be used to purchase the technology needed to enable the teams to use our new case management system whilst 'on-site' carrying out inspection work, etc. We have trialed different tablets but have delayed the project since the release of the app that will support mobile working has been delayed by IDOX (the case management system provider). The app is now due for release in early summer 23/24.
Regulatory			15	0	15	0	0	
Communities			5,241	1,017	4,238	14	20	
Capital Total			24,413	9,455	14,273	(685)	(534)	

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Appendix 2 - Report Details – Additional Revenue narrative

Chief Executive

Chief Executives are reporting an overspend of £0.126m against a budget of £6.480m, 1.9%.

HR & OD		There has been a (£0.043m) underspend within the HR function. The underspend can be attributed to a saving with the learning and development budget due to training being delivered more efficiently with utilisation of the apprenticeship levy where possible.
(£0.043m) Underspend	Variation	
Variance to January's forecast		
(£0.043m)		
<hr/>		
Wellbeing & Community	&	Wellbeing And Housing have managed to bring the previously reported overspend, which can be attributed to the global price rises in utility costs and maintenance costs, to within budget at year end. This was achieved by delivering full service objectives efficiently and effectively and by making best use of external funding.
Variation		
(£0.004m) underspend		
Variation to January's Forecast		
(£0.174m)		
<hr/>		
Customer Focus		Unavoidable decoupling costs and an ambitious income target for land charges were the cause of Customer Focus's final outturn position of £0.173m overspend.
Variation		
£0.173m overspend		
Variation to January's Forecast		
(£0.012m)		

Resources

Resources are reporting an overspend of £0.438m against a budget of £4.806m, 9.1%.

Finance	Overall, Finance has ended the year with an overspend of £0.158m. This is primarily made up of corporate costs from linked to decoupling from Oxfordshire County Council, housing benefit subsidy costs and bank charges totalling £0.254m, offset by underspends in the Finance and Revenues and Benefits services of (£0.085m)
Variation £0.158m overspend	
Variation to January's Forecast £0.182m	primarily related to additional grant income for administering Council Tax Rebate grant, Energy Bill support schemes and other sources of Income. Other minor variances make up the remaining (£0.011m) There has been a change from the January forecast due to separation costs of £0.030m and the final housing benefit subsidy costs for 2021/22 of £0.156m following audit. Other minor variances of (£0.004m) make up the difference.
Legal & Democratic	Law and Governance have an overspend of £0.207m. There are small variances within Elections totalling £0.023m over budget and a further £0.023m has been incurred as a result of staff costs within Democratic Process because extra resources are now required.
Variation £0.207m overspend	
Variation to January's Forecast £0.038m	The remaining additional costs are due to recruitment/locum costs the creation of a new Information Governance position which has enabled the organisation to be proactive in how it deals with information requests, meets legislation, and reduces the administrative burden across the Council and an overspend within Procurement incurred due to establishing a stand-alone service for Cherwell.
ICT	The overspend within ICT is made up of £0.048m under recovery of income attributable to the decoupling of the IT service and £0.042m costs incurred due to establishing a stand-alone IT service and a new Digital Strategy for Cherwell. A further £0.039m attributable to increased supplier costs.
Variation £0.129m overspend	
Variation to January's forecast (£0.046m)	
Property	The (£0.056m) underspend in Property is a result of: (£0.227m) of additional rent which is predicted as being achieved ahead of forecast, despite tricky economic conditions, and we have spent (£0.173m) less on external professional services than anticipated during the year. However, this is offset by an overspend of £0.170m
Variation (£0.056m) Underspend	

<p>Variation to January's forecast £0.041m</p>	<p>on utilities due to rising energy prices, £0.116m on staff costs (partly as a result of interim staff being required due to decoupling) and £0.096m increased costs which are largely operational (repairs, maintenance, security and rates). There is a further underspend of (£0.038m) relating to Castle Quay</p>
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Communities

Communities are reporting an overspend of £0.129m against a budget of £8.380m, 1.5%.

<p>Planning & Development Variation (£0.891m) underspend Variance to January's forecast (£0.228m)</p>	<p>Planning and Development recorded an outturn of £0.923m which is (£0.891m) under budget. Development Management income exceeded expectations: (£2.702m) compared to a budget of (£2.249m) and a further (£0.118m) from monitoring fees owing. This represents an additional (£0.571m) over that expected but includes (£0.200m) brought forward from 21/22 for work continuing into 22/23.</p> <p>Staffing costs in Development Management were also lower than budgeted by (£0.219m) due to staff turnover and recruitment challenges and by (£0.048m) in Planning Policy for the same reasons. Operational costs in DM were also lower than budgeted by (£0.035m).</p> <p>Overall, Development Management was significantly under budget, Planning Policy and Conservation were within budget and Building Control (including Land Drainage) was only £0.006m over budget.</p> <p>The total change of (£0.228m) from the last monitoring period arises from lower staffing costs than anticipated (£0.080m) and lower operational costs (£0.110m) and additional income (£0.038m).</p>
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<p>Growth & Economy Variation (£0.055) underspend Variance to January's forecast (£0.015m)</p>	<p>The final outturn for the Growth & Economy department is an underspend of (£0.055m) which is a slight improvement from the (£0.040m) reported in January. This mainly relates to savings in salaries due to staff secondment duties and also delivering the service objectives within budget, including the Bicester Garden Town Programme and the commencement of Banbury Regeneration. The department also began projects through the utilisation of grant funding from Central Government through the UK Shared Prosperity Funding which will continue in to 2023/24 with completion in 2024/25.</p>
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Environmental	Environmental Services are reporting a variance of £1.072m for 2022/23.
Variation £1.072m Overspend	There is a £0.347m reduction in car park income which has previously been reported mainly due to reduced volumes as a result of ongoing changes in customer behaviour. This has been addressed in the budget for 2023/24 and a review of the councils assets in the future will aim to maximise use of space.
Variance to January's forecast £0.139m	The pressure within Waste and Recycling of £0.597m is a result of a combination factors. An increase of £0.571m in employee costs due to continued unusual amount of long-term sickness and vacancies. Gate fees have risen by £0.269m due to a decrease in the value of recycled materials and an increase of £0.081m on transport costs of which £0.109m is result of high fuel costs. There has been a saving of (£0.023m) on vehicle repairs and running costs reduces this overspend, these overspends are all partly offset by additional income of (£0.411m) from a greater than budgeted number of garden waste subscriptions.
	The pressure within Vehicle Maintenance and MOT's of £0.057m is a result of additional parts and tool purchases due to maintaining a larger fleet including commercial work maintaining other vehicle fleet including West Northants & Oxfordshire County Council.
Regulatory	Regulatory Services and Community Safety is reporting a balanced outturn. Under-recovery of premises licensing income (£0.030m) due to a reduction in licence applications was offset by increased community safety related grants received in the year. Increased kennelling and vets bills incurred during the year in connection with our stray dog duties were off-set by lower than anticipated contractor spend in other budget areas.
Variation £0.003m Overspend	
Variance to January's forecast £0.003m	

Executive Matters

Executive Matters are reporting an underspend of (£0.836m) against the budget of £3.076m, (67.6%).

Interest	In July the Council borrowed £66m ahead of need at an average of 2.83% to ensure interest rate certainty. As interest rates continued to rise rapidly to 4.25% in March 2023, the surplus funds were invested at higher than anticipated rates, resulting in a savings.
Variation (£0.593m) underspend	
Variance to January's forecast	

(£0.078m)

Corporate The main reason for the variation in this area relates to
Variation £0.207m Pension costs being more than budgeted, as well
(£0.243m) underspend as earmarked reserves transfers being less than budgeted
Variance to January's (£0.102m), reduction in the bad debt provision (£0.187m),
forecast an underspend within corporate of (£0.083m) and minor
£0.004m underspends relating to (£0.078m) across the service.

Policy Contingency

Policy Contingency are reporting an underspend of (£0.729m) against a budget of £0.750m, (97.2%) the movement in this is explained below: -

Policy Contingency	Budget	Expenditure	Notes
Original Budget	3.555		
Inflation Contingency	-0.334		Used to fund pay award
Affordable Housing	-0.840		For Town Centre Roof
Commercial Risk	-0.458		Car Park Income
General Contingency	0.077		£77k is relating to Saving GWR002 removed
General Contingency	0.300		Reduction in General fund contribution
General Contingency	-0.010		Utility cost review
General Contingency	-0.010		Elections budget realignment
General Contingency	-0.047		Pension Strain
Separation Costs	-0.399		Decoupling pressure
General Contingency	0.061		NI reduction returned from services to Policy Contingency
General Contingency	-1.145		Contribution to S31 Reserve ¹
		0.021	Minor corporate costs funded from general contingency
	0.750	0.021	

¹ Due to additional business rates income during the year there is a Collection Fund surplus of £11.464m for 2022/23 of which the Council's share is £4.586m. This is £1.408m less than forecast when setting the **2023/24** budget and this amount will be offset against the **2024/25** business rates income budget. At the end of 2022/23, this has been managed through underspends identified across the organisation, facilitating a contribution to reserves of £1.145m, which combined with the closing balance on the Section 31 reserve will offset the charge to the general fund in **2024/25**.

Funding

Funding is reporting an overspend of £0.871m against a budget of (£23.492m), (3.7%) the movement in this is explained below: -

Business Rates	The Council sets its business rates income budget based on the NNDR1 form and this is the amount that is credited to the General Fund at the end of year, in accordance with statutory accounting requirements. The amount credited is £34.718m, however actual income for the year is £39.303m, a surplus of £4.586m. This surplus is managed through the Collection Fund and made available to the Council in future years.
Variation £0.871m overspend	
Variance to January's forecast £0.871m	
NB The January forecast did anticipate that a deficit on Funding would be managed through in-year underspends	The business rates levy is calculated on actual income collected at year end, so due to higher income the amount payable is £0.827m higher than estimated. This in turn is partially offset by (£0.232) additional benefit from Business Rates Pooling. Section 31 grants are paid by Central Government to compensate specific discretionary reliefs. Actual reliefs granted in year was lower than estimated and resulted in a budget variance of £0.332. The overall variance of £0.871m has been met from underspends identified at year end across the organisation.

Appendix 3 - Virement Summary

Virement Movement

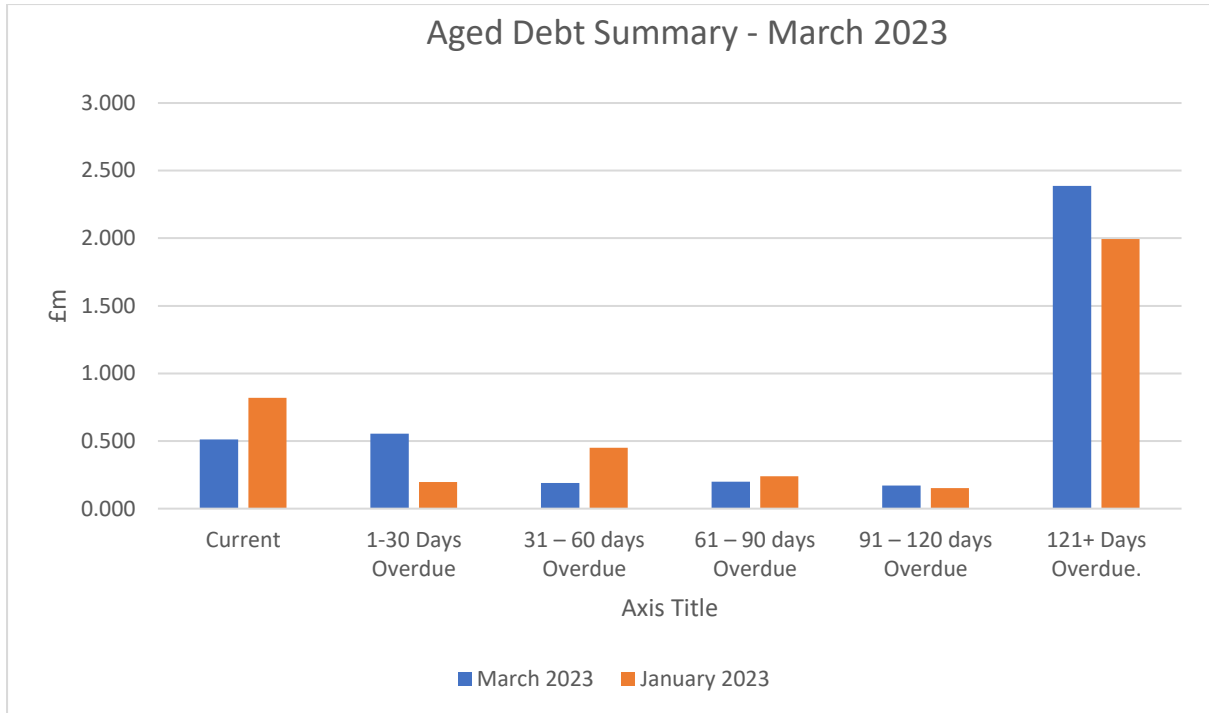
This table shows the movement in Net Budget from January to March 2023.

Virements - Movement in Net Budget	£m
Directorate Net Budget - January 2023	21.404
Directorate Net Budget - March 2023	19.666
Movement	(1.738)

Breakdown of Movements	£m
Allocations from/to Reserves	
Return unutilised HPG usage to reserves	(£0.217)
Return unutilised Brighter futures funding to reserves	(£0.043)
Return unutilised works in default funding to reserves	(£0.024)
Return unutilised SPARK usage to reserves	(£0.009)
Return unutilised RSI usage to reserves	(£0.016)
Return unutilised COMF funding to reserves	(£0.344)
Move surplus HIA income to reserve	(£0.024)
Unspent Cherwell lottery revenue transfer to reserve	(£0.016)
Return unutilised Bicester GT funding to Garden community capacity funding reserve	(£0.279)
Transfer unspent appeals budget to reserve	(£0.087)
Return unspent budgeted reserves usage to Local Plan Charges reserve	(£0.036)
Return unutilised Primary Authority consultant usage from Health & Safety public food reserve	(£0.036)
Return unutilised dilapidations reserve usage	(£0.100)

Additional contribution to dilapidations reserve for Dover garage demolition contingency	(£0.010)
Return unutilised canalside reserve usage	(£0.100)
Transfer unspent planning application income to reserves	(£0.200)
Transfer income received in relation to OxFutures and ISfB (Innovation support for Businesses) to reserves	(£0.060)
Transfer new burdens funding to revs and bens new burdens reserve	(£0.100)
Return additional 20k unutilised Bicester GT funding to Bicester Garden town reserve	(£0.020)
Additional 75k contribution to reserve for Dover Garage slippage into 23/24	(£0.070)
R5 - S106 Hanwell fields reserve usage in year	£0.006
Other	
Unspent budget back to Policy Contingency	(£0.035)
Town Centre House Roof	£0.100
Budget realignment from Policy Contingency	(£0.010)
Total	(£1.734)

There is a slight difference in the above which is due to roundings.



Aged Debt Write Off Summary:

	£m
Sundry Debts previously written off	0.635
Aged Debts written off March 2023	0.000
Total write offs to date	0.635

Housing Benefit Write off Summary:

	£m
Housing Benefit previously written off	0.316
Housing Benefit Overpayments written off January 2023 under S151 Delegation	0.000
Total Write offs to date	0.316

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Appendix 4 - Funding for 2022/23

Specific Funding

Dept.	Grant Name	Funding
		£
DLUHC	Council Rebate - Discretionary Element	205,483
DLUHC	Business Rates Reliefs - New Burdens	77,811
DLUHC	New Burdens Funding for Council Tax Rebate	78,207
DLUHC	Domestic Abuse Grant	34,413
DWP	Discretionary Housing Payment	186,083
Home Office	Asylum Seekers	22,500
MHCLG	Test & Trace	41,469
BEIS	Heat Networks Delivery Grant	26,800
DEFRA	DEFRA Air Quality grant	563
DLUHC	Rough Sleeping Accommodation Programme	31,500
DLUHC	Homeless Prevention Grant	576,760
DLUHC	Redmond Review Grant	25,991
DWP	DWP - new burdens funding	71,175
Health Education England	HEE mental health workshop	7,395
Home Office	Syrian Resettlement Scheme	256,392
Home Office	Afghan Refugee Accommodation Programme	291,450
DLUHC	Pavement licensing New Burdens	1,000
DLUHC	Elections New Burdens Funding	27,126
DWP	Housing Benefit Accuracy Award Grant	8,550
BEIS	New Burdens Funding	46,020
DLUHC	Council Tax Family Annex Grant	58,909
DLUHC	UK Prosperity Fund	83,000
DLUHC	Transparency Code New Burdens	7,679
DLUHC	Services Grant	241,323
European Structure and	Low Carbon Hub Oxfutures	37,050

investment fund		
ERDF	European Rural Development Fund	36,261
Home Office	Young Women and Girls Fund	9,457
DLUHC	Tenant Satisfaction Measures New burdens	2,829
DWP	Local Authority Partnership Engagement & Delivery	5,538
		2,498,733

Appendix 5 (Reserves and Grant Funding)

Uses of/ (Contributions to) Reserves

Specific requests

Directorate	Type	Description	Reason	Amount £m
Executive Matters	General Fund	General Fund	To reduce the budgeted general fund contribution of £0.500m by £0.300m. This will still ensure the recommended minimum of £6.00m in the General Fund.	0.300
Total General Fund				0.300

Directorate	Type	Description	Reason	Amount £m
Communities	Earmarked	Local Plan	Returning of unspent reserves from the original allocation of £50K from local plan reserve for future resilience	(0.036)
Communities	Earmarked	Planning Control	Unspent budget carried over to help support future appeals and legal challenges.	(0.087)
Communities	Earmarked	Health & Safety (Public Food)	Unspent budget carried over for future resource requirement for primary authority work.	(0.036)
Chief Executives	Earmarked	Cherwell Lottery	lottery income is used to pay out awards to charities	(0.016)
Resources	Earmarked	Garage Project and Canalside	Returning unspent use of reserves, and additional contribution for Dover Garage demolition continuing into 23/24	(0.285)
Resources	Earmarked	Capital Reserve	Returning unspent £1.2m usage from budget, plus £2.154m contribution for Minimum Revenue Provision & £0.375m contribution to be used for Town Centre House in 23/24.	(3.739)
Resources	Earmarked	Projects Reserve	Returning unspent budgeted usage for Brighter Futures (£43k), SPARK (£9k) and Works in default (£24k).	(0.106)

			In addition, £60k contribution for Banbury regeneration consultancy work continuing in 23/24, and £30k usage for OVO women's cycling 22/23.	
Chief Executives	Earmarked	Home Improvement Agency	HIA surplus is ringfenced for future home improvements	(0.024)
Resources	Earmarked	Admin for CTAX rebate	Release of funds for administering council tax rebate scheme in 22/23	0.069
Communities	Earmarked	Public Food Safety	Use of new burdens funding for food allergen labelling.	0.005
Communities	Earmarked	Development Management Casework	Planning application fees paid in 22/23 but relate to work being carried out in 23/24.	(0.200)
Resources	Earmarked	Revenue & Benefits New Burdens	To fund the retention of data for grant payments held within an external system	(0.100)
Total Earmarked Reserves				(4.555)

Directorate	Type	Description	Reason	Amount £m
Executive Matters	Grant	S31 Reserve	Contribution to S31 reserve to meet 22/23 business rates variance impact in 24/25	(1.145)
Chief Executives	Grant	Covid Outbreak Management Fund General Allocation	COMF specific projects span over in to 23/24	(0.344)
Communities	Grant	Garden Community Capacity Funding	Bicester Garden Town is a grant from Homes England specifically for the development of Bicester as a garden town. The funding was awarded based a specific projects.	(0.042)
Chief Executives	Grant	Rough Sleepers Initiative	Homelessness grant from DLUHC specifically for the prevention of homelessness. This grant has future commitments to meet.	(0.016)

Chief Executives	Grant	Homelessness Prevention	Homelessness grant from DLUHC specifically for the prevention of homelessness. This grant has future commitments to meet.	(0.217)
Communities	Grant	Bicester Garden Town	Bicester Garden Town is a grant from Homes England specifically for the development of Bicester as a garden town. The funding was awarded based on specific projects.	(0.257)
Communities	S106	Hanwell Fields S106 Revenue	Use of S106 funding for Hanwell fields	0.006
Total Ringfenced Grants				(2.015)

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Appendix 6 - Transfers to reserves to be released in 23/24

Directorate	Type	Reserve	Description	Amount £m
Chief Executive	Earmarked	Projects	Works in default within the Housing Standards team continuing into 23/24	0.024
Communities	Earmarked	Projects	OxFutures and ISFB funding for Banbury regeneration	0.060
Communities	Earmarked	Planning Control	Smoothing of appeals budget	0.087
Communities	Earmarked	Development Management Casework	For ongoing development management casework	0.200
Resources	Earmarked	Garage Project and Canalside	For Garage projects and canalside continuing into 23/24	0.285
Resources	Earmarked	Revenues and benefits new burdens	New burdens funding for data storage costs	0.020
Resources	Earmarked	Town Centre House Reserve	To meet the financial pressure for Town Centre House Roof works	0.375
				1.051

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Agenda Item 9

Budget Planning Committee	
Work Programme 2023/2024	
Date	Agenda Items
25 July 2023	CTRS Scheme
	Performance, Finance and Risk Monitoring Report - Q4 - March 2023
	Budget and Business Planning Process 2023/24
	Work Programme Update
26 September 2023	Performance, Finance and Risk Monitoring Report - Q1 - June 2023
	Work Programme Update
31 October 2023	Performance, Finance and Risk Monitoring Report - Q2 - September 2023
	Work Programme Update
5 December 2023	2024/25 Budget Proposals - Revenue and Capital and Fees & Charges
	Work Programme Update
23 January 2024	Draft 2024/25 Capital and Investment Strategy
	Draft 2024/25 Reserves Strategy and Medium Term Reserves Plan
	Work Programme Update
5 March 2024	Performance, Finance and Risk Monitoring Report - Q3 - December 2023
	Work Programme Update

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