

Cherwell District Council
Budget Planning Committee

9 September 2014

Quarter 1 Financial Performance

Report of Director of Resources

This report is public

Purpose of report

This report summarises the Council's Revenue and Capital performance for the first three months of the financial year 2014-15 and projections for the full 2014-15 period.

1.0 Recommendations

The Committee is recommended:

- 1.1 To note the projected revenue and capital position at June 2014.
- 1.2 To note the contents and the progress against the Corporate Procurement Action Plan, detailed in Appendix 1.

2.0 Introduction

- 2.1 In line with good practice budget monitoring is undertaken on a monthly basis within the Council. The revenue and capital position is reported monthly to the Joint Management Team and formally to the Budget Planning Committee on a quarterly basis. This report includes the position at Q1 which will be reported to Executive in October.
- 2.2 The revenue and capital expenditure in Q1 has been subject to a detailed review by Officers and reported monthly to management as part of the corporate dashboard.

3.0 Report Details

Projected Revenue Outturn

- 3.1 At quarter one the Council is projecting an overspend of £41,000 at the year end.

DIRECTORATE	TOTAL		
	ANNUAL BUDGET £000's	PROJECTED OUTTURN £000's	VARIANCE TO ANNUAL PROJECTION
Bicester Regeneration Projects	132	132	0
Community & Environment	9,352	9,307	(45)
Resources	2,847	2,758	(89)
Development	3,377	3,377	0
Chief Executive	185	185	0
Centrally controlled items	(1,502)	(1,327)	175
Net Revenue Projection 2014/15 @ June 2014	14,391	14,432	41

3.2 Community and Environment shows a projected underspend of (£45,000).

This primarily relates to Environmental Services where the Phase 2 shared service has resulted in (£92,000) savings for CDC. The percentage allocations of shared managers are currently estimates and are to be reviewed at Q2 to reflect the actual activity based on the first half of the year. In addition, fuel costs across the services are reduced by (£23,000) due to lower than budgeted cost per litre. The savings are then offset by a £42,000 overspend, predominantly as a result of the sickness and vacancies within Waste and Recycling which require backfilling with Agency Staff. Car parking income is forecasted to be £70,000 down but is currently being offset by other savings in the service.

3.3 Resources shows a projected underspend of (£89,000).

Savings of (£99,000) in Transformation, primarily relating to staff vacancies, and (£59,000) in Law and Governance from the over-recovery of legal fees and personal search fees are offset by an overspend of £69,000 in Finance & Procurement as a result of lower than expected subsidy levels in relation to rent allowances.

3.4 Development is projected to be on target.

At this stage it is too early to make any assumptions with regards to Castle Quay. This will be updated in the Q2 report. In addition we should shortly be receiving the audited actual 2013-14 Permitted Deductions reconciliation, for which an accrual of £70,000 was made which was based on estimated permitted deductions for the year.

3.5 Centrally controlled items shows a projected £175,000 overspend

Procurement savings of £75,000 have yet to be identified. Once these have been identified the budgets will be adjusted to reflect the savings in this area. £100,000 savings from shared working are expected to be realised in the services (e.g. Environmental Services, ICT and legal) and budget adjustments will be completed once these are confirmed. It is expected, therefore, that this will not be a pressure at year end.

The Council is anticipating significant additional income streams in relation to business rates and will report these at a future meeting.

Capital projection 2013-14

- 3.7 The estimated capital variance at year end is £1.5m of which £1.6m, predominantly from the South West Bicester Sports Village scheme, is being requested to be carried forward to 2015-16 after a thorough review of the capital profiling of projects for quarter 1. The variance after the re-profiling is £15,000 which is 0.1% of the total budget and within tolerances.

December 2013 PROJECTIONS	Full-Year Budget 2013/14 £000's	Projected Out-turn 2013/14 £000's	Projection Variance 2013/14 £000's
DIRECTORATES			
Community & Environment Resources	4,112 839	2,552 851	(1,560) 12
Development	11,382	11,385	3
Capital Total	16,333	14,788	(1,545)
Identified slippage			1,560
Variance after slippage			(15)

- 3.8 The capital budget can be analysed as follows:

Capital Budget 2014/15	£000's
Approved Capital programme for 2014/15	3,397
Prior years approved schemes (primarily Cherwell Community Led Programme)	4,962
Slippage from 2013/14 Programme	7,974
	16,333

Procurement Action Plan and Record of Savings 2014-15

- 3.9 Progress against the Council's procurement action plan is detailed under Appendix 1.
- 3.10 The procurement team have not secured any cashable savings during Quarter 1 14-15 against an annual target of £75,000 but continue to seek cashable savings at every opportunity. The team has provided valuable input into numerous capital projects including Build!, Bicester Community Building, Financial Management System and South West Bicester Sports Village.

4.0 Conclusion and Reasons for Recommendations

- 4.1 It is recommended that:
- the contents of this report are noted.

- the variance on capital projections are within the Council's stated tolerances of 5%.

5.0 Consultation

Cllr Ken Atack – Lead member
for Financial Management

Cllr Atack is content with the report and
supportive of the recommendations contained
within it.

6.0 Alternative Options and Reasons for Rejection

- 6.1 The following alternative options have been identified and rejected for the reasons as set out below.
- 6.2 Option 1: This report illustrates the Council's performance against the 2014-15 Financial Targets for Revenue, Capital and Procurement Monitoring. As this is a monitoring report, no further options have been considered. However, members may wish to request that officers provide additional information.

7.0 Implications

Financial and Resource Implications

- 7.1 These are contained in the body of the report. There are no direct costs or other direct financial implications arising from this report.

Comments checked by: Tim Madden, Interim Head of Finance
01295 221634 Tim.Madden@cherwellandsouthnorthants.gov.uk

Legal Implications

- 7.2 There are no legal implications. Presentation of this report is in line with the CIPFA Code of Practice.

Comments checked by: Kevin Lane, Head of Law and Governance
0300 0030107 kevin.lane@cherwellsouthnorthants.gov.uk

Risk management

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

Comments checked by: Jo Pitman, Head of Transformation
01295 222342, jo.pitman@cherwellandsouthnorthants.gov.uk

Equality and Diversity

- 7.4 Impact assessments were carried out in advance of setting the 2014-15 budget.

Comments checked by: Jo Pitman, Head of Transformation
01295 222342, jo.pitman@cherwellandsouthnorthants.gov.uk

8.0 Decision Information

Key Decision

Wards Affected

All

Links to Corporate Plan and Policy Framework

All

Lead Councillor

Councillor Ken Atack – Lead Member for Financial Management

Document Information

Appendix No	Title
1	Corporate Procurement Action Plan 2014-15
2	Capital Programme 2014-15
Background Papers	
None	
Report Author	Martin Henry, Director of Resources Joanne Kaye, Interim Strategic Finance Accountant
Contact Information	0300 0030102 01295 221545