

Cherwell District Council

Budget Planning Committee

Date of Meeting 14 September 2021

Monthly Performance, Finance and Risk Monitoring Report

Report of Director of Finance

This report is public

Purpose of report

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

1.0 Recommendations

The meeting is recommended:

- 1.1 to note the contents of this report

2.0 Introduction

- 2.1 CDC monitors its financial position on a monthly basis. This report provides the forecast outturn position for the year end based on the position as at July of 2021.

3.0 Report Details

Revenue Budget

- 3.1 CDC's revenue forecast financial position up to the end of July 2021 shows a forecast overspend of £1.2m. This is split between a £0.6m forecast overspend related to service delivery costs, and a £0.6m forecast under delivery of savings agreed as part of the 2021/22 budget.
- 3.2 The largest overspends are forecast in Environment and Place (£1.2m), Customers, Organisational Development and Resources (CODR) (£0.6m) and Commercial Developments, Assets and Investments (CDAI) (£1.0m). These are offset by forecast underspends in Executive Matters (£0.5m) and Policy Contingency (£1.4m).
- 3.3 The main drivers behind the Environment and Place forecast overspend is in the Environment and Waste Service with a forecast £0.7m reduction in car park income,

partly due to the impacts of Covid-19, compared to the budgeted levels and additional costs of agency staff within the waste and recycling of £0.2m.

- 3.4 The forecast overspend in CODR is mainly related to the Revenues and Benefits service and relates to project costs for bringing the service “in-house” (£0.1m) and overpayments of Housing Benefit (£0.2m). In addition there are forecast overspends in Finance due to agency staff costs and increasing insurance premiums (£0.1m).
- 3.5 CDAI’s forecast overspend is mainly linked to Castle Quay (£1.2m) and is linked to reductions in commercial income and void costs. It should be noted that this overspend had been expected and funding set aside within the Policy Contingency budget; £1.2m of the Policy Contingency underspend is to offset this overspend.
- 3.6 The underspend within Executive Matters is linked to interest costs being lower than anticipated (£0.4m).
- 3.7 The July revenue forecast is a deterioration of £0.3m compared to the previous month, primarily driven by deteriorations in the forecasts in Environment and Place (£0.1m) and Customers, Organisation Design and Resources (£0.2m). The deteriorations in Public Health and Wellbeing (£0.2m) and Commercial Developments, Assets and Investments (£0.7m) are largely offset by anticipated releases within the policy contingency budget (£0.9m) to mitigate these.

Capital Budget

- 3.8 The capital budget for 2021/22 is £40.9m. Forecast spend for the year is £38.1m, a 7% reduction. There is an overall forecast reduction in the spend on capital schemes of £0.3m (0.6%). There is a further £2.6m (6.4%) forecast spend to be reprofiled into future years.
- 3.9 Spend to be reprofiled into later years mainly relates to:
- Castle Quay (£1.8m)
 - Bicester Library Phase 1b (£0.3m)
 - Build Essential Repairs (£0.2m)
 - IT Shared Services (£0.2m)

Balance Sheet

- 3.10 CIPFA’s Financial Management (FM) Code recommends that as well as monitoring revenue and capital budgets, that balance sheet items are also monitored. In the Council’s self-assessment against the requirements of the FM Code, carried out as part of the 2021/22 budget setting process, monitoring of balance sheet items was RAG rated as Amber. The Council has sort to address this through its monitoring of debt and reserves.
- 3.11 The Council forecasts that it will have £30.9m of reserves available at 31 March 2022. There is now a clear reporting of reserves the Council originally planned to use during the year, what has subsequently been agreed and any further changes requested.
- 3.12 As at 30 June 2021 the Council had outstanding debt of £4.9m, of which £2.1m is current debt and £2.8m is in recovery. Of the £2.9m in recovery, £0.9m is over 120 days old. A review of debt over 120 days old will be carried out.

4.0 Conclusion and Reasons for Recommendations

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

5.0 Consultation

None required.

6.0 Alternative Options and Reasons for Rejection

6.1 The report sets out CDC's forecast revenue and capital position for 2020/21. 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. The monitoring position will be considered as part of the budget process for 2021/22.

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 from this report.

Comments checked by:

Richard Hawtin, Team Leader – Non-contentious Business
richard.hawtin@cherwell-dc.gov.uk 01295 221695

Risk Implications

7.3 There are no risk implications arising directly as a result of this report. Any risks will be managed as part of the operational risk register and escalated as and when necessary to the Leadership Risk Register.

Comments checked by:

Louise Tustian, Head of Insight and Corporate Programmes
louise.tustian@cherwell-dc.gov.uk 01295 221786

Equalities and Inclusion Implications

7.4 There are no equalities and inclusion implications arising directly from this report.

Comments checked by:

Louise Tustian, Head of Insight and Corporate Programmes
louise.tustian@cherwell-dc.gov.uk 01295 221786

Sustainability Implications

7.5 There are no sustainability implications arising directly from this report.

Comments checked by:

Louise Tustian, Head of Insight and Corporate Programmes

louise.tustian@cherwell-dc.gov.uk 01295 221786

8.0 Decision Information

Key Decision **N/A**

Financial Threshold Met: **N/A**

Community Impact Threshold Met: **N/A**

Wards Affected

All

Links to Corporate Plan and Policy Framework

All

Lead Councillor

N/A

Document Information

Appendix number and title

- Appendix 1 – Monthly Performance, Risk and Finance Monitoring Report
- Appendix 2 – Capital Budget
- Appendix 3 – Covid Funding
- Appendix 4 – use of reserves and grant funding
- Appendix 5 – Aged Debt

Background papers

List any non-published documents

Report Author and contact details

Michael Furness, Assistant Director of Finance, 01295 221845,
michael.furness@cherwell-dc.gov.uk