

# **Cherwell District Council**

## **Budget Planning Committee**

**Date of Meeting 26 October 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 September 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 September of 2021.

#### **3.0 Report Details**

##### **Revenue Budget**

- 3.1 CDC's revenue forecast financial position up to the end of September 2021 shows a forecast overspend of £0.8m. This is split between a £0.2m forecast overspend related to service delivery costs, and a net £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) (£0.4m) and Commercial Developments, Assets and Investments (CDAI) (£1.4m). These are offset by forecast underspends in Executive Matters (£0.5m) and Policy Contingency (£1.8m).
- 3.3 The main driver behind the Environment and Place forecast overspend is in the Environment and Waste Service with a forecast £0.8m reduction in car park income,

partly due to the impacts of Covid-19, compared to the budgeted levels and £0.1m pressure on business rates payable in car parks.

- 3.4 The forecast overspend in CODR is mainly related to the Revenues and Benefits service 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 CDAL's forecast overspend is mainly linked to Castle Quay (£1.7m) and is linked to reductions in commercial income and void costs. It should be noted that this overspend was anticipated at budget setting with funding set aside within the Policy Contingency budget; £1.6m of the Policy Contingency is available to offset this overspend, resulting in a net overspend of £0.1m.
- 3.6 The underspend within Executive Matters is linked to interest costs being lower than anticipated (£0.4m).
- 3.7 The September revenue forecast is in line with the previous month.

### **Capital Budget**

- 3.8 The capital budget for 2021/22 is £40.9m. Forecast spend for the year is £36.9m, a 9.8% reduction. There is an overall forecast reduction in the spend on capital schemes of £0.3m (0.8%). There is a further £3.7m (9.0%) forecast spend to be reprofiled into future years.
- 3.9 Spend to be reprofiled into later years mainly relates to:
- Castle Quay (£1.9m)
  - Bicester Library Phase 1b (£0.5m)
  - 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 £2.9m, of which £0.9m is current debt and £2.0m is in recovery. Of the £2.0m in recovery, £1.6m 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 2021/22. No alternative options have been considered.

## 7.0 Implications

### Financial and Resource Implications

- 7.1 There are no direct financial considerations as a result of this report. The monitoring position will be considered as part of the budget process for 2022/23.

Comments checked by:

Michael Furness, Assistant Director of Finance, 01295 221845,  
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### Legal Implications

- 7.2 There are no legal implications arising directly from this report.

Comments checked by:

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### 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:

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## 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**

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