

Appendix 2 - Report Details – Additional Revenue narrative

Chief Executive

Chief Executives are forecasting an overspend of £0.335m against a budget of £6.911m (4.8%).

HR & OD	HR are forecasting to remain in budget at present.
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£0.000m Variance

Variance to August's
forecast
£0.000m

Wellbeing Community	& The cost of utilities continues to put pressure on the leisure budget. Teams within the Wellbeing and Housing service have contracted their spending to reduce the overspend from August levels.
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Variation
£0.160m
Overspend

Variation to August's
Forecast
(£0.140m)

Customer Focus	During September Customer Focus projected an overspend of £0.175m. This is a result of decoupling from OCC, and subsequent establishment of a new service delivery structure, including new members of staff being recruited to continue to provide an excellent customer experience.
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Variation
£0.175m overspend

Variation to August's
Forecast
£0.132m

Resources

Resources are reporting an overspend of £0.180m against a budget of £4.450m (4.0%).

Finance	Bank Charges have increased for the council due to increasing numbers of card payments being taken by the council and Bank Transfer payments being made by the council £0.058m. Decoupling costs linked to advertising costs for senior posts of £0.038m have been incurred. There are minor variations over the rest of the service as a whole (£0.009m)
Variation £0.087m Overspend	
Variation to August's Forecast £0.076m	
Legal & Democratic	Law and Governance are forecasting an overspend of £0.058m. The costs within District Elections are £0.018m over budget and the remaining £0.040m is primarily as a result of staff costs within Democratic Process because extra resources are now required.
Variation £0.058m overspend	
Variation to August's Forecast (£0.021m)	
ICT	The projected overspend within IT is made up of £0.153m (consisting of £0.048m under recovery of income and £0.105m consultant fees) attributable to the decoupling of the IT service and establishing a stand-alone IT service and a new Digital Strategy for Cherwell, £0.047m attributable to increased supplier costs and £0.014m minor overspends.
Variation £0.214m overspend	
Variation to August's forecast £0.028m	
Property	The (£0.179m) underspend is a result of £0.220m of additional rent which is predicted as being achieved ahead of forecast, despite tricky economic conditions, and we are predicting spending £0.162m less on consultancy fees than anticipated during the year. However, this is offset by an overspend of £0.067m on utilities due to rising energy prices, £0.095m on staff costs (partly as a result of interim staff being required due to decoupling) and £0.041m increased costs which are largely operational (repairs, maintenance, security and rates).
Variation (£0.179m) underspend	
Variation to August's forecast (£0.049m)	

Communities

Communities are forecasting an overspend of £0.424m against a budget of £8.869m, (4.8%).

Planning & Development	The current budget of £2.1m includes an in-year uplift for the Development Management service to support staffing levels and improvement work in the context of high workloads. Agency staff are being used to support service delivery with the additional cost being largely offset by higher-than-expected fee income and the budget uplift. An underspend of circa £0.075m is under review for Development Management due to more vacant posts coming available during September with an aim to fill between December this year and January next year.
Variation (£0.027m) underspend	
Variance to August's forecast £0.004m	
	<p>The Planning Policy and Conservation service is presently forecast to have an overspend of £0.028m, However, the situation in both services is presently fluid due to persistent recruitment challenges. Development Management income will also fluctuate.</p> <p>The Building Control, Dangerous Structures, Street-naming, and Land Drainage services are presently forecast to have a slight overspend at year end of £0.015m due to unpredictability of income up to the end of the year due to seasonal and market conditions.</p> <p>Overall, the current forecast of being within budget by (£0.027m) is comparable to last month's forecast (£0.031m).</p>
Growth & Economy	The Growth and Economy department is forecasting, for September 2022, an overall overspend of £0.035m which consists of £0.225m overspend on the Build team - mainly a £0.125m increase relating to repairs and maintenance and agency staff costs. The offsetting underspend relates to savings within Growth & Economy. Within the overspend in Build there is non-delivery of savings of £0.129m.
Variation £0.035 overspend	
Variance to August's forecast £0.115m	

<p>Environmental</p> <p>Variation £0.237m Overspend</p> <p>Variance to August's forecast £0.076m</p>	<p>The forecast variance for Environmental Services for September is £0.237m.</p> <p>We are continuing to monitor the figures for car parking income. There is an indication that the car parking forecast may need to further deteriorate but before the forecast is updated a further month's financial data is required.</p> <p>The forecasted pressure of £0.209m within Waste and Recycling is as a result of multiple factors. This is largely due to a pressure of £0.209m in employee costs due to increased use of agency staff for backfilling vacant posts and several long-term sick. A net increase of £0.073m in additional transports costs largely fuel is partially offset by savings on vehicle maintenance and mileage. An increase of £0.055m on gate fees for glass recycling & food waste being a higher rate per tonne than originally budgeted. However additional income of (£0.314m) due to the higher than anticipated take up of garden waste subscriptions offsets under recovery on credits, sale of materials, bulky waste collections and sale of trade sacks resulting in a net (£0.170m). This forecast is all made up of other minor variances across the service totalling £0.042m. The forecasted pressure of £0.028m within Landscaping is a result of an increase in anticipated grounds maintenance costs and under recovery of income from street and specialist markets.</p>
<p>Regulatory</p> <p>Variation £0.000m</p> <p>Variance to August's forecast £0.000m</p>	<p>Regulatory Services is on target with a small overspend due to reduced income in Licensing offset by savings from vacant posts.</p>

Executive Matters

Executive Matters is forecasting an overspend of £0.209m against the budget of £1.055m, (19.8%).

Interest	Locking in PWLB loans ahead of need, at a weighted average rate of 2.83%, could result in lower interest costs
Variation	of approximately £1.500m per year, as the current
£0.209m overspend	weighted average rate for same PWLB loans is 5.08%.
Variance to August's forecast	
(£0.096m)	

Policy Contingency

Policy Contingency is forecasting an underspend of (£0.332m) against a budget of £2.207m, (35.8%).

Policy Contingency	Policy Contingency is planned to meet affordable housing, commercial pressures, separation costs and inflation. There is a currently projected release of (£0.332) for inflation to partially mitigate some of the inflationary costs that the Council is experiencing.
Variation	
(£0.332m) underspend	
Variance to August's forecast	
£0.000m	
