

## Appendix 2 - Report Details – Additional Revenue narrative

### Chief Executive

Chief Executives are forecasting an overspend of £0.415m against a budget of £6.881m (6.0%).

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

Variance to  
September's forecast  
£0.000m

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Wellbeing Community	&	The overspend has increased this month and can be attributed to the continuing higher utility costs and an existing pressure in our affordable rent stock moved to the Housing service for future operational effectiveness and oversight.
Variation £0.280m Overspend		

Variation to  
September's Forecast  
£0.120m

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Customer Focus		In the last month Customer Focus has managed to reduce the overspend predicted at year end by (£0.040m) through holding on to vacancies and reducing its costs to external suppliers. It is now predicting a year-end overspend of £0.135m which is largely from the costs of establishing a new service to support and enable the Council to achieve its business plan aims, following the decoupling from OCC.
Variation £0.135m overspend		
Variation to September's Forecast (£0.040m)		

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## Resources

Resources are reporting an overspend of £0.252m against a budget of £5.188m (4.9%).

Finance	£0.087m overspend: Bank Charges has 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 September's Forecast £0.000m	
Legal & Democratic	Law and Governance are forecasting an overspend of £0.110m. 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. The remaining overspend is as a result of additional costs incurred within Information Governance staffing as a result of decoupling.
Variation £0.110m overspend	
Variation to September's Forecast £0.052m	
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 September's forecast £0.000m	
Property	The (£0.159m) underspend is a result of (£0.193m) of additional rent which is predicted as being achieved ahead of forecast, despite tricky economic conditions, and we are predicting spending (£0.173m) less on consultancy fees than anticipated during the year. However, this is offset by an overspend of £0.021m on utilities due to rising energy prices, £0.118m on staff costs (partly as a result of interim staff being required due to decoupling) and £0.068m increased costs which are largely operational (repairs, maintenance, security and rates).
Variation (£0.159m) underspend	
Variation to September's forecast £0.020m	

## Communities

Communities are forecasting an overspend of £0.628m against a budget of £9.251m, (6.8%).

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Planning & Development	&	Overall, the current forecast of being within budget by (£0.034m) is comparable to last month's forecast (£0.027m).
Variation (£0.034m) underspend		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 presently being offset by the budget uplift. An underspend of (£0.098m) is presently forecast for Development Management which has increased from last month (£0.075m) due to vacant posts.
Variance to September's forecast (£0.007m)	to	The Planning Policy and Conservation service is presently forecast to have an overspend of £0.029m, a minor change from £0.028m last month. However, the situation is presently fluid due to recent reprofiling of vacant posts, recruitment, and consultancy costs in the context of the Local Plan programme.
		The Building Control, Dangerous Structures, Street-naming, and Land Drainage services are presently forecast to have an overspend at year end of £0.032m, a change from £0.015m last month. Income is presently on budget but there is some agency cost necessary to maintain service delivery.

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Growth & Economy		The Growth and Economy department is forecasting, for October 2022, an overall underspend of (£0.010m). This contrasts with last months projected overspend of £0.035m and the change has come about because the Build team, which had formerly been part of the department has now been split and transferred across to Housing Service (for Housing Management) and Property (for Construction and Maintenance).
Variation (£0.010) underspend		The updates for former Build activities will now be reported elsewhere. The underspend for October is mainly attributed to £0.048m overspend on partnership contributions offset by (£0.058m) of staff savings due to secondment arrangements and holding on to vacancies; this is in preparation for a new structure will be introduced in the coming months.
Variance to September's forecast (£0.045m)	to	

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Environmental	The forecast variance for Environmental Services for October is £0.652m.
Variation £0.652m Overspend	This is largely due to the continued pressure within Car Parks of £0.364m. There is a £0.280m reduction anticipated in car park income largely due to reduced demand.
Variance to September's forecast £0.415m	Other variances across the service totalling £0.084m is due to an increase in premises costs and the delay to implement the new car park management contract.
	The charges increase of 25% last year, produced an increase in income of 16-18%. Similarly, a further 10% rise in July 2022 is not anticipated to increase income by 10%.
	The forecasted pressure of £0.268m within Waste and Recycling is as a result of multiple factors. This is largely due to a pressure of £0.218m in employee costs due to increased use of agency staff for backfilling vacant posts and several long-term sick.
	A net increase of £0.081m in additional transports costs largely fuel of £0.121m is partially offset by savings of (£0.040m) on vehicle maintenance and mileage.
	An increase of £0.086m 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 (£0.161m).
	This forecast is all made up of other minor variances across Waste and Recycling totalling £0.044m.
	The forecasted pressure of £0.030m within Landscaping is a result of an increase in anticipated grounds maintenance costs and under recovery of income from street and specialist markets. Investigations in to whether Landscaping can achieve additional income through closer working with other departments will be reported back in November.
	This forecast is all made up of other minor variances across Street Cleansing and Vehicle Maintenance totalling (£0.011m).

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Regulatory	Regulatory Services and Community Safety is reporting a
Variation	£0.020m overspend due to an under-recovery of licensing
£0.020m	income £0.040m partially offset by vacant posts and the
	receipt of a grant for community safety £0.020m.

Variance to  
September's forecast  
£0.020m

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### **Executive Matters**

Executive Matters is forecasting an overspend of £0.007m against the budget of £0.135m, (-5.2%).

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Interest	As investment interest rates are increasing the forecast
Variation	cost to carry (difference between cost of loan and what
£0.007m overspend	returns can be made investing surplus funds which arises
	due to borrowing in advance of need) has reduced. The
Variance to	original calculations used 1.8% as an average return
September's forecast	which has now increased to 2.8%.
(£0.202m)	

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### **Policy Contingency**

Policy Contingency is forecasting an underspend of (£0.332m) against a budget of £2.037m, (-16.3%).

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Policy Contingency	Policy Contingency is planned to meet affordable
Variation	housing, commercial pressures, separation costs and
(£0.332m) underspend	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.

Variance to  
September's forecast  
£0.000m

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