

Appendix 2 - Report Details – Additional Revenue narrative

Chief Executive

Chief Executives are reporting an overspend of £0.126m against a budget of £6.480m, 1.9%.

HR & OD		There has been a (£0.043m) underspend within the HR function. The underspend can be attributed to a saving with the learning and development budget due to training being delivered more efficiently with utilisation of the apprenticeship levy where possible.
(£0.043m) Underspend	Variation	
Variance to January's forecast		
(£0.043m)		
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Wellbeing & Community	&	Wellbeing And Housing have managed to bring the previously reported overspend, which can be attributed to the global price rises in utility costs and maintenance costs, to within budget at year end. This was achieved by delivering full service objectives efficiently and effectively and by making best use of external funding.
Variation		
(£0.004m) underspend		
Variation to January's Forecast		
(£0.174m)		
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Customer Focus		Unavoidable decoupling costs and an ambitious income target for land charges were the cause of Customer Focus's final outturn position of £0.173m overspend.
Variation		
£0.173m overspend		
Variation to January's Forecast		
(£0.012m)		

Resources

Resources are reporting an overspend of £0.438m against a budget of £4.806m, 9.1%.

Finance	Overall, Finance has ended the year with an overspend of £0.158m. This is primarily made up of corporate costs from linked to decoupling from Oxfordshire County Council, housing benefit subsidy costs and bank charges totalling £0.254m, offset by underspends in the Finance and Revenues and Benefits services of (£0.085m)
Variation £0.158m overspend	
Variation to January's Forecast £0.182m	primarily related to additional grant income for administering Council Tax Rebate grant, Energy Bill support schemes and other sources of Income. Other minor variances make up the remaining (£0.011m) There has been a change from the January forecast due to separation costs of £0.030m and the final housing benefit subsidy costs for 2021/22 of £0.156m following audit. Other minor variances of (£0.004m) make up the difference.
Legal & Democratic	Law and Governance have an overspend of £0.207m. There are small variances within Elections totalling £0.023m over budget and a further £0.023m has been incurred as a result of staff costs within Democratic Process because extra resources are now required.
Variation £0.207m overspend	The remaining additional costs are due to the creation of a new Information Governance position which has enabled the organisation to be proactive in how it deals with information requests, meets legislation, and reduces the administrative burden across the Council and an overspend within Procurement incurred due to establishing a stand-alone service for Cherwell.
Variation to January's Forecast £0.038m	
ICT	The overspend within ICT is made up of £0.048m under recovery of income attributable to the decoupling of the IT service and £0.042m costs incurred due to establishing a stand-alone IT service and a new Digital Strategy for Cherwell. A further £0.039m attributable to increased supplier costs.
Variation £0.129m overspend	
Variation to January's forecast (£0.046m)	
Property	The (£0.056m) underspend in Property is a result of: (£0.227m) of additional rent which is predicted as being achieved ahead of forecast, despite tricky economic conditions, and we have spent (£0.173m) less on external professional services than anticipated during the year. However, this is offset by an overspend of £0.170m on utilities due to rising energy prices, £0.116m on staff costs (partly as a result of interim staff being required due
Variation (£0.056m) Underspend	
Variation to January's forecast £0.041m	

to decoupling) and £0.096m increased costs which are largely operational (repairs, maintenance, security and rates). There is a further underspend of (£0.038m) relating to Castle Quay

Communities

Communities are reporting an overspend of £0.129m against a budget of £8.380m, 1.5%.

Planning & Development	& Planning and Development recorded an outturn of £0.923m which is (£0.891m) under budget. Development Management income exceeded expectations: (£2.702m) compared to a budget of (£2.249m) and a further (£0.118m) from monitoring fees owing. This represents an additional (£0.571m) over that expected but includes (£0.200m) brought forward from 21/22 for work continuing into 22/23.
Variation (£0.891m) underspend	
Variance to January's forecast (£0.228m)	Staffing costs in Development Management were also lower than budgeted by (£0.219m) due to staff turnover and recruitment challenges and by (£0.048m) in Planning Policy for the same reasons. Operational costs in DM were also lower than budgeted by (£0.035m).
	Overall, Development Management was significantly under budget, Planning Policy and Conservation were within budget and Building Control (including Land Drainage) was only £0.006m over budget.
	The total change of (£0.228m) from the last monitoring period arises from lower staffing costs than anticipated (£0.080m) and lower operational costs (£0.110m) and additional income (£0.038m).
Growth & Economy	The final outturn for the Growth & Economy department is an underspend of (£0.055m) which is a slight improvement from the (£0.040m) reported in January. This mainly relates to savings in salaries due to staff secondment duties and also delivering the service objectives within budget, including the Bicester Garden Town Programme and the commencement of Banbury Regeneration. The department also began projects through the utilisation of grant funding from Central Government through the UK Shared Prosperity Funding which will continue in to 2023/24 with completion in 2024/25.
Variation (£0.055) underspend	
Variance to January's forecast (£0.015m)	

Environmental	Environmental Services are reporting a variance of £1.072m for 2022/23.
Variation £1.072m Overspend	There is a £0.347m reduction in car park income which has previously been reported mainly due to reduced volumes as a result of ongoing changes in customer behaviour. This has been addressed in the budget for 2023/24 and a review of the councils assets in the future will aim to maximise use of space.
Variance to January's forecast £0.139m	The pressure within Waste and Recycling of £0.597m is a result of a combination factors. An increase of £0.571m in employee costs due to continued unusual amount of long-term sickness and vacancies. Gate fees have risen by £0.269m due to a decrease in the value of recycled materials and an increase of £0.081m on transport costs of which £0.109m is result of high fuel costs. There has been a saving of (£0.023m) on vehicle repairs and running costs reduces this overspend, these overspends are all partly offset by additional income of (£0.411m) from a greater than budgeted number of garden waste subscriptions.
	The pressure within Vehicle Maintenance and MOT's of £0.057m is a result of additional parts and tool purchases due to maintaining a larger fleet including commercial work maintaining other vehicle fleet including West Northants & Oxfordshire County Council.
Regulatory	Regulatory Services and Community Safety is reporting a balanced outturn. Under-recovery of premises licensing income (£0.030m) due to a reduction in licence applications was offset by increased community safety related grants received in the year. Increased kennelling and vets bills incurred during the year in connection with our stray dog duties were off-set by lower than anticipated contractor spend in other budget areas.
Variation £0.003m Overspend	
Variance to January's forecast £0.003m	

Executive Matters

Executive Matters are reporting an underspend of (£0.836m) against the budget of £3.076m, (67.6%).

Interest	In July the Council borrowed £66m ahead of need at an average of 2.83% to ensure interest rate certainty. As interest rates continued to rise rapidly to 4.25% in March 2023, the surplus funds were invested at higher than anticipated rates, resulting in a savings.
Variation (£0.593m) underspend	
Variance to January's forecast	

(£0.078m)

Corporate The main reason for the variation in this area relates to
Variation £0.207m Pension costs being more than budgeted, as well
(£0.243m) underspend as earmarked reserves transfers being less than budgeted
Variance to January's (£0.102m), reduction in the bad debt provision (£0.187m),
forecast an underspend within corporate of (£0.083m) and minor
£0.004m underspends relating to (£0.078m) across the service.

Policy Contingency

Policy Contingency are reporting an underspend of (£0.729m) against a budget of £0.750m, (97.2%) the movement in this is explained below: -

Policy Contingency	Budget	Expenditure	Notes
Original Budget	3.555		
Inflation Contingency	-0.334		Used to fund pay award
Affordable Housing	-0.840		For Town Centre Roof
Commercial Risk	-0.458		Car Park Income
General Contingency	0.077		£77k is relating to Saving GWR002 removed
General Contingency	0.300		Reduction in General fund contribution
General Contingency	-0.010		Utility cost review
General Contingency	-0.010		Elections budget realignment
General Contingency	-0.047		Pension Strain
Separation Costs	-0.399		Decoupling pressure
General Contingency	0.061		NI reduction returned from services to Policy Contingency
General Contingency	-1.145		Contribution to S31 Reserve ¹
		0.021	Minor corporate costs funded from general contingency
	0.750	0.021	

¹ Due to additional business rates income during the year there is a Collection Fund surplus of £11.464m for 2022/23 of which the Council's share is £4.586m. This is £1.408m less than forecast when setting the **2023/24** budget and this amount will be offset against the **2024/25** business rates income budget. At the end of 2022/23, this has been managed through underspends identified across the organisation, facilitating a contribution to reserves of £1.145m, which combined with the closing balance on the Section 31 reserve will offset the charge to the general fund in **2024/25**.

Funding

Funding is reporting an overspend of £0.871m against a budget of (£23.492m), (3.7%) the movement in this is explained below: -

Business Rates	The Council sets its business rates income budget based on the NNDR1 form and this is the amount that is credited to the General Fund at the end of year, in accordance with statutory accounting requirements. The amount credited is £34.718m, however actual income for the year is £39.303m, a surplus of £4.586m. This surplus is managed through the Collection Fund and made available to the Council in future years.
Variation £0.871m overspend	
Variance to January's forecast £0.871m	
NB The January forecast did anticipate that a deficit on Funding would be managed through in-year underspends	The business rates levy is calculated on actual income collected at year end, so due to higher income the amount payable is £0.827m higher than estimated. This in turn is partially offset by (£0.232) additional benefit from Business Rates Pooling.
	Section 31 grants are paid by Central Government to compensate specific discretionary reliefs. Actual reliefs granted in year was lower than estimated and resulted in a budget variance of £0.332.
	The overall variance of £0.871m has been met from underspends identified at year end across the organisation.
