

This report is public	
Monthly Performance Report	
Committee	Budget Planning Committee
Date of Committee	17 September 2024
Portfolio Holder presenting the report	Portfolio Holder for Finance, Property & Regeneration, Councillor Lesley McLean
Date Portfolio Holder agreed report	20 August 2024
Report of	Assistant Director of Finance, Michael Furness

Purpose of report

This report summarises Cherwell District Council's (CDC's) forecast revenue and capital outturn for 2024/2025 as at 30 June 2024 to give the Committee the opportunity to consider the finance aspects of the report.

1. Recommendations

The Budget Planning Committee resolves:

- 1.1 To note the contents of this report.

2. Executive Summary

- 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 30 June 2024.

Implications & Impact Assessments

Implications	Commentary			
Finance	Financial and Resource implications are detailed within sections 4.1 and 4.2 of this report. The reserves policy requires Executive to agree transfers to and from earmarked reserves and general balances during the financial year. Joanne Kaye, Head of Finance, 29/08/2024			
Legal	There are no direct legal implications arising from this report. Shahin Ismail, Interim Head of Legal Services. Shahin.ismail@cherwell-dc.gov.uk			
Risk Management	There are no risk implications arising directly from this report Celia Prado-Teeling, Performance Team Leader, 27 August 2024			
Impact Assessments	Positive	Neutral	Negative	Commentary
Equality Impact		X		There are no equality implications arising directly as a consequence of this report

				Celia Prado-Teeling, Performance Team Leader, 27 August 2024
A Are there any aspects of the proposed decision, including how it is delivered or accessed, that could impact on inequality?		X		
B Will the proposed decision have an impact upon the lives of people with protected characteristics, including employees and service users?		X		
Climate & Environmental Impact		X		N/A
ICT & Digital Impact		X		N/A
Data Impact		X		N/A
Procurement & subsidy		X		N/A
Council Priorities	N/A			
Human Resources	N/A			
Property	N/A			
Consultation & Engagement	This report sets out the financial forecast for the financial year ended 31 March 2025, therefore no formal consultation or engagement is required.			

Supporting Information

3. Background

- 3.1 The council actively and regularly monitors its performance, risk, and financial positions to ensure it can deliver its corporate priorities and respond effectively to emerging issues.
- 3.2 This monitoring takes place at least monthly for the finance element and quarterly for performance and risk, so the council can identify potential issues at the earliest opportunity and put measures in place to mitigate them.

4. Details

4.1 The council's forecast outturn position for 2024/2025 is an overspend of £0.312m. The forecast overspend is due to pressures within certain services and further details can be found in Appendix 2. In line with the principles outlined in the Chief Finance Officer's Section 25 statement that accompanied the 2024/25 budget report, services that are forecasting an overspend are actively looking for solutions to mitigate this. Furthermore, services that are forecasting to operate within their budget are also looking for ways that they could reduce their net expenditure position. This will be supplemented by the Transformation Programme currently underway at the council. Where suitable proposals are identified that can be implemented before the start of the 2025/26 the council will consider this. As such the council is looking to manage the budget in a corporate way that minimises any impact on service provision.

Table 1: Year End Position

Forecast Outturn - June 2024	Original Budget	Current Budget	June Forecast Outturn	June Variance (Under) / Over	% Variance to current budget	May Variance (Under) / Over	Change since Previous (better) / worse
	£m	£m	£m	£m	%		
Chief Executive	5.337	5.379	5.349	(0.030)	-0.6%	0.025	(0.055)
Resources	4.382	4.422	4.651	0.229	5.2%	0.048	0.181
Communities	8.996	8.996	9.096	0.100	1.1%	0.000	0.100
Subtotal Directorates	18.715	18.797	19.096	0.299	5.7%	0.073	0.226
Executive Matters	4.293	4.293	4.306	0.013	-0.3%	0.000	0.013
Policy Contingency	3.979	3.897	3.897	0.000	0.0%	0.000	0.000
Total	26.987	26.987	27.299	0.312	1.2%	0.073	0.239
FUNDING	(26.987)	(26.987)	(26.987)	0.000	0.0%	0.000	0.000
(Surplus)/Deficit	0.000	0.000	0.312	0.312		0.073	0.239

Note: A positive variance is an overspend or a reduction in forecast income and a (negative) is an underspend or extra income received. Green represents an underspend and red represents a overspend for the current month's forecast.

Table 2: Analysis of Forecast Variance – June 2024

Breakdown of current month forecast	June 2024 Forecast	Base Budget Over/ (Under)	Savings Non-Delivery
	£m	£m	£m
Chief Executive	(0.030)	(0.120)	0.090
Resources	0.229	0.229	0.000
Communities	0.100	0.034	0.066

Subtotal Directorates	0.299	0.143	0.156
Executive Matters	0.013	0.013	0.000
Policy Contingency	0.000	0.000	0.000
Total	0.312	0.156	0.156

FUNDING	0.000	0.000	0.000
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(Surplus)/Deficit	0.312	0.156	0.156
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Table 3: Budget compared with Forecast

The graph below shows the Budget compared with the forecast to the end of the financial year.

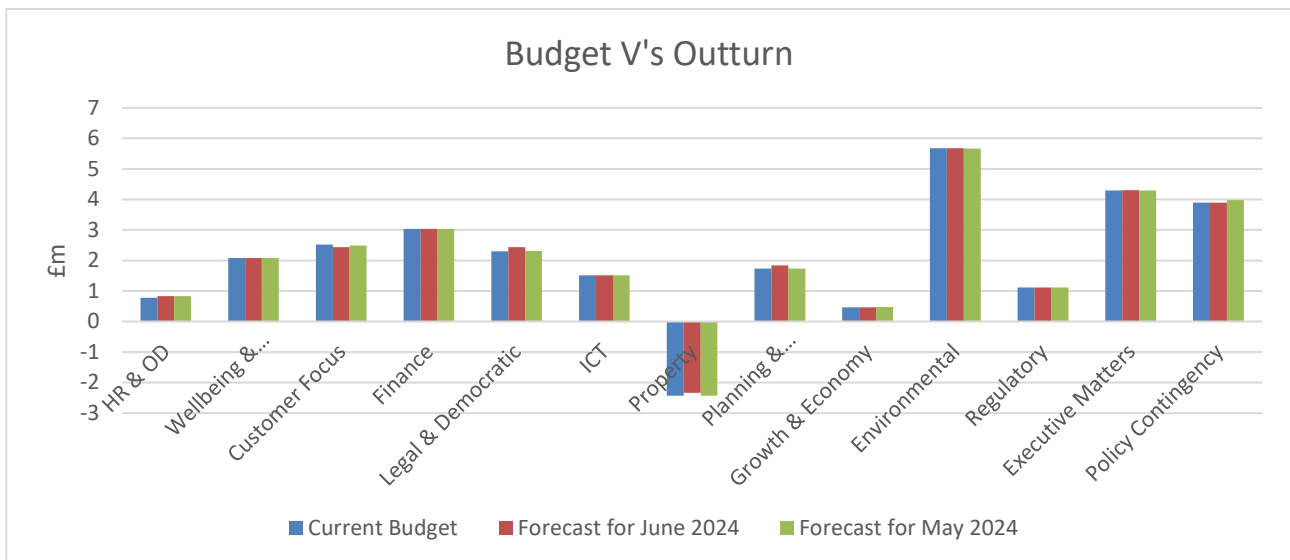


Table 4: Top Major Variances:

Service	Current Budget	Variance	% Variance
Legal, Democratic, Elections & Procurement	2.305	0.129	5.6%
Planning & Development	1.738	0.100	5.8%
Property	(2.432)	0.100	-4.1%
Total	1.611	0.329	

Legal, Democratic, Elections & Procurement – Overspend £0.129m (May 2024 variance £0.048m)

Professional support obtained through use of locum lawyers and other professional staff makes up the bulk of the overspend. The MO is responsible for securing appropriate and

suitable legal advice, investigating and reporting on anything the Council does that has the potential to be an illegal action or investigating and reporting on any action that might count as maladministration. However, the service recognises that it needs to operate within its budget, it has been actively trying to recruit to permanent positions together with demand management measures.

Planning & Development – Overspend £0.100m (May 2024 variance £0.000m)

Planning and Development is forecasting an overall overspend of £0.100m. The forecast for pre-application income has fallen and there are higher staffing costs (agency & consultancy). This is partly offset by income from Planning Performance Agreements and Building Control being higher than expected.

Property – Overspend £0.100m (May 2024 Variance overspend £0.000m)

The £0.100m overspend has occurred due to void costs of holding vacant units. Some units are under offer and lettings are expected to complete soon. This will have the impact of reducing the overspend as the financial year progresses.

Policy Contingency

The council has to fund the costs of a planning appeal that it lost for c£0.5m. These costs are expected to be able to be met from within policy contingency budgets available to the council.

Reserves

Allocations to and from reserves are made according to the Reserves Policy. Table 5 below summarises the movements which have been requested in June 2024, further detail is provided in Appendix 5.

Table 5: Earmarked Reserves:

Reserves	Balance 1 April 2024	Original Budgeted use/ (contribution)	Changes agreed since budget setting	Changes proposed June 2024	Balance 31 March 2025
	£m	£m	£m	£m	£m
General Balance	(6.153)	0.000	0.000	0.000	(6.153)
Earmarked	(28.325)	(0.776)	0.172	0.000	(28.929)
Ringfenced Grant	(2.552)	0.898	0.009	0.342	(1.303)
Subtotal Revenue	(37.030)	0.122	0.181	0.342	(36.385)
Capital	(6.293)	3.250	0.000	0.000	(3.043)
Total	(43.323)	3.372	0.181	0.342	(39.428)

*According to the Reserves Policy Executive are only required to approve uses of Capital Reserves, not contributions.

Please see appendix 5 for reserve requests.

4.2 Capital

There is an in-year underspend of (£4.757m), of which £0.739m is to be reprofiled into future years.

Directorate	Budget £m	Forecast Spend 24/25 £m	Re-profiled beyond 2024/25 £m	Variance to Budget £m	Prior Month Variance to Budget £m
Chief Executives	6.957	6.519	0.000	(0.438)	(1.250)
Resources	10.204	9.959	0.000	(0.245)	(0.245)
Communities	8.057	3.983	0.739	(3.335)	0.000
Total	25.218	20.461	0.739	(4.018)	(1.495)

For further detail please view Appendix 1.

Table 7: How the Capital Programme is financed

Financing	24/25 Budget £m	Future Years £m	Total
Borrowing	16.839	8.254	25.093
Capital Grants	0.425	5.250	5.675
Capital Receipts	6.143	4.956	11.099
S106 Receipts	1.811	3.082	4.893
	25.218	21.542	46.760

Table 8: Total Capital Project Outturn

Directorate	Budget £m	Total Forecast 2024/25 £m	Variance to Budget £m	Prior Month Variance to Budget £m
Chief Executives	15.536	15.098	(0.438)	(1.250)
Resources	14.671	14.426	(0.245)	(0.245)
Communities	16.553	16.553	0.000	0.000
Total	46.760	46.077	(0.683)	(1.495)

Table 9: Top in-year variances: -

Code	Top In-Year Variances	Budget Total £'000	Reprofile to 24/25 £'000	% of in year Budget Variance
40286	Transforming Market Square Bicester	4.235	4.055	95.75%
40062	East West Railways	0.049	0.019	39.15%
		4.283	4.074	

40286 – Transforming Market Square Bicester - Market Square study to be completed in 2024/25, with approvals and procurement of contractor completed by early Q1 2025/26 and works implemented over Financial year's 2025/26 and 2026/27.

40062 – East West Railways – The capital fund has been set up to enable the Council's costs to be recharged when responding to enquiries and regulatory applications, involving for example environmental and land drainage matters, made in connection with the EWR project. This is in partnership with England's Economic Heartland. The Digital Enhancement Project is a small element of CDC's commitment, involving the transfer of funds in four stages to reflect Network Rail's delivery of the digital infrastructure. The fourth invoice of £26,500 is expected to be received by the end of Q1 2024/25, dependent upon practical progress.

5. Alternative Options and Reasons for Rejection

5.1 The following alternative options have been identified and rejected for the reasons as set out below.

Option 1: This report summarises the council's financial position up to the end of June 2024, therefore there are no alternative options to consider. However, members may wish to request further information from officers for inclusion.

6 Conclusion and Reasons for Recommendations

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

Decision Information

Key Decision	N/A
Subject to Call in	N/A
If not, why not subject to call in	N/A
Ward(s) Affected	All

Document Information

Appendices	
Appendix 1	Capital June 2024
Appendix 2	Detailed Revenue Narrative on Forecast June 2024
Appendix 3	Virements June 2024
Appendix 4	Funding June 2024

Appendix 5	Use of Reserves and Grant Funding June 2024
Background Papers	N/A
Reference Papers	N/A
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