

This report is public	
Monthly Finance Performance Report	
Committee	Budget Planning Committee
Date of Committee	05 March 2024
Portfolio Holder presenting the report	Councillor Adam Nell
Date Portfolio Holder agreed report	24 February 2024
Report of	Assistant Director of Finance

Purpose of report

This report summarises Cherwell District Council's (CDC's) forecast revenue and capital outturn for 2023/2024 as at 31 January 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 content of the report and to consider and comment on the proposals.

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 31 January 2024.

Implications & Impact Assessments

Implications	Commentary			
Finance	There are no financial implications arising directly from this report and is for information only. Kelly Wheeler, Finance Business Partner, 22 February 2024			
Legal	There are no legal implications arising from the report. Shahin Ismail, Legal Services Manager, 26 February 2024			
Risk Management	There are no risk implications arising from this report. Celia Prado-Teeling, Performance & Insight Team Leader, 22 February 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 & Insight Team Leader, 22 February 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 as at January 2024 therefore no formal consultation or engagement is required.			

Supporting Information

3. Background

- 3.1 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 31 January 2024.
- 3.2 Revenue Budget - The Council's forecast outturn position for 2023/2024 is an underspend of (£0.059m) shown in Table 1.

3.3 Capital Budget 2.4 There is a forecast in-year underspend of (£12.439m), of which £12.435m is to be reprofiled into future years.

4. Details

4.1 The Council's forecast outturn position for 2023/2024 is an underspend of (£0.059m). This is after an underspend within Policy contingency which will offset the lower than budgeted in-year income of S31 grant. The overall forecast position is an improvement of (£0.059m) over the previous month's forecast.

Table 1: Forecast Year End Position

Service	Original Budget £m	Current Budget £m	January Forecast £m	January Variance (Under) / Over £m	% Variance to current budget %	December Variance (Under) / Over £m	Change since Previous (better) / worse £m
HR & OD	0.807	0.833	0.833	0.000	0.0%	0.000	0.000
Wellbeing & Housing	2.286	2.699	2.499	(0.200)	-7.4%	(0.200)	0.000
Customer Focus	2.367	2.512	2.382	(0.130)	-5.2%	(0.080)	(0.050)
Chief Executive	5.460	6.044	5.714	(0.330)	-5.5%	(0.280)	(0.050)
Finance	3.303	3.566	3.516	(0.050)	-1.4%	(0.050)	0.000
Legal, Democratic, Elections & Procurement	1.959	2.102	2.447	0.345	16.4%	0.287	0.058
ICT	1.526	1.551	1.576	0.025	1.6%	(0.020)	0.045
Property	(1.691)	(2.454)	(2.302)	0.152	-6.2%	0.136	0.016
Resources	5.097	4.765	5.237	0.472	9.9%	0.353	0.119
Planning & Development	1.890	1.989	2.220	0.231	11.6%	0.308	(0.077)
Growth & Economy	0.546	0.507	0.417	(0.090)	-17.8%	(0.090)	0.000
Environmental	5.106	6.570	6.642	0.072	1.1%	0.099	(0.027)
Regulatory	1.150	1.187	1.163	(0.024)	-2.0%	0.000	(0.024)
Communities	8.692	10.253	10.442	0.189	1.8%	0.317	(0.128)
Subtotal for Directorates	19.249	21.062	21.393	0.331	1.6%	0.390	(0.059)
Executive Matters	3.695	3.695	3.647	(0.048)	-1.3%	(0.048)	0.000
Policy Contingency	5.229	3.526	1.708	(1.818)	-51.6%	(1.818)	0.000
Total	28.173	28.283	26.748	(1.535)	-5.4%	(1.476)	(0.059)
FUNDING	(28.173)	(28.283)	(26.807)	1.476	-5.2%	1.476	0.000
(Surplus)/Deficit	0.000	0.000	(0.059)	(0.059)		0.000	(0.059)

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 – January 2024

Breakdown of current month forecast	January 2024 Forecast	Base Budget Over/ (Under)	Savings Non-Delivery
	£m	£m	£m
Chief Executive	(0.330)	(0.372)	0.042
Resources	0.472	0.283	0.189
Communities	0.189	0.186	0.003
Subtotal Directorates	0.331	0.097	0.234
Executive Matters	(0.048)	(0.048)	0.000
Policy Contingency	(1.818)	(1.818)	0.000
Total	(1.535)	(1.769)	0.234
FUNDING	1.476	1.476	0.000
(Surplus)/Deficit	(0.059)	(0.293)	0.234

Table 3: Budget compared with Forecast

The graph below shows the change from December 2023 forecast to January 2024 compared to the current budget.

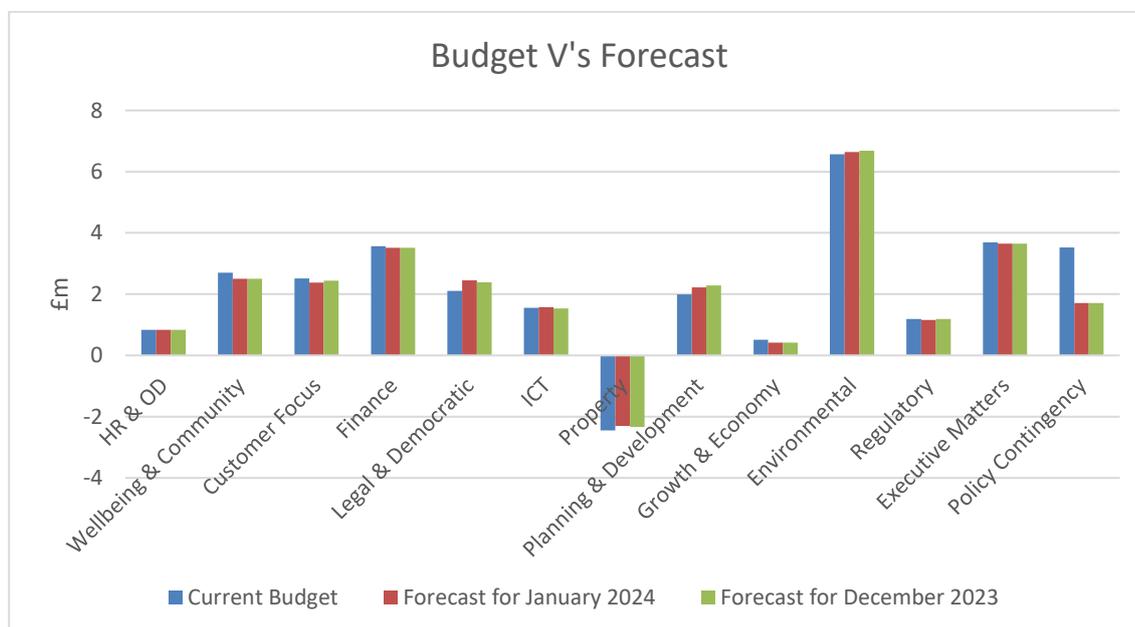


Table 4: Top Major Variances:

Service	Service	Current Budget	Variance	% Variance
Policy Contingency	Policy Contingency	3.526	(1.818)	-51.6%
S31 Grant	Funding	(28.283)	1.476	-5.2%
Legal, Democratic, Elections & Procurement	Legal, Democratic, Elections & Procurement	2.033	0.345	17.0%
Planning & Development	Development Management	0.598	0.231	38.6%
Environmental Services	Waste & Recycling	3.230	0.072	2.2%
	Total	(18.896)	0.306	

Policy Contingency Underspend (£1.818m) (December's Variance Overspend £1.818m)

The unallocated inflation contingency underspend forecast this month within policy contingency will mitigate the under-recovery of S31 grant and the remaining offsetting the overspend within directorates.

Funding Overspend £1.476m (December's Variance overspend 1.476m)

There is a lower than budgeted in-year income of S31 grant forecast. This is due to timing issues in the split between S31 grant income for compensation for business rates discounts introduced by the Government and business rates income. When the income is received as business rates income, this will become available in 2024/25 and has been taken into account within the budget process. The in-year shortfall will be mitigated through Policy Contingency surpluses.

Legal, Democratic, Elections & Procurement Overspend £0.345m (December's Variance Overspend £0.287m)

Overspend is due to:

- 1) higher than anticipated costs of delivering the District Elections.
- 2) an unavoidable reliance on agency staff whilst we continue with recruitment for permanent staff.
- 3) Legal fees and license charges for case management system .
- 4) Under recovery of income due to decrease in s106 fees (because of work being carried out externally).

Development Management Overspend £0.231m (December's Overspend £0.308m)

Planning and Development now forecasts an overspend of £0.231m. This is the result of agency staffing costs exceeding the cost of unfilled established posts, the cost of legal and consultant representation for planning appeals and Building Control income forecasts remaining lower than budget.

Waste & Recycling Variance £0.072m (December Variance over spend £0.099m): -

The forecasted pressure of £0.072m within Environmental Services is primarily due to changes in the global market for recycled materials falling as recycling processing costs have increased.

Commodity prices are currently very volatile, and this could change again during the fourth quarter.

Table 5: Earmarked Reserves:

Reserves	Balance 1 April 2023	Original Budgeted use/ (contribution)	Changes agreed since budget setting	Changes proposed January 2024	Balance 31 March 2024
	£m	£m	£m	£m	£m
General Balance	(6.150)	0.000	0.000	0.000	(6.150)
Earmarked	(19.123)	(2.469)	0.175	(0.391)	(21.808)
Ringfenced Grant	(3.506)	0.711	0.344	(0.489)	(2.940)
Subtotal Revenue	(28.779)	(1.758)	0.519	(0.880)	(30.898)
Capital	(8.049)	1.000	0.000	0.000	(7.049)
Total	(36.828)	(0.758)	0.519	(0.880)	(37.947)

Please see appendix 5 for reserve requests.

4.2 Capital

There is a forecast in-year underspend of (£14.180m), of which £13.897m is to be reprofiled into future years.

Directorate	Budget £m	Forecast Spend 2023/24 £m	Re- profiled beyond 2023/24 £m	Variance to Budget £m	Prior Month Variance to Budget £m
Chief Executives	12.066	8.383	3.580	(0.103)	(0.103)
Resources	13.222	5.147	7.941	(0.134)	(0.036)
Communities	3.782	1.360	2.376	(0.046)	(0.046)
Total	29.070	14.890	13.897	(0.283)	(0.185)

For further detail please view Appendix 1.

Table 7: How the Capital Programme is financed

Financing	23/24 Budget £m	Future Years £m	Total
Borrowing	19.542	12.527	32.069
Grants	9.528	9.006	18.534
Capital Receipts	0.000	1.175	1.175
	29.070	22.708	51.778

Table 8: Total Capital Project Forecast

Directorate	Budget £m	Total Forecast 2023/24 £m	Variance to Budget £m	Prior Month Variance to Budget £m
Chief Executives	20.290	19.437	(0.853)	(0.851)
Resources	14.432	14.298	(0.134)	0.143
Communities	17.056	17.010	(0.046)	(0.046)
Total	51.778	50.745	(1.033)	(0.754)

Table 9: Top 5 in-year variances: -

Code	Top 5 In-Year Variances	Budget Total £'000	Reprofile to 24/25 £'000	% of in year Budget Variance
40278	Development of New Land Bicester Depot	2.775	2.750	99.10%
40144	Castle Quay	2.795	2.545	91.04%
40028	Vehicle Replacement Programme	1.731	1.162	67.13%
40300	S106 - Bicester Leisure Centre Extension	1.154	1.154	100.00%
40239	Bicester East Community Centre	1.371	0.871	63.53%
		9.826	8.482	

Development of New Land Bicester Depot: -

Scoping underway. Spend will require re profiling in line with programme, detail to be confirmed as work is undertaken.

Castle Quay: -

As part of the Castle Quay Development and the regeneration of Banbury, the Council is working closely and in partnership with a number of public and private organisations to repurpose parts of Castle Quay Shopping Centre to deliver a number of complimentary uses enabling the regeneration of Banbury. Once each element has been contractually agreed, work can commence.

Vehicle Replacement Programme: -

Reprofiling of £1.162m in to 2024/25. A review of the programme has been undertaken. Nationally there is delay in vehicle supply and thus delivery.

S106 – Bicester Leisure Centre Extension: -

Initial stages of feasibility have been completed with high level costings received to deliver the project. Further stages required including detailed business case.

Bicester East Community Centre: -

Now on site for a 35 week project. £1.371m of capital funding remains allocated to deliver this bespoke community centre for local residents. Some spend requiring to be reprofiled to 2024/25.

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 January 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	No
Subject to Call in	Yes
If not, why not subject to call in	
Ward(s) Affected	All

Document Information

Appendices	
Appendix 1	Appendix 1 – Finance Capital January 2024 Appendix 2 – Detailed Revenue Narrative on Forecast January 2024 Appendix 3 – Virements Appendix 4 – Funding January Appendix 5 – Use of reserves and grant funding January
Background Papers	N/A
Reference Papers	N/A
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