

Supplementary Papers



Listening Learning Leading

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FOR THE MEETING OF

Cabinet

on Thursday 5 March 2020 at 9.30 am
held in the Meeting Room 1, 135 Eastern Avenue, Milton Park, OX14 4SB

Open to the public including the press

- 1 **Budget monitoring** (Pages 2 - 17)
To consider the head of finance's report.

Cabinet Report



Listening Learning Leading

Report of Head of Finance

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To: CABINET

Date: 5 March 2020

Budget monitoring April – November 2019

Recommendation

Cabinet is recommended to note the contents of the report

Purpose of Report

1. To report the revenue and capital expenditure against budget for the period April to November 2019 and the latest year end outturns forecast by Heads of Service.

Corporate Objectives

2. The allocation of financial resources within the revenue and capital budgets needs to match the objectives agreed by the Council. The budget monitoring report shows how these resources have been allocated during the first eight months of the financial year.

Background

3. This report reviews the council's revenue and capital expenditure performance against budget to the end of month eight (November). Year end outturn forecasts were worked on during December and early January and are based on Heads on Service's best knowledge at this time. The information has been used in preparing the 2020/21 budget.

Revenue budget monitoring

4. On 14 February 2019, Council agreed a net revenue budget for 2019/20 of £16.809 million. This has subsequently increased to £21.013 million due to the carry forward of unspent one-off project budgets from 2018/19.
5. In reviewing in-year financial performance, the focus is on two things:
 - Comparing expenditure and income for the year to date (in the case of this report for April to November 2019), against the “profiled” working¹ budget for the year to date. The profiled working budget is the proportion of the budget expected to have been incurred by the end of November 2019
 - Reviewing the outturn forecast of expenditure and income at year end compared to the working budget for the whole year
6. A summary by service is shown in Appendix 1. Whilst budget managers review and manage all lines and variances, for the purposes of reporting heads of service provide commentary on the reasons for variances of over £50,000. This would be for variances in either net expenditure to date against profiled working budget, or in forecast net expenditure against whole year budget. The appendix shows a year end outturn of £17.813 million, £3.201 million below budget.
7. Of the £3.201 million variance, £3.418 million reflects underspend on previously agreed one-off projects, the budgets for which are planned to be carried forward into the next financial year. These are:

Community Services

Berinsfield co-location project on hold pending decision on South Oxfordshire Local Plan.	£218,000
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Corporate Services

Commercialisation Budget not yet spent	£150,000
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Development and Regeneration

Didcot Garden Town project unspent funding on hold pending government decision on South Oxfordshire Local Plan.	£691,000
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Berinsfield project on hold pending government decision on South Oxfordshire Local Plan.	£954,000
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Housing and Environment

Public realm team (team now operational and prior year delay in recruitment/set up meant 2018/19 budget was carried forward and three-year project end date moved forward one year).	£331,000
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¹ The working budget is the latest budget. It is the original budget agreed by Council, plus any additions such as carry forwards, in year supplementary estimates and externally funded expenditure

Housing needs (unbudgeted receipt of homelessness grants received one year in advance of spend).	£93,000
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Partnership and Insight

Didcot Garden Town project unspent funding for Local Plan on hold pending government decision.	£281,000
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Planning

Planning Policy Local Plan	£540,000
Neighbourhood planning	£160,000

Total	£3,418,000
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Once these planned carry forwards are taken into account, the outturn projection indicates an overspend of £217,000.

8. There are a number overspends and savings across the council but the principal variances behind the £217,000 overspend after carry-forwards are:

Corporate Services

Settlement of prior year redundancy costs	£150,000
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Commercialisation budget not yet spent	(£154,000)
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Housing & Environment

Volume of licence fee income more than budgeted	(£177,000)
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Refuse collection (unbudgeted negative bonus from Biffa and release of 2017/18 accruals no longer needed)	(£114,000)
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Car parking (a number of savings across the car parks budget including additional income from volume and excess charges)	(£110,000)
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Finance

Unavoidable additional costs in respect of revenues and benefits service, primarily due to reduction in net income for benefits overpayments as previously reported.	£252,000
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Legal Services

Additional anticipated spend on planning and enforcement appeals requiring legal input.	£100,000
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Planning

Reduction in development management income due to market slowdown. This budget is demand led	£225,000
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All services

Additional spend on premises costs across all council properties as backlog of property activity is reduced.	£131,000
Net balance of other under-spends.	(£86,000)

Total **£217,000**

9. In line with the council's budget requirements, the Senior Management Team are attempting to manage the budget to a net zero variance after planned 'carry forwards'.

Capital Budget Monitoring

10. On 14 February 2019, Council agreed a capital programme for 2019/20 as follows:

- Approved programme - £5.186 million
- Provisional programme (including Cabinet growth proposals) - £9.811 million.

11. At the end of November 2019, the approved programme was £6.072 million. This reflects the approved capital programme as approved by Council, plus planned slippage from the previous financial year, additions and deletions, and transfers from the provisional capital programme.

12. As shown in appendix 2, spend against the latest approved capital programme was £1.273 million at the end of November. The forecast year end spend is £2.859 million, an underspend of £3.213 million against budget.

Financial, legal and any other implications

13. The financial implications are as set out in the body of the report. There are no other implications of this report.

Conclusion

14. At this stage of the financial year, for in-year revenue an overall underspend is forecast, but this changes to an overspend of £260,000 once the planned carry forward of one-off budgets is taken account of. The planned carry forwards are monitored and have been previously reported. In capital, spend to November was below budget and forecast spend at year end is anticipated to be £3.2 million below budget.

Appendices

- 1) Revenue budget monitoring
- 2) Capital budget monitoring

Net Revenue Expenditure	Working Budget Profiled £	Actual Spend to date £	Current variance	Explanation of current variances >£50,000 Manual input required	Working Budget Full Year £	Outturn Forecast This Period	Forecast variance this period	Explanation of forecast variances >£50,000 Manual input required
Staff costs (inclusive of intra-council recharges)	8,445,422	8,283,748	(161,675)		12,569,191	12,190,315	-378,876	
Premises	1,335,170	1,653,111	317,941		1,789,748	1,920,833	131,085	
Transport costs	97,615	73,059	(24,557)		146,449	142,235	-4,214	
Supplies and services	6,209,282	3,813,885	(2,395,397)		9,237,992	6,425,802	-2,812,190	
Third party payments (contract costs)								
Biffa	3,988,720	3,775,096	(213,624)		5,983,079	5,962,975	-20,104	
Capita	1,998,370	7,204,783	5,206,413		2,997,551	3,063,928	66,377	
Other contracts and inter council recharges	371,097	1,557,935	1,186,838		556,669	539,806	-16,863	
Net cost of benefits	(324,144)	287,115	611,259		(486,201)	(400,310)	85,891	
Fees, Charges and non benefits grants	(7,943,209)	(14,686,234)	(6,743,025)		(11,781,082)	(12,032,955)	-251,873	
	14,178,324	11,962,498	(2,215,826)		21,013,396	17,812,628	(3,200,767)	

Community Services	Working Budget Profiled £	Actual Spend to date £	Current variance	Explanation of current variances >£50,000 Manual input required	Working Budget Full Year £	Outturn Forecast This Period	Forecast variance this period	Explanation of forecast variances >£50,000 Manual input required
Arts Development	402,825	337,783	-65,042	Cornerstone receipt of prepaid income for shows in future months.	597,230	671,818	74,587	Forecast payment for roof repairs and over spend on pantomime costs
Community Services Admin	17,696	11,184	-6,512		26,540	20,140	-6,400	
GWP Community Facilities	33,624	14,961	-18,663		49,626	29,474	-20,152	
General Grants	584,205	470,670	-113,535	Salary variances resulting from vacant post, all posts are going through JE process and underspend on cllr grants.	876,302	748,497	-127,805	Salary variances resulting from vacant post, all posts are going through JE process and underspend on cllr grants.
Leisure In House	185,765	174,013	-11,753		278,640	217,049	-61,591	Staff vacancy & items capitalised for budget saving purposes.
Leisure	145,602	0	-145,602	Berinsfield co-location project remains paused.	218,403	0	-218,403	Berinsfield co-location project remains paused.
Leisure Centres Contract	-118,216	-143,783	-25,567		-177,336	-200,675	-23,339	
Sports Development	99,111	65,789	-33,322		148,665	123,371	-25,294	
Total Community Services	1,350,612	930,617	-419,995		2,018,069	1,609,672	-408,397	

	Working Budget Profiled £	Actual Spend to date £	Current variance	Explanation of current variances >£50,000 Manual input required	Working Budget Full Year £	Outturn Forecast This Period	Forecast variance this period	Explanation of forecast variances >£50,000 Manual input required
Strategic Management Team								
Strategic Management Team	493,827	455,513	-38,313	Restructure ongoing	740,735	645,656	-95,079	Restructure ongoing
Total Strategic Management Team	493,827	455,513	-38,313		740,735	645,656	-95,079	

Corporate Services	Working Budget Profiled £	Actual Spend to date £	Current variance	Explanation of current variances >£50,000 Manual input required	Working Budget Full Year £	Outturn Forecast This Period	Forecast variance this period	Explanation of forecast variances >£50,000 Manual input required
Assurance	267,290	153,492	-113,799	Awaiting invoice.	288,816	275,516	-13,300	
IT Operations	124,689	132,611	7,922		187,033	162,033	-25,000	
IT Applications	214,068	207,777	-6,291		321,092	321,092	0	
Land & Property Data	-2,586	7,932	10,518		-3,879	-3,879	0	
Communications	98,372	80,676	-17,696		147,558	133,081	-14,477	
Support costs	0	88	88		0	0	0	
Corporate Admin	315,540	274,712	-40,828		473,320	385,781	-87,539	Vacancy WIP to be filled.
Human Resources	90,800	118,256	27,456		136,201	219,525	83,324	Final quarter salary & agency fee forecast: £45-50k overspend Business partner and 2 x advisor roles approved by MS/SH following Capita Advisory changes and MS role regraded to G7, offset by vacant role not replaced).
Pension costs	722,667	857,795	135,128	Redundancy costs	1,084,000	1,234,686	150,686	Redundancy costs and over spend on HR staffing.
Policy	277,652	177,509	-100,143	A more commercial approach for South Oxfordshire-One off Growth bid.	475,318	321,019	-154,299	Budget for commercial development not yet spent.
Training costs	72,487	58,124	-14,363		108,731	108,731	0	
Total Corporate Services	2,180,979	2,068,972	-112,007		3,218,190	3,157,585	-60,605	

Development & Regeneration	Working Budget Profiled £	Actual Spend to date £	Current variance	Explanation of current variances >£50,000 Manual input required	Working Budget Full Year £	Outturn Forecast This Period	Forecast variance this period	Explanation of forecast variances >£50,000 Manual input required
Economic Development	168,305	151,229	-17,076		252,466	244,399	-8,067	
Facilities	586,399	1,332,845	746,446	Current variance due to timing of Crowmarsh contribution from Vale.	771,747	855,255	83,508	£52k unbudgeted spend for new lease on 135 Milton Park.
Housing Development	917,598	218,366	-699,232	Current underspend is a result of one off growth project delays	1,376,403	685,673	-690,730	Project delays cfwd request for 2020/21.
Development & Regeneration	754,253	121,961	-632,292	Underspend due to slow progress of Berinsfield project.	1,131,379	148,990	-982,389	Project delays.
Property	-899,649	-482,149	417,501	Increase in NNDR bill payment not budgeted. Delay in invoicing Orchard Centre Phase II.	-1,351,165	-1,296,628	54,537	Increase in NNDR bill payment not budgeted
Total Development & Regeneration	1,526,905	1,342,251	-184,654		2,180,830	637,689	-1,543,141	

Finance	Working Budget Profilled £	Actual Spend to date £	Current variance	Explanation of current variances >£50,000 Manual input required	Working Budget Full Year £	Outturn Forecast This Period	Forecast variance this period	Explanation of forecast variances >£50,000 Manual input required
Finance and Procurement	252,842	231,667	-21,175		379,264	408,797	29,533	
Internal Audit	70,280	67,623	-2,657		105,419	111,350	5,931	
Finance Management	38,990	35,142	-3,848		58,471	54,153	-4,318	
Revenues and Benefits	-412,289	23,574	435,863	Automation of the benefits system has resulted in fewer overpayments and a net reduction in subsidy received.	-1,045,352	-793,242	252,110	Automation of the benefits system has resulted in fewer overpayments and a net reduction in subsidy received.
Total Finance	-50,177	358,006	408,183		-502,198	-218,942	283,256	

Housing & Environment	Working Budget Profiled £	Actual Spend to date £	Current variance	Explanation of current variances >£50,000 Manual input required	Working Budget Full Year £	Outturn Forecast This Period	Forecast variance this period	Explanation of forecast variances >£50,000 Manual input required
Community Safety/CCTV	173,435	65,452	-107,983	Current variance as grant income received but budget profiled over 12 months - £73k. New CCTV maintenance contract producing savings.	237,551	182,044	-55,507	New CCTV maintenance contract producing savings.
Car Parking	-261,523	-329,563	-68,040	Henley Waitrose £37k , ECNs £24k) more than budget, NNDR £18k more than budget,Parking income (£41k) more than budget,Electric, repairs underspent (£19k),Other exp underspent (£20k), Other insurance (£13k).	-484,076	-595,039	-110,963	Underspends expected in electricity (£12k) CPE costs have come in under budget (£12k) increase in volume of car parking users (£46k). Overspend of NNDR budget £19k.
Environmental Services	356,837	291,541	-65,296	Savings Air Quality fund (£41k), salaries (£24k), fee income (£13K),subscriptions underspend (£3k). Sub contractor fees overspend £11k.	535,232	455,679	-79,553	Air Quality (£50k),Pest control (£7k),Sub contract work £11k, Licence income (£23k).
Housing Needs	455,941	311,850	-144,091	Unbudgeted Grant income received in year which will fund a growth bid for next year.	673,921	458,904	-215,017	Unbudgeted grant income - £29k. Underspends in salaries due to growth added twice £33k. Other salary savings due to vacancies now filled £32k. Increase in rent in advance income £15k. Grant funded budget underspend of £60k to be carried forward.
Licensing	-94,845	-189,375	-94,529		-146,255	-323,505	-177,250	Increase income from taxi licence fees (£200k) and LA03 income less than budget (£39k).
Mobile Home Parks	-191,519	-210,342	-18,824		-197,637	-195,432	2,205	
Open Spaces	203,620	199,204	-4,416		304,926	300,537	-4,389	
Private Sector Housing	114,245	123,776	9,530		171,376	167,835	-3,541	
Public Realm	256,851	29,928	-226,923	Underspend of one off growth due to year one money being unspent and carried forward.	385,270	54,020	-331,250	Underspend of one off growth due to year one money being unspent and carried forward. This will be subject to a carry forward request at year end.
Food Safety	280,376	232,262	-48,114		420,532	360,506	-60,026	EHO vacancies between April - August.
Technical Services	109,936	100,455	-9,481		103,508	91,109	-12,399	
Waste	2,484,442	2,284,387	-200,055	Biffa invoices not received until December.	4,157,598	4,043,499	-114,099	£60K Biffa bonus, £20K over accrual from 18/19, £45K annual sack supply .
Toilets	125,040	147,255	22,215		187,555	191,381	3,826	
Total Housing & Environment	4,012,836	3,056,829	-956,007		6,349,501	5,191,538	-1,157,963	

Legal & Democratic	Working Budget Profiled £	Actual Spend to date £	Current variance	Explanation of current variances >£50,000 Manual input required	Working Budget Full Year £	Outturn Forecast This Period	Forecast variance this period	Explanation of forecast variances >£50,000 Manual input required
Democratic Services	306,784	303,229	-3,555		460,123	464,646	4,523	
Electoral Services	271,077	529,663	258,586	Cost of additional parish and general elections.	406,596	406,596	0	
Land Charges	-226,667	-189,183	37,484		-330,000	-270,000	60,000	
Legal	371,406	316,820	-54,586	Staff vacancies and underspend on fees and services.	556,175	656,175	100,000	Anticipated additional spend on planning Appeals.
Total Legal & Democratic	722,601	960,529	237,928		1,092,894	1,257,417	164,523	

Partnership & Insight	Working Budget Profilled £	Actual Spend to date £	Current variance	Explanation of current variances >£50,000 Manual input required	Working Budget Full Year £	Outturn Forecast This Period	Forecast variance this period	Explanation of forecast variances >£50,000 Manual input required
Accelerated Housing	408,443	61,990	-346,453	DGT multi-year grant funding, balance to be carried forward to next year.	612,665	331,275	-281,390	DGT multi-year grant funding, balance to be carried forward to next year.
Client Team - 5 Councils Partnership	2,184,150	1,233,337	-950,813	Timing of contract invoicing and payments.	3,276,223	3,276,223	0	
Corporate Services Project	0	200,000	200,000	Truing up of historic costs in progress, which will clear accrual.	0	0	0	
Enterprise Zone	15,000	-7,500	-22,500		22,500	12,500	-10,000	
Didcot Growth Point	101,839	54,502	-47,337		152,755	129,616	-23,139	
Partnership & Insight Admin	146,709	140,103	-6,606		224,350	224,350	0	
Total Partnership & Insight	2,856,141	1,682,432	-1,173,709		4,288,493	3,973,963	-314,529	

Planning	Working Budget Profilled £	Actual Spend to date £	Current variance	Explanation of current variances >£50,000 Manual input required	Working Budget Full Year £	Outturn Forecast This Period	Forecast variance this period	Explanation of forecast variances >£50,000 Manual input required
Building Control	-31,134	-32,220	-1,086		-46694.00	-46694.00	0	
Planning Policy	967,411	419,308	-548,104	Staffing recruitment, agency cover and delay in starting new Local Plan- (seek c/f 2020/21).	1,451,119	718,119	-733,000	Underspend on local plan £540,000 and Timing of Neighbourhood Plan grants £160,000
Development Services	441,102	720,262	279,160	Reduction in Development fees due to market slow down.	661,625	886,625	225,000	Reduction in Development fees due to market slow down.
Total Planning	1,377,379	1,107,349	-270,030		2,066,050	1,558,050	-508,000	

Contingency	-292,779	0	292,779	-439,168	0	439,168
Total Contingency	-292,779	0	292,779	-439,168	0	439,168

South Oxfordshire DC capital budget monitoring report for the period to : 202008

Capital Expenditure	Original Budget Full Year £	Working Budget Full Year £	Actual Spend to date £	Variance £	Outturn Forecast This quarter	Forecast variance Manual input required (+ve bad, -ve good)	Explanation of forecast variances >£50,000 Manual input required	Capital projects where budgets are to be reprofiled	Capital projects where remaining budgets are not required - savings	Capital projects where overspends are predicted
Community Services - Capital	0	1,446,717	678,397	(768,320)	1,444,199	(2,518)		0	(4,862)	2,344
Corporate Services - Capital	0	2,538,000	164,569	(2,373,431)	382,000	(2,156,000)	Crowmarsh office build profile has been updated	(2,156,000)	0	0
Housing & Environment - Capital	0	2,087,500	430,274	(1,657,226)	1,032,600	(1,054,900)	Long lead time for DFGs - £990k reprofiled	(992,900)	(62,000)	0
Direct Service Capital Expenditure	0	6,072,217	1,273,240	(4,798,977)	2,858,799	(3,213,418)		(3,148,900)	(66,862)	2,344