



WEST OXFORDSHIRE  
DISTRICT COUNCIL

## WEST OXFORDSHIRE DISTRICT COUNCIL

Name and date of Committee	Cabinet: Wednesday 15 <sup>th</sup> December 2021
Report Number	Agenda Item No. 6
Subject	Finance Performance Report 2021-22 Quarter Two
Wards affected	All
Accountable member	Cllr Suzi Coul, Cabinet Member for Finance Email: <a href="mailto:suzi.coul@westoxon.gov.uk">suzi.coul@westoxon.gov.uk</a>
Accountable officer	Elizabeth Griffiths, Section 151 Officer Tel: (01993) 861188 Email: <a href="mailto:elizabeth.griffiths@westoxon.gov.uk">elizabeth.griffiths@westoxon.gov.uk</a>
Summary/Purpose	This report provides details of the Council's financial performance at the end of 2021-22 Quarter Two (Q2).
Annexes	Annex A – Detailed revenue budget comparison Annex B – Update on Capital spend
Recommendation	That the 2021/22 Q2 finance performance be noted
Corporate priorities	Modern Council Services and Sustainable Finance: Delivering excellent modern services whilst ensuring the financial sustainability of the Council
Key Decision	No
Exempt	No

## I. FINANCIAL PERFORMANCE – Q2 2021/22

- I.1. Significant variances and those of note are explored in the body of this report. A full list of variances by cost centre is included in Annex A.
- I.2. Q2 results overall are in line with what was reported in Q1 with no new significant budget pressures to report. Covid specific grants which created surpluses in Q1 are being spent consistently and are on track to be fully exhausted by year end in line with grant conditions. In the areas of Car Parking, Investment Property and aged debt there has been encouraging recovery and improvement over the reported Q1 performance.
- I.3. The underspend in Q2 is a little less than twice the reported underspend in Q1 (£219k) which reinforces the consistency between the two sets of results. £230k of the £420k underspend is attributable to the disparity between the revised garden waste fees and the budget which wasn't updated to reflect them. As noted previously, this will be amended for 22/23.
- I.4. One of the issues exacerbated by Covid is the Council's level of aged debt but WODC have successfully engaged a credit controller on a fixed term contract and this is being addressed.
- I.5. Overall Q2 remains encouragingly on track.

I.6.

Original Budget 2021/22	Q2 position		
	Profiled Budget	Actual Exp	Variance (under) / over spend
£	£	£	£

### Service Area

Democratic and Committee Services	952,702	531,871	577,665	45,794
Environmental & Regulatory Services	478,583	206,992	197,870	(9,121)
Environmental Services	7,088,145	2,799,671	2,571,377	(228,294)
Finance, Human Resources & Procurement	889,592	439,670	494,215	54,545
ICT, Change & Customer Services	1,801,649	934,554	934,950	396
Land, Legal & Property	863,453	421,290	365,067	(56,223)
Leisure & Communities	2,057,791	594,546	458,590	(135,956)
Planning & Strategic Housing	712,370	440,568	288,732	(151,837)
Revenues & Housing Support	894,923	477,473	465,805	(11,669)
Investment Property and Retained Services	(1,870,756)	(1,894,047)	(1,827,361)	66,686
<b>Total cost of services</b>	<b>13,868,452</b>	<b>4,952,589</b>	<b>4,526,909</b>	<b>(425,679)</b>

Plus:

Investment income receipts	(787,778)	(393,889)	(389,305)	4,584
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<b>Cost of services before financing:</b>	<b>13,080,674</b>	<b>4,558,700</b>	<b>4,137,605</b>	<b>(421,095)</b>
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- I.7. Income from car parking penalty charge notices has improved during Q2 to 29% of budget for off street and 40% of budget for on street. Whilst an encouraging improvement on the Q1 performance this still represents a significant loss of income for the year with the shortfall currently estimated at £110,000.

- I.8. The payment plans for Investment Property that the Council entered into during 2020/21 continue in place with invoices totalling £197,380, an improvement of £89,515 since the start of the financial year. Overall the total value of outstanding invoices relating to Investment Property has fallen by 40% during Q1 & Q2 to £597,672. The Estates Team will continue to proactively manage our tenants to recoup the maximum outstanding debt possible.
- I.9. The Revenues Recovery Team have continued their good work throughout Q2, reducing Council Tax and Business Rates arrears relating to 2020/21 that were the direct result of Covid. The outstanding balances represent 2.14% of all Council Tax collectible in 2020/21 and 5% of Business Rates.

	<b>20/21 Debt 31.03.21</b>	<b>21/22 Recovery</b>	<b>Outstanding</b>
Council Tax	£2,654,906	-£712,915	£1,941,991
Business Rates	£1,871,523	-£659,079	£1,212,444
	<b>£4,526,429</b>	<b>-£1,371,994</b>	<b>£3,154,435</b>

- I.10. A disproportionate rise in transactional bank charges was reported in 2020/21 Outturn and Q1 performance. This has been raised with our current supplier and they have offered a significant saving contingent on an extension of the current contract. Discussions are also taking place with other suppliers to evaluate all available options and ensure the best outcome is achieved.
- I.11. Planning Application income has proven volatile during Q1 & Q2 from a high of £194,000 in July to a low of £54,000 in May but is exceeding target overall at £137,000 above budget. Pre Application Advice is also performing well and is overachieving the budget by £4,000.
- I.12. The invoiced amount for Trade Waste for 2021/22 is £673,000 and £28,000 for Schedule 2 chargeable household waste collections. This is £43k less than the budgeted cost of delivering the service. Invoiced income in the current financial year is £673k but even with increased emphasis on credit control, it's anticipated that there could be £100k of this that is uncollectable. Even after an initial debt collection exercise has been undertaken we are still carrying £130,000 of aged debt from previous financial years. This means that the actual shortfall against budget could be anything from the £43K budgeted loss to over quarter of a million. Since this is a non statutory service, the ongoing viability of it is being investigated.
- I.13. The 2022/23 budget setting process is almost complete with budget consultation meetings held in Q2 with the Business Managers and Portfolio holders. These meetings discussed any significant changes in the revenue budget for next year including post Covid recovery in income, changes in costs of service delivery and the consumption of Earmarked Reserves.

1.14. The SI06 webinar was held at the end of September with good attendance from Councillors from the District Council and Town and Parish Councils. The service has already had very positive interactions with project money being spent and new initiatives underway.

## **2. LEGAL IMPLICATIONS**

2.1. None

## **3. RISK ASSESSMENT**

3.1. None

## **4. ALTERNATIVE OPTIONS**

4.1. None

## **5. BACKGROUND PAPERS**

5.1. None