



WEST OXFORDSHIRE
DISTRICT COUNCIL

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Name and date of Committee	CABINET 13 JULY 2022
Report Number	Agenda Item No. 14
Subject	Financial Performance Report 2021/22 Year End
Wards affected	All
Accountable member	Cllr Dan Levy Cabinet Member for Finance Email: dan.levy@westoxon.gov.uk
Accountable officer	Elizabeth Griffiths, Chief Finance Officer and Deputy Chief Executive Tel: (01993) 861188 Email: Elizabeth.Griffith@westoxon.gov.uk
Annexes	Annex A – Revenue Outturn and Capital Programme
Recommendations	That Cabinet resolves to: (a) Note the 2021/22 end of year financial performance. (b) Recommend to Council to approve the carry forward of Capital Budget of £14,399,348 as detailed in Annex B (c) Recommend to Council to approve the transfers to and between Earmarked Reserves as detailed in the report (d) Delegate authority to the Chief Finance Officer to spend from the Project Contingency Earmarked Reserve to fund ad hoc investigation, advice and consultancy services for potential investments and projects.
Corporate priorities	Council approved its current Council Plan in January 2020. The Plan sets out a Council vision across a set of priority themes: <ol style="list-style-type: none">1. Climate Action2. Healthy Towns and Villages3. A Vibrant District Economy4. Strong Local Communities5. Meeting the Housing Needs of our Changing Population6. Modern Council Services and Sustainable Finance
Key Decision	Yes
Exempt	No

I. FINANCIAL POSITION AT YEAR END

- 1.1. 2021/22 was yet another year where the Council faced uncertainty over its finances. The annual budget included contingencies of £1.826 million relating to income from the Leisure contract and investment properties that was expected to be uncollectable. All income was discussed and budgeted in consultation with service managers but the reality was that it was very hard to predict how long the effects of the pandemic would last and what customers would do over the coming months. Areas such as parking income have still not recovered as expected even though restrictions have been lifted and consumers have been encouraged to return to the high streets.
- 1.2. In the end, our final position was a surplus, mainly driven by substantial amounts of Government grants received in the year. These replaced some income lost due to Covid, allowed us to provide additional services in targeted areas and delivered support and mitigation for some of the additional pressures we faced. Specifically it has funded temporary staff in areas such as Revenues and Benefits, Internal Audit and the Counter Fraud unit who are still dealing with not only post audit assurance on the multiple Covid grants schemes we administered on behalf of the government but also the new support payments being rolled out this year. This work sits on top of the regular requirement for Council Tax and rates billing and collection and has put a lot of pressure on these teams.
- 1.3. Not all of this additional funding was spent. The proposal detailed below is that some of it be channelled into new projects designed to address the ongoing recovery from the pandemic and to deliver Council priorities in the context of the current cost of living crisis. The balance will be taken to reserves. The Council still faces expected funding cuts and, in addition to an expected cost of living increase in salaries, is facing a significant rise in the cost of delivery of services such as waste which are heavily impacted by the rising cost of fuel. There is also ongoing pressure on income from the leisure sector which is projecting a £750k increase in utility costs over the coming year while still suffering from footfall which is lower than pre-pandemic levels. It is highly unlikely that grant income will continue at material levels given the Government's stance that the pandemic is over so retaining some surplus from last year to mitigate some of the current risk would be wise.
- 1.4. The Council received a significant amount of Section 31 grant which compensates for the income lost due to additional reliefs given to business rate payers in the year. This is given by the Government as a short term cashflow support to remove the impact created by the reduction in collectable grants. As such, it does need to be repaid over the business rates cycle and will be part of our payments in 2022/23. This will be moved to an earmarked reserve over the March 22 year end, ready to fund its repayment in the current (2022/23 financial year). This process is discussed in more detail in the funding section below.

Revenue Budget Monitoring Outturn 2021/22

Service Area	Quarter 4			
	Original Budget 2021/22	Current Budget	Actual Exp	Variance (under) / over spend
	£	£	£	£
Democratic and Committee Services	952,702	927,704	961,455	33,751
Environmental & Regulatory Services	478,583	476,483	432,409	(44,074)
Environmental Services	7,088,145	6,925,385	6,893,323	(32,062)
Finance, Human Resources & Procurement	889,592	899,592	895,758	(3,834)
ICT, Change & Customer Services	1,801,649	1,819,751	1,772,129	(47,622)
Land, Legal & Property	863,453	807,046	776,394	(30,652)
Leisure & Communities	2,057,791	2,055,832	1,984,828	(71,004)
Planning & Strategic Housing	712,370	778,061	720,036	(58,025)
Revenues & Housing Support	894,923	749,354	790,479	41,125
Investment Property and Retained Services	(1,870,756)	(180,016)	(425,680)	(245,664)
Total cost of services	13,868,452	15,259,192	14,801,131	(458,061)
Plus:				
Investment income receipts	(787,778)	(787,778)	(794,358)	(6,580)
Cost of services before financing:	13,080,674	14,471,414	14,006,773	(464,642)
S31 NNDR Compensation Grant	0		(5,212,642)	(5,212,642)
New Burdens	0		(308,548)	(308,548)
COVID LA Support Grant	0		(407,212)	(407,212)
COVID Sales, Fees & Charges Compensation Grant	0		(336,606)	(336,606)
General Government Grants	0		(18,254)	(18,254)
Interest Payable and Similar Charges	177,878	177,878	0	(177,878)
Total Funding	177,878	177,878	(6,283,262)	(6,461,140)
Total contribution (to)/from General Fund	13,258,552	14,649,292	7,723,511	(6,925,782)

Annex A contains the detailed analysis of variances with some of the key variances explained below.

- 1.5. The underachievement of parking income of £124,950 is consistent with reporting throughout the year. The performance of parking income continues to be significantly below budget in 2022/23 and may be indicative that this income stream will not recover because people have fundamentally changed their shopping habits over the course of the Pandemic. As our income comes from penalty charge notices the substantial reduction in income could be viewed as a success story in as much as people are now parking legally. Discussions are underway with Oxfordshire County Council for them to take back On Street Parking Enforcement from 1st April 2023, this will be reflected in the budget setting process for 2023/24.
- 1.6. Income from Land Charges was £68,000 below target due to a combination of Covid and the significant rise in free unofficial Personal Searches (through Personal Search Agents) which made up 70% of Land Charges searches in the year. This is up from 58% in 2019/20. The Housing Market faces a challenge in 2022/23 from the loss of confidence caused by cost of living increases. Budgets for 2023/24 will begin to be reviewed in September, by which time

the trends in Personal Searches and the health of the Housing Market should begin to be apparent and can be built into our budget assumptions.

- 1.7. As part of our support for GLL, our leisure operator, the base budget in 2021/22 included a contingency equal to 100% of our budgeted income, effectively removing any expectation of management fees being paid in the year. This has been reversed in 2022/23 as the Council expects to receive the contracted income from GLL and they have confirmed their expectation to pay it. Given the reduced footfall however and the sharply rising cost of utilities, our leisure service continues to be a cause for concern and we are working with GLL to improve the leisure service's financial stability and therefore secure its provision.
- 1.8. Ubico who provide the Council's waste and environmental services returned a £140k saving on their £7.4m budget last year in spite of additional repair costs and an overspend on fuel. Publica delivered a saving of £70k against their budget of £9.4m. With the sharp increase in fuel costs and the inflationary pressures on salaries, both of these partners are expected to need to overspend their agreed 2022/23 budgets and this has been reflected in the movements to earmarked reserves.
- 1.9. Bank charges were almost £100k over budget in 2021/22 due to a combination of high transaction charges and an increase in transactions. The contract was renegotiated in Q3 of 2021/22 so the benefit of this will be seen in the 2022/23 budget.
- 1.10. Our base budget anticipated £325k less income from our investment properties as a result of the pandemic but a combination of reduced maintenance spend, better than expected income and additional rental streams from the new property purchased in Carterton saw that budget bettered by almost £250k. The Estates team have been working closely with tenants to manage the financial strains that Covid put them under arranging payment plans and renegotiating terms where appropriate. This careful management, combined with the efforts of our recently appointed credit controller who has been targeting old debt in areas like Trade Waste, combined with a review of processes to stop current invoicing becoming a problem, has seen our bad debt provision at year end reduce by an encouraging £383k.
- 1.11. The pandemic has seen a not unexpected rise in Council Tax arrears. At the end of 20/21, the arrears specific to that year stood at £2.65m. 62% of those have since been recovered. At the end of 21/22, the arrears relating to that year were £3.8m. The Revenue collection team remain confident that most can be recovered over the expected 2 year cycle.
- 1.12. The Government's Everyone In and Protect & Vaccinate policies continued into 2021/22 which required the Council to house more people at risk of homelessness than was required under our pre Covid statutory responsibilities. Our newly acquired service building, the Old Court came into use in the last quarter of the year after the necessary renovations had been completed, providing accommodation to 15 single clients.

- 1.13. The Council has had to utilise Hotel and Bed & Breakfast accommodation throughout the year but the Government has provided additional grant funding to offset these additional costs. Some of the Council's initiatives i.e. Our House and Housing First have relied on a combination of Rough Sleeper Initiative and Homelessness Prevention funding. The Rough Sleeper Initiative funding programme has now come to an end but provided the Council with additional income of £183,467 in the year together with additional Homelessness Prevention Grant of £153,117.
- 1.14. The use of Temporary Emergency Accommodation has an adverse impact on our receipt of Housing Benefit Subsidy, which in 2021/22 cost the Council £107,000 as we are only able to recover a small proportion of the Housing Benefit we pay out.
- 1.15. Much needed help and support has been provided to residents and business owners in the district over the course of the year, from the administration of £350k of Test & Trace payments, supporting the re-opening of the High Street through initiatives like the Loyalfree App which promotes local shops, the provision of Ice Skating in the Winter half term holidays and the use of £437,470 of Contain Outbreak Management Funding (COMF) which was used for grants to the voluntary sector, food vouchers, support for clinically extremely vulnerable residents and the enforcement of compliance measures. Although not shown in our income and expenditure report, £900K of unspent COMF was also moved to reserves at year end in line with CIPFA guidance. This funding was allocated to WODC by Oxfordshire County Council for specific Covid projects and resources which are already in progress
- 1.16. All Business Support grant schemes closed in 2021/22 and funds not distributed have either been returned to the Government or accrued pending their return in the current year. The remainder of the Additional Restrictions Grant (ARG) was fully distributed in 2021/22 and the ARG Earmarked Reserve set up at the end of 2020/21 has been closed.
- 1.17. There will continue to be a significant amount of Post Payment Assurance work through 2022/23 which we have an obligation to carry out and New Burdens grant funding has been provided by the Government to offset the cost of the temporary resource employed to deliver this work.
- 1.18. Relatively small progress was made against the Council's Recovery Investment Strategy last year with only one suitable regeneration project found which met the Council's criteria. We are hopeful that, in spite of the difficulty in finding eligible projects, we will make more progress on this in 2022/23. In recognition of this, the proposal is to "slip" the full amount of unspent capital budget from 2021/22 (£12.6m) to the 2022/23 budget of £10m, making a total of £22.6m. This is still well within the overall budget of £74m agreed by Council, of which only £2.4m has been spent so far. In addition to this proposal it is suggested that delegated authority be given to the S151 officer to authorise spend from the Project Contingency earmarked reserve. This was set up at the end of last financial year to provide funding for ad hoc consultancy fees, legal fees, due diligence etc on projects and initiatives. This effectively provides a budget to develop and explore options and respond quickly to opportunities that arise. Additional funds are being added to the Project Contingency reserve from this year's

surplus in recognition of our desire to find and pursue more Council Plan investments this year.

- 1.19. Other movements to reserves reflect the current demands on our budget. The proposal is that additional funds are set aside for the revision of the Local Plan, to increase the funding available in the Council Priorities reserve and to cover expected inflationary budget pressures this year. A detailed list is shown below.

Proposed Transfers to Reserves	£	
Business Rates Deficit Reserve	5,212,642	Exceptional S31 grant to fund Business Rates deficit - to be repaid in accounting terms to the Collection Fund in 22/23 and in cash terms to the Government
Local Plan Review & AAP	100,000	£650k was budgeted for the Local Plan review but there is a possibility that it may cost more than this (based on other Council's expenditure) so this reserve could be applied to ease any additional requirements both in 2022/23 and beyond. The AAP has already cost slightly more than budget.
Council Priorities	450,000	Top up to replace monies moved from Council Priorities and ensure that WODC can fund future plans.
New Burdens Funding	258,548	Additional funding given by the Government in 2021/22 to cover additional resourcing for Covid related activities such as business grants and post payment assurance.
Pay Inflation	300,000	Expected additional pay award to address the cost of living increase in line with the NJC collective bargaining agreement. Actual increase tbc.
Other Inflationary Pressures	500,000	To compensate for additional increases in overheads such as fuel that have risen by far greater amounts than the budget anticipated.
Project Contingency Reserve	100,000	Additional budget allocation for due diligence and legal costs on potential opportunities.
Transfer to General Reserve	4,592	Residual surplus to be taken to General Fund
Total	6,925,782	

- 1.20. In 2020, as we made plans to support the residents through the Pandemic, we developed Covid Recovery workstreams and set aside £650k of funding from the Council Priority Reserve in order to facilitate delivery of a suite of two year programmes. With the bulk of these either delivered or nearing completion, the proposal is that another set of projects be initiated to respond to both the ongoing effects of the pandemic and the new cost of living crisis facing our residents. This new allocation of funding would come from Earmarked Reserves but draw less heavily on Council funds by repurposing grant funding received in previous years but no longer required for its original project. In spending it now, consideration would be given to the purpose it was originally intended for where possible.

Original purpose of reserve	£
To improve affordable accommodation options for young people under 35	48,074
To encourage the usage of brownfield land for residential development	28,332
New burdens grant funding received pre Brexit to assist with mitigations	34,968
Funding for projects promoting and improving biodiversity	25,000
New burdens funding to assist with additional Council spend through Covid	170,000
Council Priorities reserve	443,626
Total funding available for new initiatives	750,000

2 RETAINED BUSINESS RATES AND POOLING

- 2.1 The accounting arrangements for Business Rates are complex and statute requires recognition of items charged in one financial year to be resolved in the following year i.e. the deficit arising in 2021/22 (the shortfall in collectable rates vs expected due to the Govt's reliefs) will be repaid to the Collection Fund in 2022/23. This deficit has therefore been budgeted for in 2022/23 and is funded by the exceptional S31 grant received in 2021/22. The deficit is £5.212m and will be carried over from 21/22 as per the table above and held in earmarked reserves until repayment.
- 2.2 In the 21/22 budget, Retained Business Rates income accounted for 33% of funding for Council services but our ability to collect it was impacted by the continuation of Extended Retail Discount announced by the Government in March 2021. This provided eligible businesses with 100% relief from Business Rates for Q1 of 2021/22 and 66% relief for the remainder of the year. As a result the amount of Business Rate income we collected this year fell to £29,591,598 against an original budget of £40,635,609.
- 2.3 As the Billing Authority we collect 100% of the 'payable' income but distribute 50% of the 'budgeted' income to Central Government & 10% to the County Council on a monthly basis (regardless of whether the actual cash collected has reduced significantly due to Govt reliefs).
- 2.4 Similarly to 2020/21 this resulted in an enormous pressure on Billing Authorities' cash flow, which the Government recognised and accordingly gave monthly compensatory cash flow support payments to Councils for income that had been lost due to the extension of Retail Relief.
- 2.5 The table below shows the calculation of the budgeted / expected Business Rate income for the Council vs the Actual. The distribution of income is set through NNDR I at the

point the budget is set, with the uncollectable income being compensated through S31 grant. You can also see the funding of the deficit payable in the year through earmarked reserves, as discussed in the 2020/21 outturn report. We have an identical situation in 2021/22, where we must repay £5.212m of deficit in 2022/23 and therefore need to move that amount to earmarked reserves.

	Budget 2021/22 £m	Actual 2021/22 £m	
Total Business Rate Income	40.636	29.591	Expected vs Collectable
WODC Business Rates Income (40%)	16.254	16.254	WODC receive 40%. 50% goes to Govt with 10% going to County.
Less Tariff	(12.035)	(12.035)	Govt specified adjustment to reduce our collected rates to the baseline funding level they determine.
NDR Deficit Payable from the Collection Fund	(6.877)	(6.877)	Fixed at Budget Setting
S31 Grant	1.844	1.844	Grant received to compensate for lost business rates income due to Central Gov policy
Renewable Energy	0.209	0.209	Income retained by WODC for renewable energy schemes
Business Rates Income	(0.605)	(0.605)	
Less Levy	(1.706)	(0.491)	
Net Business Rates	(2.311)	(1.096)	
Exceptional S31 Grant	0	3.739	Grant received to compensate for lost business rates income due to Extended Retail Discount
Tax Income Guarantee	0	0.044	Compensation from Central Govt for 75% of Business Rate income losses compared to budget.
Movement from reserves	7.101	6.877	To fund the Collection Fund deficit paid out in the year relating to 2020/21
Movement to Reserves		(5.212)	To fund the Collection Fund deficit repayable in 2022/23
Retained Business Rates	4.790	4.352	

2.6 The Council has again benefitted from being part of the Oxfordshire Pool in 21/22. An estimated gain of £731,119 was recognised in the 2021/22 outturn based on figures provided by the Pool lead (actual figure yet to be confirmed).

2.7 Changes to the Business Rate Retention Scheme were due to be implemented by Central Government in 2020/21 but were delayed due to the impact on businesses of the pandemic. A Consultation of the 2023 Business Rates Revaluation transitional arrangements has been published by DLUHC which will close on 25th July and changes to the Business Rates Retention Scheme may go live in 2023/24. The government has indicated that the settlement this year will cover the next two years instead of the usual

one. While many doubt that the rates reset will be implemented next year due to the many other pressures that Councils are facing, it could be that a two year settlement allows them to give notice to Councils of a funding cut in the following year.

3 CAPITAL PROGRAMME

- 3.1 The capital programme approved by Council as part of the budget for 2021/22 totalled £24,134,389. At year end £5,685,947 had been spent against this budget.
- 3.2 A significant item of expenditure was the purchase of The Old Court in Witney for use as temporary emergency accommodation for 15 clients at risk of homelessness and the purchase of Plots 1-3 Carterton Industrial Estate which will bring in a rental income of £280,000 per annum to the Council.
- 3.3 The majority of the underspend is £12.6m related to the Recovery Investment strategy due to the difficulty in finding investment opportunities that comply with the restrictive borrowing requirements of the PWLB and offer the level of return required in the Council's approved Investment Strategy. Work is ongoing to identify and investigate investment opportunities and the recommendation is that this sum is carried forward to 2022/23's capital budget.
- 3.4 A full breakdown of the schemes for the year and expenditure at 31st March is attached at Annex A.

Comparison of Q4 Budget Monitoring

	Q4 position		
	Profiled Budget	Actual Exp	Variance (under) / over spend
	£	£	£
Democratic Services			
DRM001-Democratic Representation and Mgmt.	97,440	99,084	1,644
DRM002-Support To Elected Bodies	392,050	430,750	38,700
ELE001-Registration of Electors	71,200	67,709	(3,491)
ELE002-District Elections	39,102	39,102	0
ELE004-Parliamentary Elections	0	0	0
ELE005-Parish Elections	0	0	0
ELE006-County Elections	0	0	0
ELE007-European Elections	0	0	0
ELE008-Police & Crime Commissioner Elections	0	0	0
SUP001-Administration	327,912	324,811	(3,101)
Total - Democratic Services	927,704	961,455	33,751

DRM002 - £12,500 overspend due to an error in the Councillors Allowances budget, £2k additional National Insurance contributions due to a National Budget change, £2.5k additional costs to post out committee papers when face to face meetings were not possible, £19,000 on annual printing recharge (Committee Papers)

	Q4 position		
	Profiled Budget	Actual Exp	Variance (under) / over spend
	£	£	£
Environmental & Regulatory Services			
BUC001-Building Control - Fee Earning	(139,924)	(129,019)	10,905
BUC002-Building Control - Non Fee Earning	68,454	71,887	3,433
EMP001-Emergency Planning	13,723	7,611	(6,112)
ESM001-Environment – SMSS	106,541	91,563	(14,978)
PSH002-Private Sector Housing	3,000	0	(3,000)
REG001-Environmental Health General	0	0	0
REG002-Licensing	8,777	(36,801)	(45,578)
REG009-Environmental Protection	168,332	165,943	(2,389)
REG011-Authorised Process	(11,900)	(10,063)	1,837
REG013-Pollution Control	122,897	118,462	(4,435)
REG016-Food Safety	129,283	131,495	2,212
REG021-Statutory Burials	5,000	7,598	2,598
TAC309-Other Trading Services - Markets	1,900	13,068	11,168
Total - Environmental & Regulatory Services	476,483	432,409	(44,074)

BUC001 - Building Control income is £15,000 behind budget but is an increase of £59,000 from 2020/21. There is a small underspend of £4,000 in the supplies & services budget. Income targets will be reviewed as part of the 23/24 budget setting process

ESM001 - £5k underspend on legal expenses, £10k underspend on IT maintenance. These are legacy budgets which were not spent in 20/21 or 21/22 and have been removed in 22/23

REG002 - £45,828 total overachievement of income of which £26,813 relates to taxi/private hire licences/knowledge test. Many drivers let their licences lapse in 2020/21 and so there have been an increase in renewals in 2021/22 as Covid restrictions have lifted

TAC309 - £10k underachievement of income, compared to an underachievement of £20k in 19/20 and £54k in 20/21. The 22/23 income budget has been reduced by £16k.

Q4 position		
Profiled Budget	Actual Exp	Variance (under) / over spend
£	£	£

Finance, Human Resources & Procurement

SUP003-Human Resources	165,245	154,824	(10,421)
HLD302-Miscellaneous Cash	0	100	100
HLD313-Lease Cars	0	0	0
SUP009-Accountancy	320,163	320,006	(157)
SUP010-Internal Audit	159,725	170,708	10,983
SUP011-Creditors	41,478	38,921	(2,557)
SUP012-Debtors	55,326	55,702	376
SUP013-Payroll	56,679	54,062	(2,617)
SUP019-Health & Safety	30,614	30,614	0
SUP020-Training & Development	26,599	26,656	57
SUP033-Central Purchasing	34,830	34,850	20
SUP035-Insurances	8,933	9,314	381
Total - Finance, Human Resources & Procurement	899,592	895,758	(3,834)

SUP003 - £11k underspend in legacy budgets that are no longer required, removed in 22/23

SUP010 - CFU costs not budgeted for in 21/22, corrected in 22/23 budget (£13k)

	Q4 position		
	Profiled Budget	Actual Exp	Variance (under) / over spend
	£	£	£
ICT, Change & Customer Services			
SUP002-Consultation, Policy & Research	116,276	115,225	(1,051)
HLD301-ICT Purchases	0	(0)	(0)
SUP005-ICT	795,521	767,070	(28,451)
SUP006-Telephones	10,000	6,645	(3,355)
SUP008-Reception/Customer Services	462,356	450,538	(11,818)
SUP014-Cashiers	6,400	4,798	(1,602)
SUP041-Business Solutions	284,113	291,366	7,253
TMR002-Street Furniture & Equipment	(4,799)	(22,580)	(17,781)
TOU002-Tourist/Visitor Information Centre	149,884	159,067	9,183
Total - ICT, Change & Customer Services	1,819,751	1,772,129	(47,622)

SUP005 - £9k underspend on equipment & software licences/maintenance, £16k underspend Publica contract

SUP008 - underspends in legacy budgets - protective clothing & software licences, removed in 22/23 budget

TMR002 - £11k overachievement of income, £6k underspend equipment purchase, removed in 22/23 budget (EP)

TOU002 - VIC closing and the effect on income - obsolete stock sold at a reduced rate plus redundancy costs

	Q4 position		
	Profiled Budget	Actual Exp	Variance (under) / over spend
	£	£	£
Land, Legal & Property			
ADB301-3 Welch Way (Town Centre Shop)	26,668	18,314	(8,354)
ADB302-Guildhall	12,163	13,613	1,450
ADB303-Woodgreen	195,113	192,827	(2,286)
ADB304-Elmfield	169,037	167,082	(1,955)
ADB305-Corporate Buildings	398,904	369,887	(29,017)
ADB306-Depot	(35,367)	(35,067)	300
LLC001-Local Land Charges	(157,968)	(90,018)	67,950
SUP004-Legal	245,879	212,467	(33,412)
TAC303-Swain Court & Newman Court Witney	(47,383)	(72,711)	(25,328)
Total - Land, Legal & Property	807,046	776,394	(30,652)

ADB301 - There is a £4k underspend on electricity, due to the Town Centre Shop being closed for a significant portion of the year and £4k overachievement of service charges to our tenants

ADB305 - £10K underspend repairs & maintenance, £7k prof fees, £6k rental income from Wychwood Project for office space charged for 20/21 & 21/22, £6k underspend standby payments (Ubico)

LLC001 - £68k underachievement of income, discussed in the Outturn report

SUP004 - £23k underspend prof fees normally spent on Barristers for specialist areas of law that we are unable to resource in-house. £13k underspend shared service costs due to less than 100% employment in the Legal Team in 21/22, £4k overspend in retained employee costs

TAC303 - £11k underspend premises costs for repairs and maintenance which has not been required and £2k additional income.

	Q4 position		
	Profiled Budget	Actual Exp	Variance (under) / over spend
	£	£	£
Leisure & Communities			
CCR001-Community Safety (Crime Reduction)	22,687	21,212	(1,475)
CCR002-Building Safer Communities	11,393	14,735	3,342
CCR301 - Communities Revenue Grant	218,820	189,814	(29,006)
CCT001-CCTV	89,100	92,646	3,546
CSM001-Cultural Strategy	89,064	75,691	(13,373)
CUL001-Arts Development	54,737	52,176	(2,651)
ECD001-Economic Development	67,382	65,760	(1,622)
REC001-Sports Development	96,746	97,676	930
REC002-Recreational Facilities Development	50,285	51,922	1,637
REC003-Play	31,402	45,329	13,927
REC301-Village Halls	13,349	13,936	587
REC302-Contract Management	1,013,774	972,925	(40,849)
SUP016-Finance - Performance Review	100,269	103,661	3,392
TOU001-Tourism Strategy and Promotion	196,824	187,344	(9,480)
Total - Leisure & Communities	2,055,832	1,984,828	(71,004)

CCR301 - Fewer grants paid out in the year than anticipated

CSM001 - £13k underspend in legacy supplies & services budget £10k removed in 22/23

REC003 - £13k repairs to Kilkenny play area

REC302 - £17k underspend equipment purchase & professional fees, £21k Solar income invoiced to GLL not budgeted for, £8k dual use payment from school, £7k overspend premises insurance

TOU001 - Legacy supplies & services budget underspends, £5k removed in 22/23 budget

	Q4 position		
	Profiled Budget	Actual Exp	Variance (under) / over spend
	£	£	£
Environmental Services			
CCC001-Climate Change	141,088	132,874	(8,214)
COR301-Policy Initiatives - Shopmobility	20,955	16,107	(4,848)
CPK001-Car Parks - Off Street	233,312	257,404	24,092
CPK011-On Street Civil Parking			
Enforcement	17,942	113,608	95,666
ENI002-Grounds Maintenance	450,400	457,487	7,087
ENI303-Landscape Maintenance	839	(2,806)	(3,645)
FLD001-Flood Defence and Land			
Drainage	148,045	144,710	(3,335)
REG004-Dog Warden	55,320	57,086	1,766
REG005-Public Health Sewerage	(24)	798	822
REG018-Pest Control	14,000	9,069	(4,931)
REG019-Public Conveniences	180,477	152,873	(27,604)
REG023-Environmental Strategy	80,067	72,048	(8,019)
RYC001-Recycling	2,614,908	2,719,992	105,084
RYC002-Green Waste	145,460	(72,302)	(217,762)
STC001 – Street Cleansing	0	0	780
STC004-Environmental Cleansing	1,031,390	1,019,928	(11,462)
STC011 - Abandoned Vehicles	0	(2,086)	(2,086)
TRW001-Trade Waste	45,560	119,305	73,745
TRW002-Clinical Waste	(1,100)	(29)	1,071
WST001-Household Waste	1,702,393	1,655,320	(47,073)
WST004-Bulky Household Waste	13,268	(3,549)	(16,817)
WST301-Env. Services Depot, Downs Rd,			
Witney	31,085	44,704	13,619
Total - Environmental Services	6,925,385	6,893,323	(32,062)

Car Parks - in line with in year reporting, Oxfordshire County Council likely to take back on street enforcement on 1st April 2023

REG019 - £45k saving on cleaning contract, £17k underachievement of income due to reduction in usage

RYC001 - £239k overspend Suez contract 22/23 budget increased by £300k, £20k additional income (recycling credits) due to fluctuations in recyclate prices, £58k Ubico contract refund, £17k underspend in marketing, £39k underspend in legacy IT maintenance, software licences and professional fees £15k removed in 22/23

RYC002 - as reported in year, budget incorrect, corrected in 2022/23

STC004 - £20k Ubico contract refund, £9k overspend protective clothing

TRW001 - £14k contract refund, £18k below income target (Schedule 1 £47k). £107k reduction in bad debt provision credited to Revenue. The remaining variance is due to a change in Q2 in the way we manage tipping charges payable to Oxfordshire County Council. This has been adjusted in 22/23

WST001 - £29k Ubico contract refund, £12k underspend on new bins, £6k underspend marketing

WST004 - £17k overachievement of income

WST301 - £13k repairs & maintenance
overspend

Q4 position		
Profiled Budget	Actual Exp	Variance (under) / over spend
£	£	£

Planning & Strategic Housing

DEV001-Development Control - Applications	(369,994)	(364,148)	5,846
DEV002-Development Control - Appeals	76,183	76,272	89
DEV003-Development Control - Enforcement	155,578	155,876	298
ECD301-WOSP	10,575	1,575	(9,000)
ENA001-Housing Enabling	116,178	98,567	(17,611)
ENI301-Landscape Initiatives	51,588	51,158	(430)
HLD315-Growth Board Project (Planning)	20,400	20,401	1
PLP001-Planning Policy	470,208	462,163	(8,045)
PLP003-Implementation	(917)	0	917
PLP004-Conservation	85,115	86,220	1,105
PSM001-Planning Service Mgmt. & Support Serv	163,147	131,952	(31,195)
Total - Planning & Strategic Housing	778,061	720,036	(58,025)

ECD301 - Town Team project underspend £9k on professional fees

ENA001 - £18k legacy supplies & services budget for Professional Fees & Printing, reduced in 22/23 by £8k

PSM001 - £19k underspend professional fees usually spent on consultancy & feasibility studies, £14k underspend on printing removed in 22/23

Q4 position		
Profiled Budget	Actual Exp	Variance (under) / over spend
£	£	£

Retained Services

COR002-Chief Executive	240,563	257,462	16,899
COR003-Corporate Policy Making	67,144	78,909	11,765
COR004-Public Relations	12,060	10,239	(1,821)
COR005-Corporate Finance	325,556	330,716	5,160
COR006-Treasury Management	26,700	16,236	(10,464)
COR007-External Audit Fees	57,000	78,017	21,017
COR008-Bank Charges	69,200	166,271	97,071
COR302-Publica Group	123,568	147,743	24,175
COV022 – Covid Grants	1,762,767	1,758,701	(4,066)
FIE341-Town Centre Properties	(437,864)	(556,724)	(118,860)
FIE342-Miscellaneous Properties	(790,895)	(826,090)	(35,195)
FIE343-Talisman	(1,296,450)	(1,450,635)	(154,185)
FIE344-Des Roches Square	(498,100)	(528,404)	(30,304)
FIE345-Gables at Elmfield	(40,865)	(46,524)	(5,659)
NDC001-Non Distributed Costs	599,100	646,949	47,849
TAC304-Witney Industrial Estate	(166,350)	(185,420)	(19,070)
TAC305-Carterton Industrial Estate	(221,950)	(302,008)	(80,058)
TAC306-Greystones Industrial Estate	(11,200)	(18,350)	(7,150)
TAC308-Other Trading Services - Fairs	0	(2,770)	(2,770)
Total - Retained Services	(180,016)	(425,680)	(245,644)

COR002 - £13k ARC membership not budgeted for

COR003 - contribution to Countywide Policy & Partnership Manager

COR007 - additional costs from KPMG related to Revs & Bens audit

COR008 - the £97k overspend is in line with reporting in the year. As transactional volume goes up, so do our bank charges but we should see a significant drop in expenditure in 2022/23 due to a renegotiation of the banking contract.

COR302 - error in the base budget (income) relating to Overhead Recharges to Publica corrected in 22/23

FIE341 - contingency £68k higher than lost rental income, £20k income relates to 20/21, £32k reduction in bad debt provision credited to Revenue

FIE343 - £55k underspend premises costs i.e. repairs & maintenance/Business Rates, £20k higher contingency than lost income

NDC001 - on a monthly basis the Council pays the LGPS a compensation payment and a deficiency payment. These payments bring our pension pot in line with the actuaries estimate.

TAC305 - Additional income from purchase of Units 1 -3 Carterton Ind Estate

	Q4 position		
	Profiled Budget	Actual Exp	Variance (under) / over spend
	£	£	£
Revenues & Housing Support			
HBP001-Rent Allowances	202,419	273,246	70,827
HBP003-Local Housing Allowance	(7,000)	59	7,059
HBP005-Benefit Fraud Investigation	120,144	120,436	292
HOM001-Homelessness	215,581	194,700	(20,881)
HOM002-Homelessness Grants	10,000	0	(10,000)
HOM003-Rent In Advance Scheme	0	362	362
HOM004-Refugees	5,808	5,808	0
HOM005-Homelessness Hostel			
Accommodation	11,586	11,448	(138)
HOM006 - The Old Court	0	(12,666)	(12,666)
LTC001-Council Tax Collection	119,314	115,707	(3,607)
LTC002-Council Tax Support			
Administration	146,538	144,679	(1,859)
LTC011-NNDR Collection	(59,926)	(48,697)	11,229
PSH001-Private Sector Housing Grants	46,269	46,368	99
PSH004-Home Improvement Service	(61,379)	(60,970)	409
Total - Revenues & Housing Support	749,354	790,479	41,125

HBP001 - £107k impact of additional temporary emergency accommodation on subsidy reclaim, £34k refund from HMCTS for overcharging of liability orders in prior years

HOM001 - £16k reduction in bad debt provision credited to Revenue

LTC011 - cost of collection budget is £10k higher than that provided in NNDR I

ANNEX B

Capital Slippage - 2021/22

The annual Revenue Budget setting process requires the Council to put forward a 10 year Capital Programme of estimated future expenditure.

It is only expenditure that is funded through Revenue that is approved through the budget setting process. Capital Expenditure funded through Earmarked Reserves, S106, Grants, Borrowing or External Contributions all require a business case to be submitted to Members for approval.

Scheme	2021/22 Budget	2021/22 Actual	Funded By	Over / (Underspend)	Recommend c/f	2022/23 Original Budget	2022/23 Total Budget
In-cab technology	140,000	137,749	Borrowing	-2,251			
Replacement dog and litter bins	52,701	135,400	Borrowing	82,699		25,000	
Replacement Street Sweepers	200,000	183,477	Borrowing	-16,523			
Ubico Fleet - Replace Vehicle Hire Costs	1,004,374	186,533	Borrowing	-817,841		1,080,000	1,080,000 a
Vehicle & Plant Renewal	70,157		Borrowing	-70,157			
Unicorn CPO purchase provision	700,000		Borrowing	-700,000			
Welch Way building renovation project	75,000	23,803	Borrowing	-51,197	51,197		51,197 b
Electric vehicle recharging points	400,000		Borrowing	-400,000	200,000		200,000 c
Property Purchase in Carterton	2,400,462	2,400,462	Borrowing				
Investment Strategy for Recovery	12,599,538		Borrowing	-12,599,538	12,599,538	10,000,000	22,599,538
Old Court House, Witney	1,452,750	1,427,690	Borr/RTB receipts	-25,060			
CCTV - Upgrade	200,000	0	Capital Receipts	-200,000		300,000	300,000
Shop Mobility - Replacement stock	10,000	0	Capital Receipts	-10,000		10,000	10,000
Cottsway - Blenheim Court Growth Deal	170,500		Ext Contribution	-170,500		170,500	170,500 d
Cottsway - Lavender Place Growth Deal	99,000		Ext Contribution	-99,000	99,000		99,000 d
Affordable Housing in Witney (Heylo)	1,761,875		Ext Cont'n/S106	-1,761,875			1,761,875 e
Improvement Grants (DFG)	606,800	766,880	Grant	160,080	200,950	606,800	807,750 f
Carterton Leisure Centre PSDS Project			Grant			1,300,000	
Deployment of High Speed Broadband	1,230,366	0	Reserves	-1,230,366	1,230,366		1,230,366 g
IT Provision - Systems & Strategy	112,244	14,983	Revenue Cont'n	-97,260		100,000	
Council Buildings Maint Programme	325,000		Revenue Cont'n	-325,000		200,000	200,000
IT Equipment - PCs, Copiers etc	40,000	16,002	Revenue Cont'n	-23,998		40,000	
Community Grants Fund	325,115	167,426	Revenue Cont'n	-157,689		200,000	200,000
Madley Park playing Fields Project	6,165		S106	-6,165		6,165	6,165
Abbeycare - Public Art	0	3,410	S106	3,410			
Play Parks	0	0	S106			100,000	100,000
EVCP Woolgate			S106				167,000
Chipping Norton Creative	30,063	11,766	S106	-18,297	18,297	10,000	28,297
Carterton Connects Creative (S106)	47,280	6,909	S106	-40,371		44,500	44,500
Raleigh Crescent Play Area (s. 106)	75,000		S106	-75,000		75,000	
Developer Capital Contributions		203,455	S106	203,455			
	24,134,389	5,685,947		-18,448,443	14,399,348	14,267,965	29,056,188

Where funding is noted as "borrowing", this could be internal or external. To date no external borrowing has been undertaken.

a) The budget for Ubico vehicles relates to the replacement of leased vehicles with owned vehicles. This replacement programme was slower than anticipated in 2021/22 due to the lead times on vehicles increasing to an average of 20 weeks.

b) The residual suggested budget for Welch Way renovations has been slipped forward to 2022/23 in recognition that there is an appetite under the Agile work programme for further changes to be made to the building. This will still need a business case to be brought forward for any further work to be done.

c) The EVCP charging points in Burford will cost less than £50k and other locations have been deployed under the County funding scheme so the capital budget allocated to this has been reduced with £200k being carried forward pending further business cases coming forward.

d) The capital programme budget for 2021/22 includes the final contract payments to Cottsway for the Affordable Housing schemes at Blenheim Court and Lavender Place. These final payments represent 10% of the total contract cost and are held back until the schemes are certified as fully completed. These final payments will go out in 2022/23.

e) The Council's partnership with Heylo for the provision of Affordable Housing is funded through a combination of Future Oxford Partnership funding and S106. The payment will go out in 2022/23.

f) The expenditure on Improvement Grants (Disabled Facilities Grant) in the year was higher than anticipated, but this expenditure is fully funded by a Grant. The grant for 2022/23 has been confirmed at £807,750.

g) The deployment of High Speed Broadband was funded 50% by Government Grant and 50% through Earmarked Reserves. The project is complete and the payment to Gigaclear will go out in 2022/23 on receipt of their invoice.