

Cherwell District Council

Overview and Scrutiny Committee

30 November 2021

Monthly Performance, Risk and Finance Monitoring Report

Report of: Director of Finance and Head of Insight and Corporate Programmes

This report is public.

Purpose of report

This report summarises the Council's Performance, Risk and Finance monitoring positions as at the end of September 2021/Quarter 2. The Committee is responsible for reviewing the performance aspects of the report.

1.0 Recommendations

The meeting is recommended:

- 1.1** To note the monthly Performance, Risk and Finance Monitoring Report
- 1.2** To note the Quarter 2 Climate Action Plan and Equalities, Diversity and Inclusion Action plan progress updates

2.0 Introduction




- 2.1** The Council is committed to performance, risk and budget management and reviews progress against its corporate priorities on a monthly basis.
- 2.2** This report provides an update on progress made during September 2021, to deliver the Council's priorities through reporting on Performance, the Leadership Risk Register and providing an update on the financial position. The quarter two updates for the Climate Action and Equalities, Diversity and Inclusion action plan updates are also included in this report.
- 2.3** The Council's performance management framework sets out the key actions, projects and programmes of work that contribute to the delivery of the 2021-22 business plan and the priorities of the Council. These measures and key performance indicators are reported on a monthly basis to highlight progress, identify areas of good performance and actions that have been taken to address underperformance or delays.

- 2.4** As part of monthly reporting, the Insight Team provides the Senior Management Team with a corporate complaints report. Complaints received during the month are closely monitored and analysed. The mandatory lessons learned data continues to be implemented and we are starting to see a decrease in the number of upheld complaints. Lessons learned are reported to CEDR (Chief Executive Direct Reports) and progress is monitored to ensure actions are implemented to avoid the same complaint being reported.
- 2.5** The Council maintains a Leadership Risk Register that is reviewed on a monthly basis. The latest available version of the risk register (at the date this report is published) is included in this report (Appendix 1). The Leadership Risk Register and strategy are reviewed on an annual basis as part of the budget and business planning process, reflecting on the priorities of the council for the forthcoming year. The Leadership Risks reflected in this report have been thoroughly reviewed by CEDR and will continue to be updated on a monthly basis.
- 2.6** The main report details section is split into three parts:
- Performance Update
 - Leadership Risk Register Update
 - Finance Update
- 2.7** There are two appendices to this report:
- Appendix 1 – 2021/22 Business Plan
 - Appendix 2 – Monthly Performance Report – September

3.0 Report Details

- 3.1** The Council's performance management framework sets out key actions, projects and programmes of work that contribute to deliver the refreshed 2021-22 business plan (see Appendix 1) and the priorities of the Council.
- 3.2** The 2021-22 business plan sets out four strategic priorities:
- Housing that meets your needs
 - Leading on environmental sustainability
 - An enterprising economy with strong and vibrant local centres
 - Healthy, resilient and engaged communities
- 3.3** This report provides a summary of the Council's performance in delivering against each strategic priority. To measure performance a 'traffic light' system is used. Where performance is on or ahead of target it is rated green, where performance is slightly behind the target it is rated amber. A red rating indicated performance is off target.

3.4 As part of our commitment to tackle climate change the Quarter two update is included. Also, the Quarter two Equalities, Diversity and Inclusion Action Plan update is attached show progress towards our commitment to inclusion and equality, and the agreed Equalities, Diversity and Inclusion Framework, Including Everyone.

Colour	Symbol	Tolerances for Business Plan Measures	Tolerances for Key Performance
Red		Significantly behind schedule	Worse than target by more than 10%.
Amber		Slightly behind schedule	Worse than target by up to 10%.
Green		Delivering to plan / Ahead of target	Delivering to target or ahead of it.

Priority: Housing that meets your needs

3.4 The Council is committed to deliver affordable housing, raising the standard of rented housing and find new and innovative ways to prevent homelessness. Also, to promote innovative housing schemes, deliver the local plan and supporting the most vulnerable people in the District.

3.5 Overview of our performance against this strategic priority:

Homeless Prevention reported Amber for September and for year to date due to demands on the Housing Team; those presenting in crisis have hampered our ability to focus on 'upstream' prevention work. Resources are being assessed to create more work capacity with households, at an earlier stage, to improve prevention outcomes.



Homes improved through enforcement action reported Green for September and year to date (25 against target of 9 homes). A tremendous improvement from the previous month, achieved through interventions.

Maintain 5-year Land Supply reported Amber for September and year to date, there was no change to the previous quarter's position (4.7 years against target of 5 years).

Net Additional Housing completions reported Green for September and Amber for year to date (311 against target of 285). The provisional housing completions expected for Quarter two exceeded the quarterly target.



Average time taken to process Housing Benefit New Claims reported Green for September and year to date (14.04 against target of 15 days). Another improvement from the previous month.

Major applications overturned at appeal reported Red for September and for year to date (16.67% against a target of 10%). One Major Planning Appeal was overturned by the Planning Inspectorate during September 2021.

Priority: Leading on environmental sustainability

3.6 The Council is committed to deliver on sustainability and in the commitment to be carbon neutral by 2030, promotes the Green Economy and increases recycling across the district.

This priority includes the protection of our natural environment and our built heritage, working in partnerships to improve air quality in the district and the reduction of environmental crime.

3.7 Overview of our performance against this strategic priority:



Reduction of fuel consumption used by fleet reported Amber for September and year to date (41,932 against target of 39,878). Slight increase, from last year, however, as per previous months, more vehicles are being used compared to the same period last year.

% of Waste Recycled & Composted reported Green for September and year to date (59.01% against a target of 56%). The dry recycling is still performing at record levels with the contamination rate starting to fall.



Development of Country Parks to support life choices reported Amber for September and year to date. The project is running behind schedule, but with expectations to get back on track as a new Project Manager is to be recruited imminently.

Work with partners to deliver initiatives to improve air quality in the District reported green for September with two portable monitors loaned by Oxfordshire County Council. The monitors, which measure nitrogen dioxide, particulate matter (PM10 and PM2.5), sulphur dioxide and ozone and have been set up to provide live data for these pollutants. Also, we were awarded a grant of £17,300 from the Department for Environment, Food and Rural Affairs (Defra) towards projects for raising awareness of air quality. The grant money will be used for promotional material and to purchase two portable air



quality monitors that can be moved around schools in the district to show the changes in air pollution levels at peak times (drop off and pick up times).

Priority: An enterprising economy with strong and vibrant local centres

3.8 The Council is committed to support business retention and growth, developing skills and generating enterprise; also, securing infrastructure to support growth in the district and securing investment in our town centres. This priority also contributes towards making communities thrive and businesses grow promoting the district as a visitor destination, committing to work with businesses to ensure compliance and promote best practice.

3.9 Overview of our performance against this strategic priority:

Council Tax collected, increase Council Tax Base Reported Green for September and Amber for year to date (9.11% against target of 8.50%), due to the amount of Council Tax to be collected, which has risen by nearly £1.6m, since the 01st April 2021, to just over £116.9m. Whilst the in-month collection & year-to-date figures are both slightly short of target, recovery action remains ongoing. Reminder notices continue to be issued, and those in arrears are being pursued through court action.



Business Rates collected, increasing NNDR reported Green for September and Red for year to date (11.01% against a target of 9.50%). The amount of business rates to be collected in 2021/22, stands at £80.8m, reduced collection due to multiple assessments of rateable value reductions. The team continues to formally recover arrears by issuing reminder notices and taking court action, where appropriate.

Promote the district as a visitor destination reported Green for September and year to date. The district's hospitality venues and visitor attractions have been welcoming domestic visitors since the lifting of social restrictions. International visitor numbers remain low due to travel restrictions. Still, Experience Oxfordshire launched a new digital countywide Hospitality Guide with significant Cherwell content.



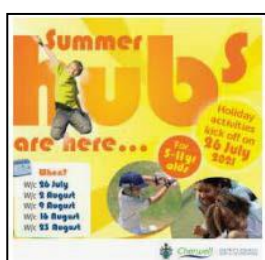
Establish new Building Regulations partnership reported Amber for September and year to date. A draft report has been prepared to consider the options for providing Building Control services in the future, particularly a potential partnership with another local authority. The aim is to achieve a resilient service for the future that benefits from economies of scale and maximises opportunities for income generation.

Priority: Healthy, resilient and engaged communities

3.10 The Council is committed to enabling all residents to lead an active life, improving and developing the quality of local sports and leisure facilities and promoting health and wellbeing in our communities. Also, supporting community and cultural development, working with our partners to address the causes of health inequalities and deprivation, and to reduce crime and anti-social behaviour.

3.11 Overview of our performance against this strategic priority:

Number of visits / usages of District Leisure Centres reported Red for September and Green for year to date (110,527 against target of 150,000). The usage figures for three of the main Leisure Centres showed an increase against the August figures. However, one centre showed a decrease on the previous month, which was not unexpected, due to the change in seasonal programming for the outdoor swimming pool.



Promote Health and Wellbeing is Reporting Green for September and year to date, with Youth Activators restarting school sessions and, the adherence of 55 people to the Move Together pathway - a specific programme for residents who had been asked to shield during the first phases of the pandemic, encouraging them to become more socially and physically active.

Summary of Performance

3.12 The Council reports monthly on performance against 38 (27 monthly / 38 quarterly) Business Plan Measures, with 21 Programme Measures and 17 Key Performance Indicators. Full details, including commentary against each measure and key performance indicator can be found in Appendix 2.

Programme Measures and Key Performance Indicators (38)

Status	Description	Q2/ September	%	YTD	%
Green	On target	31	82%	29	77%
Amber	Slightly off target	5	13%	7	18%
Red	Off target	2	5%	2	5%

3.13 Climate Action Programme – Quarter two update

This report updates on the delivery of the 21 Cherwell District Council and joint (with Oxfordshire County Council) priority actions set by the Climate Action Programme Board for 2021/22. By the end of Quarter two, actions were rated:

Status	Description	Quarter 2	Quarter 2%	YTD	YTD %
Green	On target	13	62%	14	66%
Amber	Slightly off target	7	33%	6	29%
Red	Off target	1	5%	1	5%

Performance highlights:

- Delivery of heat decarbonisation and energy efficiency projects funded by £6m grant from Public Sector Decarbonisation Scheme proceeding in leisure centres and corporate buildings. Deadline extended to March 2022 to accommodate nationwide supply chain issues.
- Fleet audits completed to inform a fleet replacement programme and assess charging infrastructure needs.
- £3m bid submitted to the Sustainable Warmth Fund to increase the energy efficiency of homes in fuel poverty.
- Cherwell Local Plan Review Options Paper under consultation.
- Local businesses engaged in COP26 Zero Carbon Tour, part of the council's COP26 comms campaign.

Additionally, delivery of the council's climate action commitments is being supported by the following initiatives:

- Three teams have now requested to take part in the Carbon Literacy peer-to-peer training course, after a successful pilot with the Leisure Services in July.
- Staff joined a Climate Café in September to learn about the new requirement to include Equalities and Climate Impact Assessments in reports to CEDR and Exec proposing a new policy, procedure, service change, service planning or programme.



3.14 Equality, Diversity and Inclusion Action Plan – Quarter two update

This is the second quarter summary report of the Including Everyone action plan. There are 32 actions in total, spread across the three areas of activity: Inclusive Workforce, Inclusive Communities and Inclusive Service Delivery.

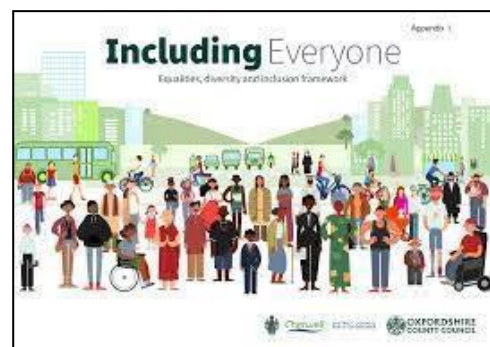
Status	Description	Quarter 2	Quarter 2 %	YTD	YTD %
Green	On target	21	66%	22	67%
Amber	Slightly off target	11	34%	10	33%
Red	Off target	0	0%	0	0%

Performance highlights:

- Stakeholder engagement workshops have helped to shape our first draft of the Recovery and Prosperity Strategy for Cherwell and further consultation will be held during October and November.
- The 'Mentoring for Diversity' programme has been extended for an additional three months as feedback continues to be positive. All of the mentors involved in the scheme have said that it has been beneficial both for the organisation and on an individual basis.
- A final draft of the Social Value Policy has been developed which will embed both climate action and equalities considerations into our procurement practices.

It has become clear that a number of actions will need to be re-designed as part of developing the new action plan in January 2022. This will include:

- Developing more detailed actions that link to a project to re-design our digital presence
- Understanding how we can improve the links between addressing climate change and tackling health inequalities
- Ensuring that we embed key learning from Covid into actions to address inequality



3.15 Service in Focus - Place and Growth /Growth and Economy

The work of the Growth and Economy section falls into four areas: the Bicester Delivery Team; Strategic Transport; Economic Growth and the Build! Team.

The Bicester Delivery Team has continued to progress the Bicester Garden Town Programme infrastructure projects which are needed to facilitate the new housing growth, including in April the construction of the rail under bridges to the north west of the town. The work undertaken by the Bicester Town Centre Task Group has also been further developed with a project progressing to procure a Business Plan for the revitalisation of the town centre.

Cherwell's Strategic Transport interests have been represented at a number of significant groups, including the Oxford-Cambridge Arc Collaboration Forum; the A34 Improvements Steering Group; East West Rail; and the Oxfordshire Strategic Transport Forum.

The Economic Growth team has worked with colleagues in Finance and CSN Resources on the disbursement of HM Government's COVID-19 business grants. The Council has successfully participated in a number of the Government-funded COVID-19 recovery schemes, including the 'Meanwhile in Oxfordshire' project which brings vacant retail units back into use. To promote investment in the district, the team exhibited with partners at the September OxProp Fest event at Bicester Motion,

liaising directly with commercial property agents and business leaders. A new ten-year economic strategy, the Recovery and Prosperity Strategy for Cherwell, is under preparation.

The Build! Team completed the construction of three two-bedroomed accessible bungalows in Middleton Stoney at the start of May, with two being let for affordable rent and the third being a shared ownership sale. Two of the team’s projects have been selected as finalists for housing awards – the best development under £5 million, for the Admiral Holland development in Banbury; and a community regeneration award for Banbury’s Bretch Hill development.

Risk Update

- 3.16 The Council maintains a Leadership Risk Register that is reviewed on a monthly basis. The latest available version of the risk register at the date this report is published is included in this report.
- 3.17 The heat map below shows the overall position of all risks contained within the Leadership Risk Register.

Risk Scorecard – Residual Risks

Probability		1 - Remote	2 - Unlikely	3 - Possible	4 - Probable	5 - Highly Probable
Impact	5 - Catastrophic					
	4 - Major		L06- L08 - L15	L03 - L04 - L05 - L10	L01 - L16	
	3 - Moderate		L09 -	L02 - L11 - L13 - L17- L18	L14	L12
	2 - Minor					
	1 - Insignificant					

3.18 The table below provides an overview of the Leadership Risk Register 21/22

Leadership Risk	Score	Direction of travel	Latest Update
L01 Financial Resilience	16 High Risk	↔	Risk reviewed - 04/10/21 Mitigations and Comments updated
L02 Statutory functions	9 Low Risk	↔	Risk reviewed - 13/10/21 Mitigating actions and comments updated
L03 CDC Local Plan	12 Medium Risk	↔	Risk reviewed - 14/10/21 - Comments updated
L04 Business Continuity	12 Medium Risk	↔	Risk Reviewed 11/10/21 - Comments and mitigating actions updated
L05 Emergency Planning	12 Medium Risk	↔	Risk Reviewed 11/10/21 - Mitigating actions updated
L06 Health & Safety	8 Medium Risk	↔	Risk reviewed 01/10/21 - No changes
L07 Cyber Security	15 Medium Risk	↔	Risk Reviewed 11/10/21 - No changes
L08 Safeguarding the Vulnerable	8 Medium Risk	↔	Risk reviewed 04/10/21 - Mitigations updated
L09 Sustainability of Council owned companies and delivery of planned financial and other objectives.	6 Low Risk	↔	Risk reviewed 13/10/21 - No changes
L10 Financial sustainability of third-party suppliers and contractors	12 Medium Risk	↔	Risk reviewed 04/10/2021 - No changes
L11 Corporate Governance	9 Low Risk	↔	Risk reviewed 13/10/2021 - Comments updated
L12 Oxfordshire Growth Deal	15 Medium Risk	↔	Risk reviewed 08/10/21 - No changes.
L13 Joint Working	9 Low Risk	↔	Risk reviewed 14/10/2021 - Comments updated
L14 Legacy Shared Services Partnership – West Northamptonshire Council	12 Medium Risk	↔	Risk reviewed 14/10/2021 - Comments updated
L15 Workforce Strategy	8 Medium Risk	↔	Risk reviewed 20/10/21 - Mitigating actions and comments updated
L16 COVID-19 Community and Customers	16 High Risk	↔	Risk reviewed 01/10/2021 - No changes
L17 COVID-19 Business Continuity	9 Low Risk	↔	Risk reviewed 13/10/2021 – Mitigating actions updated
L18 Post COVID-19 Recovery	9 Low Risk	↔	Risk reviewed 13/10/2021 - Controls, mitigating actions and comments updated

There were no score changes to the Leadership Risk Register during September.

Finance Update

3.19 The Council's forecast position for 2021/22 at the end of September shows a £0.810m overspend as shown in Table 1. This is made up of potential non-delivery of savings targets of £0.666m and an overspend of £0.144m on business-as-usual costs as shown in Table 2.

3.20 Report Details

Table 1: Forecast Year End Position

Forecast overview - September 2021	Original Budget	Current Budget	Year End Position at September	September Variance (Under) / Over	% Variance to current budget	August Forecast Over / (Under)	Change since August (better) / worse
	£m	£m	£m	£m	%	£m	£m
Environment and Place	6.699	10.018	11.176	1.158	11.6%	1.171	(0.013)
Customers, Org. Dev. And Resources	5.682	6.399	6.808	0.409	6.4%	0.554	(0.145)
Adults and Housing Services	1.844	2.700	2.690	(0.010)	-0.4%	0.015	(0.025)
Public Health and Wellbeing	1.816	2.969	3.129	0.160	5.4%	0.160	0.000
Comm. Dev. Assets and Inv.	0.076	0.185	1.539	1.354	731.9%	0.987	0.367
Subtotal Directorates	16.117	22.271	25.342	3.071	13.8%	2.887	0.184
Executive Matters	2.769	(3.613)	(4.072)	(0.459)	-12.7%	(0.457)	(0.002)
Policy Contingency	3.487	3.715	1.913	(1.802)	-48.5%	(1.628)	(0.174)
Total	22.373	22.373	23.183	0.810	3.6%	0.802	0.008
FUNDING	(22.373)	(22.373)	(22.373)	0.000	0.0%	0.000	0.000
(Surplus)/Deficit	0.000	0.000	0.810	0.810		0.802	0.008

Table 2: Analysis of Forecast Variance – September

Breakdown of current month forecast	Forecast Variance	Forecast Base Budget Over/ (Under)	Mitigations	Savings Non-Delivery
	£m	£m	£m	£m
Environment and Place	1.158	0.754	0.000	0.404
Customers, Org. Dev. And Resources	0.409	0.316	0.000	0.093
Adults and Housing Services	(0.010)	(0.020)	(0.030)	0.040
Public Health and Wellbeing	0.160	0.131	0.000	0.029
Comm. Dev. Assets and Inv.	1.354	1.302	(0.048)	0.100
Subtotal Directorates	3.071	2.483	(0.078)	0.666
Executive Matters	(0.459)	(0.459)	0	0.000
Policy Contingency	(1.802)	(1.802)	0	0.000
Total	0.810	0.222	(0.078)	0.666
FUNDING	0.000	0.000	0.000	0.000
(Surplus)/Deficit	0.810	0.222	(0.078)	0.666

- 3.21 Of the £0.666m savings not expected to be delivered in 2021/22, £0.507m of this is also not expected to be delivered in future years. The Council is working on ways to address this, including reviewing whether budget is available within Policy Contingency to mitigate some of the non-delivery in year.
- 3.22 The Council has incurred costs and lost income during 2021/22 in relation to Covid-19 across all areas of the Council. As the Covid-19 restrictions have eased additional costs linked to Covid-19 are reducing. However, there are some areas where there may be a prolonged change in behaviour. In particular lost income is forecast until the end of the financial year in car parking.
- 3.23 When the Council set its budget for 2021/22 the likely financial impact of Covid-19 was taken into consideration and budget provisions were made accordingly. The policy contingency budget of £3.715m includes funding for anticipated lost income and additional costs of Covid-19 in the 2021/22 financial year. In addition, the Council received £0.720m in Covid-19 grant and expects to claim £0.095m from the Sales, Fees and Charges compensation scheme which is open until the end of June. The forecast financial costs and loss of income associated with Covid-19 continue to be recorded and are shown in Table 3 as a memorandum item. These impacts are assumed within the overall forecast.

Table 3: Covid Impacts included in the 2021/22 Outturn Forecast

Covid Costs 2021/22	£m
Environment and Place	0.430
Customers, Org. Dev. And Resources	0.004
Adults and Housing Services	0.000
Public Health and Wellbeing	0.199
Comm. Dev. Assets and Inv.	2.006
Subtotal Directorates	2.639
Executive Matters	(0.815)
Policy Contingency	0.000
Total	1.824

Note: Executive Matters holds the General Covid funding received.

3.24 Report Details

Environment and Place

Environment and Place have forecast an overspend of £1.158m against a budget of £10.018m (11.6%). This forecast overspend includes £0.754m expected base budget costs and £0.404m in potential savings non-delivery

Environment and Waste	The forecast variance for Environmental Services for September is due to continued pressure within Car Parks, £0.752m reduction in anticipated car parks income, (of which £0.358m is due to the impact of Covid-19). There is also a £0.107m increase in national non-domestic rates.
Variation £1.016m overspend	
Variance to last month's forecast £0.045m	A new pressure has risen within Waste and Recycling regarding a possible delay to the food and garden waste roll out. The collection start date is uncertain due to supply problems with the vehicles. That issue should be resolved imminently, and a start date confirmed.
	The anticipated income is expected to see a £0.472m reduction, this is part off set by (£0.387m) saving in employee costs due to non-recruitment to

		posts, refuse disposal charges and reductions in gate fees plus other small variances across the service of £0.072m.
Planning & Development		Planning and Development are forecasting a £0.037m overspend due to minor variances across the service.
Variation		
£0.037m		
overspend		
Variance to last month's forecast		
£0.022m		
Growth & Economy		Growth and Economy are forecasting £0.105m overspend which is made up of £0.025m consultancy costs, £0.025m relocation costs of tenants of Town Centre House and £0.055m corporate costs in relation to Oxford to Cambridge ARC and the annual Growth board contribution
Variation		
£0.105m		
overspend		
Variance to last month's forecast		
£0.010m		

Customers, Organisational Development and Resources

Customers & Organisational Development have forecast an overspend of £0.409m against a budget of £6.399m (6.4%). This forecast overspend includes £0.316m base budget costs and savings of £0.093m at risk of delivery.

HR/IT/Comms/Cultural Services		There is a forecast overspend of £0.117m within IT due to a pressure on the delivery of savings required of £0.093m and small overspends across the service of £0.024m.
Variation		A full review is underway to identify in-year mitigations including a review of joint working costs and potential savings through working with OCC, and the legacy costs associated with delivery of service to what was South Northants Council.
£0.112m		
overspend		
Variance to last month's forecast (£0.038m)		Customer and Cultural Services are largely on target, apart from a forecast overspend on salaries of £0.020m.
		HR are forecasting an underspend of (£0.025m) due to having Health & Safety within their service, 0.035m overspend due joint working income no longer being received this is partly offset by an

	underspend in Computer software. (£0.060m) underspend in due to vacant post
Finance	
Variation £0.297m overspend	There is a forecast overspend for Revenue and Benefits due to £0.174m recovery of overpaid Housing Benefit subsidy by the Department of Works and Pensions.
Variance to last month's forecast (£0.107m)	The one off project and recruitment costs relating to the establishment of the new Revenues and Benefits team has been offset by additional government grants. There is a forecast £0.070m overspend on insurance premiums, a £0.027m forecast overspend on personnel costs in Finance and £0.026m overspend on software support contracts.

Adults and Housing Services

Adults and Housing Services have forecast an underspend of (£0.010m) against a budget of £2.700m, (0.4%). This forecast underspend includes (£0.020m) base budget savings and £0.040m in potential savings non-delivery

Housing & Social Care	The forecast outturn for Housing is expected to be largely on track with (£0.010m) underspends across the service.
Variation (£0.010m) overspend	
Variance to last month's forecast (£0.025m)	

Public Health & Wellbeing

Public Health & Wellbeing forecast an overspend of £0.160m against a budget of £2.969m (5.4%). This forecast overspend includes £0.131m within the base budget and £0.029m in potential savings non-delivery

Wellbeing	Wellbeing is forecasting an overspend of £0.199m which relates to loss of benchmarking income in relation to the leisure contract as a direct impact of Covid and (£0.039m) underspend across the department.
Variation £0.160m overspend	
Variance to last month's forecast (£0.000m)	
Healthy Place	Healthy Place Shaping are currently projecting to

Shaping	be on target.
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Variation £0.000m

Variance to last month's forecast £0.000m

Commercial Development, Assets and Investments

The Directorate is forecasting an overspend of £1.354m against a budget of £0.185m (731.9%). This forecast overspend includes £1.302m base budget costs and £0.100m in potential savings non-delivery

Property	Broadly in line with expectations, Castle Quay is anticipating a net reduction in income of £1.700m. This is a deterioration of £0.302m compared to August's forecast.
Variation £1.350m overspend	

Variance to last month's forecast £0.322m	Of the net reduction in income £2.165m is due to reduction in commercial income alongside additional void costs for empty units associated with the impact of Covid-19. Partially mitigating this are potential savings of (£0.465m) on other costs. Income levels for the current year are 64% of pre pandemic levels and are anticipated to rise to 91% of pre-pandemic levels in 2022/23.
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The Council has set aside a contingency of up to £1.603m for these costs, which will be brought into the accounts once the final outturn is known. Taking into account Policy Contingency there is a net overspend of £0.097m forecast for Castle Quay.

The rest of the Property service area is forecasting an underspend of (£0.350m). This is as a result of improved commercial income of (£0.170m), staff savings of (£0.130m) and (£0.050m) various underspends across the department.

Procurement	Procurement is forecasting on track with budget.
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Variation (£0.000m) underspend

Variance to last month's forecast £0.00m
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<p>Law and Governance</p> <p>Variation £0.102m overspend</p> <p>Variance to last month's forecast £0.050m</p>	<p>There is a pressure within legal of £0.100m due to an under recovery of income - steps are being taken to put into place income generation milestones.</p>
<p>Growth and Commercial</p> <p>Variation (£0.048m) underspend</p> <p>Variance to last month's forecast £0.000m</p>	<p>The underspend forecast is due to savings on a vacant post.</p>
<p>Regulatory Services</p> <p>Variation (£0.050m) underspend</p> <p>Variance to last month's forecast (£0.005m)</p>	<p>The Regulatory Services forecast underspend is due to (£0.115m) underspend on staff costs and vacant posts offset by £0.065m forecast loss of licensing income plus other minor savings across the service.</p>

Executive Matters

Executive Matters forecast is an underspend of (£0.459m) against the budget of (£3.613m) (12.7%).

<p>Interest</p> <p>Variation (£0.434m) underspend</p> <p>Variance to last month's forecast (£0.002m)</p>	<p>There is an underspend forecast against the budget of (£0.434m) for 2021/22 mostly as a result of lower interest rate on borrowings.</p>
<p>Corporate</p> <p>Variation</p>	<p>The council is forecasting receipt of £0.095m Covid-19 funding as 75% compensation for lost Sales Fees and Charges Income from the</p>

(£0.095m)
underspend

Government for the period to 30 June 2021

Variance to last
month's forecast
£0.000m

External Audit
Fees

External Audit fees are anticipated to be £0.070m more than budgeted due to higher-than-expected final 2019/20 audit fees and an increase in forecast for this year's audit.

Variation
£0.070m
overspend

Variance to last
month's forecast
£0.000m

Policy Contingency

Policy contingency is planned to meet the reduction in commercial income in Commercial Development, Assets and Investments and is forecasting an underspend of (£1.603m), in addition (£0.199m) is forecast for the Leisure Contract benchmarking payments. There remains £0.974m unallocated after these assumptions are taken into account.

3.25 Forecast Earmarked Reserves and General Balances at September 2021

The table below is a summary of the level of reserves the council holds.

Reserves	Balance 1 April 2021	Original Budgeted use/ (contribution)	Changes agreed since budget setting	Changes proposed September 2021	Forecast Balance 31 March 2022
	£m	£m	£m	£m	£m
General Balance	(£5.087)	£0.000	£0.000	£0.000	(£5.087)
Earmarked	(£21.328)	(£0.577)	£0.984	£0.065	(£20.856)
Ringfenced Grant	(£31.556)	£22.073	£4.934	£0.000	(£4.549)
Subtotal Revenue	(£57.971)	£21.496	£5.918	£0.065	(£30.492)
Capital	(£0.676)	£0.000	£0.020	£0.000	(£0.656)
Total	(£58.647)	£21.496	£5.938	£0.065	(£31.148)

3.26 Government Grants

Grant funding received by the Council this month of £0.025m in relation to Covid Test and Trace.

3.27 Aged Debt

As at 30 September the Council had outstanding debt of £4.167m, of which £0.960m is current and £3.208 is in recovery. Of the £3.208m in recovery, £2.811 is over 120 days old. A review of debt will be carried out within the next quarter.

3.28 Capital

There is a forecast in-year underspend of £4.062m, of which £3.678m is anticipated to be reprofiled in future years. There is an overall forecast decrease in the total cost of schemes of £0.384m.

Forecast Capital Spend 2021/22

Directorate	Budget £m	Forecast Spend 2021/22 £m	Re-profiled beyond 2021/22 £m	Variance to Budget £m	Prior Month Variance £m
Housing Total	1.244	0.806	0.063	(0.375)	(0.375)
Comm Dev Assets total	28.577	26.417	2.059	(0.101)	(0.054)
Customers, Org Dev & Resources Total	1.269	1.044	0.225	(0.000)	(0.045)
Environment and Place Total	9.308	8.119	1.331	0.142	0.142
Public Health Wellbeing Total	0.561	0.557	0.000	(0.004)	(0.004)
Total	40.959	36.943	3.678	(0.339)	(0.337)

3.29 Forecast Variances

Housing:

Housing is forecasting an underspend of (£0.375m) due to reduced activity in delivering Disabled Facilities Grant works during the pandemic. It is expected that the capital programme will increase by £1.240m due to the 2021/22 Better Care Allocation once approval has been given by Full Council until this has happened, we are only forecasting spend against existing budget.

Commercial Development, Assets & Investments:

Property is forecasting to spend £26.417m across various capital schemes. It is anticipated that there will be a saving of (£0.101m) across a few capital projects but with most schemes still anticipating full utilisation of budget by the end of the year. Although there is the possibility that some projects may need to be reprofiled to 2022/23 depending on progress made. This is to be reviewed as part of Q3 forecasting. Regulatory Services are forecasting to spend £0.015m this year to enable agile working.

Customers Organisational Development & Resources:

ICT are currently forecasting a £0.033m overspend against the Land and Property Harmonisation Scheme. However, they will be applying to repurpose some of the budget relating to one of the other schemes. If this is agreed the net effect will be zero.

Finance is forecasting as on target. The remaining £0.045k budget has been vired under delegated approvals.

Environment and Place:

Forecasting to spend £5.320m by year end. This is an overspend of £0.142m of which £0.078m relates to retention payments due next year.

Environmental Services are forecasting no variances for 2021/22.

Public Health & Wellbeing:

Wellbeing are forecasting spend of £0.559m which is £0.010m over budget in relation to Community grants. The scheme reported a (£0.025m) underspend in 20-21 as the commitment due to a project being cancelled in error. The works are however going ahead in this financial year, resulting in the reported overspend.

3.30 Re-profile beyond 2021/22

Housing

£0.063m Discretionary grants - This budget supports a number of discretionary grants, all of which are reactive/demand led. Landlords Home Improvement Grants (which secure nomination-rights over improved private rented accommodation for otherwise homeless households) are responsible for the largest spend, but we are currently experiencing lower demand at this stage of the year than expected.

Commercial Development, Assets & Investments:

£1.859m Castle Quay Waterside - reprofiling of the budget beyond 21/22 is necessary because retention payments will be due following the 12 month defect period from September 2021. Also delays to the project have been incurred due to reduced productivity to maintain social distancing.

£0.100m Housing & IT Asset system (joint with OCC) - The IT spend will only happen once the restructure of the joint team comes to that stage that we can start procuring our joint system called 'Single View of Assets'. This is likely to happen next financial year.

£0.100m Feasibility of utilisation of proper space.

Environment and Place:

Growth and Economy

£0.160m BUILD! Essential Repairs & Improvement (Town Centre Affordable Rent roof repairs) - A new structural engineer consultant has been appointed and further survey work is required to establish the specification for the tender documents. It is still anticipated that the insurance or warranty will cover the cost.

£0.017m Phase 2 - Bullmarsh Close formally completed early May 2021 and therefore retention payment is due 12 months later in May 2022.

£0.525m Phase 1b - Admiral Holland formally completed September 2020 and retention payment is due September 2022 (£0.061m). Bicester Library received planning consent at September's Planning Committee, as a result 70% of the budget has been reprofiled beyond 2021/22. This will be continually reviewed in line with the project programme.

Customers, Org Dev & Resources:

£0.075m IT Council Website & Digital Service - the programme of work is currently expected to complete in June 2022

£0.150m IT Shared Services - the programme of work is to extend into 2022/23 Financial Year. The supplier payment will be aligned with timeline.

4.0 Conclusion and Reasons for Recommendations

4.1 It is recommended that the contents of this report are noted.

5.0 Consultation

5.1 This report sets out performance, risk and budgetary information for the sixth month of this financial year and as such no formal consultation on the content or recommendations is required.

6.0 Alternative Options and Reasons for Rejection

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

Option 1: This report illustrates the Council's performance against the 2021-22 business plan. As this is a monitoring report, no further options have been considered. However, members may wish to request that officers provide additional information.

7.0 Implications

Financial and Resource Implications

7.1 Financial implications are detailed within section 3.19 to 3.30 of this report.

Comments checked by:

Lorna Baxter, Executive Director Finance, 07393 001218, lorna.baxter@cherwell-dc.gov.uk

Legal Implications

7.2 There are no legal implications from this report.

Comments checked by:

Sukdave Ghuman, Head of Legal and Deputy Monitoring Officer,
Sukdave.Ghuman@cherwell-dc.gov.uk

Risk Implications

7.3 This report contains a full update with regards to the Council's risk position at the end of September 2021. A revised and refreshed risk management strategy is in place and the Leadership risk register has been fully reviewed.

Comments checked by:

Celia Prado-Teeling, Performance Team Leader, 01295 221556, celia.prado-teeling@cherwell-dc.gov.uk

8.0 Decision Information

Key Decision N/A as not an Executive report

Financial Threshold Met: No

Community Impact Threshold Met: No

Wards Affected

All

Links to Corporate Plan and Policy Framework

All

Lead Councillor

Councillor Richard Mould – Lead member for Performance Management

Councillor Tony Ilott – Lead member for Finance and Governance

Document Information

Appendix number and title

- Appendix 1 – 2021/22 Business Plan
- Appendix 2 – Monthly Performance Report – September

Background papers

None

Report Author and contact details

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