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DISTRICT COUNCIL
NORTH OXFORDSHIRE

Committee: Accounts, Audit and Risk Committee

Date: Wednesday 16 July 2025

Time: 6.30 pm

Venue: 39 Castle Quay, Banbury, OX16 5FD

Membership

**Councillor Simon Lytton
(Chair)**

Councillor Besmira Brasha
Councillor Nicholas Mawer
Councillor Robert Parkinson

Councillor David Rogers (Vice-Chair)

Councillor Frank Ideh
Councillor Ian Middleton
Councillor Dom Vaitkus

AGENDA

1. Apologies for Absence and Notification of Substitute Members

2. Declarations of Interest

Members are asked to declare any interest and the nature of that interest which they may have in any of the items under consideration at this meeting.

3. Minutes (Pages 7 - 14)

To confirm as a correct record the Minutes of the meeting of the Committee held on 28 May 2025.

4. Chair's Announcements

To receive communications from the Chair.

5. Requests to Address the Meeting

The Chair to report on any requests to address the meeting.

6. Internal Audit Progress Update (Pages 15 - 32)

Report of Assistant Director Finance (Section 151 Officer)

Purpose of report

This report provides the Accounts, Audit and Risk Committee with an update on delivery of the internal audit work programme for 2025/26. It also provides an update on the three audits from the 2024/25 work programme which are currently being concluded.

Recommendations

The Accounts, Audit and Risk Committee resolves to:

- 1.1 Note the progress made in delivering the 2025/26 internal audit work programme, and the position with the remaining audits from the 2024/25 programme.

7. Counter Fraud Progress Report (Pages 33 - 40)

Report of Assistant Director of Finance (Section 151 Officer)

Purpose of report

This report presents an update on counter fraud work undertaken so far in 2025/26.

Recommendations

The Accounts, Audit and Risk Committee resolves to:

- 1.1 Note the counter fraud progress report.

8. Risk Monitoring Report Year End 2024-2025 (Pages 41 - 52)

Report of Assistant Director – Customer Focus

Purpose of report

To update the committee on how well the council is managing its Strategic Risks.

Recommendations

The Accounts, Audit & Risk Committee resolves:

- 1.1 To note the Risk Monitoring Report for Year End 2024-25.

9. Housing Benefit Subsidy Audit 2021/22 (Pages 53 - 68)

Report of Assistant Director of Finance (Section 151 Officer)

Purpose of report

To provide members of this Committee with an update on the final position of the Housing Benefit subsidy claim audit for the financial year 2021/22.

Recommendations

The Accounts, Audit and Risk committee resolves:

- 1.1 To note the contents of this report

10. Housing Management Performance (Pages 69 - 106)

Report of Assistant Director – Wellbeing & Housing

Purpose of report

To provide the Committee with an annual report relating to housing complaints performance, in accordance with the Housing Ombudsman's Complaints Handling Code.

Recommendations

The Accounts, Audit and Risk Committee resolves:

- 1.1 To note the content of the report and appendices. The appendices, including the Complaints Handling Code self-assessment, will be published on the Council's website and will form the basis of the Council's return to the Housing Ombudsman for 2024-25.

11. Annual Governance Statement 2024/25 (Pages 107 - 126)

Report of Assistant Director Law and Governance and Monitoring Officer

Purpose of report

The report sets out the Annual Governance Statement (AGS) for the Council for 2024-25 for approval. The AGS summarises the key governance issues for the Council and the actions required to address these. The AGS is required to be approved by those charged with governance, the Accounts Audit & Risk Committee, under the Accounts and Audit Regulations 2015.

Recommendations

The Accounts, Audit and Risk Committee resolves:

- 1.1 To approve the Annual Governance Statement 2024-25.

- 1.2 To authorise the Leader of the Council and the Chief Executive to sign the Annual Governance Statement on behalf of Cherwell District Council.

12. Draft Statement of Accounts 2024/25 (Pages 127 - 298)

Report of Assistant Director of Finance (Section 151 Officer)

Purpose of report

To provide an opportunity for review of the draft 2024/25 Statement of Accounts which were published on the council's website on 27 June 2025.

Recommendations

The Accounts, Audit and Risk committee resolves:

- 1.1 To note the report and publication of the draft statement of accounts 2024/25 (Appendix 1).

13. Treasury Management Q1 Report 2025/26 (Pages 299 - 308)

Report of Assistant Director of Finance (Section 151 Officer)

Purpose of report

To provide information on treasury management performance and compliance with treasury management policy for 2025-26 as required by the Treasury Management Code of Practice.

To demonstrate that all treasury management activities undertaken during the first quarter of 2025-26 complied with the CIPFA Code of Practice and the council's approved Treasury Management Strategy.

Recommendations

The Accounts, Audit and Risk Committee resolves:

- 1.1 To note the contents of this Treasury Management Performance report

14. Review of Committee Work Programme (Pages 309 - 310)

To consider and review the Work Programme.

15. Urgent Business

The Chair to advise whether they have agreed to any item of urgent business being admitted to the agenda.

Councillors are requested to collect any post from their pigeon hole in the Members' Lounge at the end of the meeting.

Information about this Meeting

Apologies for Absence

Apologies for absence should be notified to democracy@cherwell-dc.gov.uk or 01295 221534 prior to the start of the meeting.

Declarations of Interest

Members are asked to declare interests at item 2 on the agenda or if arriving after the start of the meeting, at the start of the relevant agenda item.

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Queries Regarding this Agenda

Please contact Patrick Davis, Democratic and Elections democracy@cherwell-dc.gov.uk, 01295 221534

Shiraz Sheikh
Monitoring Officer

Published on Tuesday 8 July 2025

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Cherwell District Council

Accounts, Audit and Risk Committee

Minutes of a meeting of the Accounts, Audit and Risk Committee held at 39 Castle Quay, Banbury, OX16 5FD, on 28 May 2025 at 6.30 pm

Present:

Councillor Simon Lytton (Chair)
Councillor David Rogers (Vice-Chair)
Councillor Frank Ideh
Councillor Nicholas Mawer
Councillor Ian Middleton
Councillor Robert Parkinson
Councillor Dom Vaitkus
Sarah Thompson, Independent Person

Substitute Members:

Apologies for absence:

Councillor Besmira Brasha

Also Present:

Councillor Lesley McLean, Deputy Leader and Portfolio Holder for Finance, Regeneration and Property
Councillor Chris Brant, Portfolio Holder for Corporate Services
Connor Munro, Internal Audit, Veritau

Also Present Virtually:

Sarah Butler, Internal Audit, Veritau

Officers:

Michael Furness, Assistant Director Finance & S151 Officer
David Peckford, Assistant Director Planning & Development
Denzil Turbervill, Head of Legal Services
Ruth Wooldridge, Health and Safety Manager
Natasha Clark, Governance and Elections Manager
Patrick Davis, Democratic and Elections Officer

Officers Attending Virtually:

Paul Seckington, Head of Development Management

3 Declarations of Interest

There were no declarations of interest.

4 **Minutes**

The Minutes of the meetings of the Committee held on 19 March 2025 and 21 May 2025 were agreed as a correct record and signed by the Chairman.

5 **Chairman's Announcements**

- 1) The Chair updated the Committee on the process to recruit a new Independent Person. This was still ongoing with the current deadline for applications to be received by the 22 June.
- 2) Members of the Committee were reminded that Treasury Management training would take place after the next meeting on the 16 July 2025.

6 **Requests to Address the Meeting**

There were no petitions or requests to address the meeting.

7 **Urgent Business**

There were no items of urgent business.

8 **Head of Internal Audit Annual Report 2024/25**

The Assistant Director of Finance (Section 151 Officer) submitted a report which presented the Head of Internal Audit's Annual Report for 2024/25. This summarised internal audit work undertaken in 2024/25 provided an opinion on the Council's System of Internal Control. The report also included an update to the internal audit charter, which had been updated to ensure that it reflects the requirements of the Global Internal Audit Standards in the UK Public Sector, which came into effect on 1 April 2025

In introducing the report, Connor Munro, Assistant Director – Audit Assurances at Veritau advised the Committee that the paper reported on the outcomes of the internal audit work carried out and the strength of opinion on the Council's arrangements for risk management, governance and internal controls. The Committee was advised that for the 2024-25 financial year the Head of Internal Audit's opinion was that this framework provided "Reasonable Assurance" but that there were two areas which needed to be considered for inclusion in the Annual Governance Statement.: Health and Safety Management system; and the Management of strategic site applications.

In response to a question regarding the possibility of including a timeline of overdue audit recommendations to show how quickly these had been

actioned, the Assistant Director – Audit Assurance confirmed that this was something Veritau intended to include in future reports.

Resolved

- (1) That the results of internal audit work undertaken, and the opinion of the Head of Internal Audit that Reasonable Assurance can be provided on the adequacy and effectiveness of the council's framework of governance, risk management and internal control be noted.
- (2) That the outcome of Veritau's quality assurance and development arrangements, including the confirmation that the internal audit service conforms to public sector internal auditing standards be noted.
- (3) That the two significant control weaknesses that had been identified by internal audit during the year which were considered relevant to the preparation of the Annual Governance Statement: the council's health and safety management system and its handling of strategic site applications, be noted.
- (4) That the draft internal audit charter be approved.

9

Counter Fraud Annual Report

The Assistant Director of Finance (Section 151 Officer) submitted the Counter Fraud Annual Report for 2024/25.

In introducing the report, Sarah Butler, Corporate Fraud Manager at Veritau advised the Committee that the report updated the Committee on the Fraud Team's work in 2024/25. Veritau had established a good working relationship with various departments within the Council and that twelve fraud investigations had taken place.

In response to a question regarding how the figure of 66% of successful outcomes of fraud investigations compared to previous years and other Councils, the Corporate Fraud Manager explained that the industry standard was around 50% but it was difficult to provide comparative data due to the nature of the work undertaken. Comparisons with previous years were not available as this was the first year Veritau had been engaged as the Council's counter-fraud provider.

Resolved

- (1) That the Counter Fraud Annual Report 2024/2025 be noted.

10

Annual Health and Safety Report 2024-25

The Assistant Director of Human Resources submitted a report that provided the Committee with the Council's Health and Safety performance over the 2024/25 financial year and its plan for the current year.

In introducing the report, the Portfolio Holder for Corporate Services explained that the majority of incidents and accidents that had been recorded involved Environmental Services. Due to the nature of the work undertaken, this was the highest area of risk for the Council. Each incident was investigated thoroughly with appropriate corrective actions taken as necessary including training, supervision and monitoring.

In response to a question regarding the availability of comparative data from other local District Councils, the Committee was advised that this was reported monthly to the Core Leadership Team and that Cherwell's data was similar to other Councils.

In response to a question regarding the increase in the amount of vehicle accidents in 2024/2025, the Health and Safety Manager explained that the Environmental Services management team was working on an action plan to reduce the number of accidents.

The Committee requested that, as far as practicable, additional information on vehicle accident rates and the impact of the associated action plan; updated information on near misses and systems in place to address these; and, days lost for incidents that were non-RIDDOR accidents be included in future reports.

Resolved

- (1) That the Annual Health and Safety Report 2024/2025 be noted.
- (2) That it be noted that Health and Safety performance reports would be submitted quarterly to the Committee and officers be requested to incorporate the following in future reports as far as practicable: update on vehicle accident rates and impact of the action plan; update on near misses and systems in place to address these; and, days lost for incidents that are non-RIDDOR accidents.

11

Treasury Management Report - Annual Performance Report 2024/25

The Assistant Director Finance (S151 Officer) submitted a report which provided information on treasury management performance and compliance with treasury management policy for the end of the financial year 2024-25 as required by the Treasury Management Code of Practice. The report also demonstrated that all treasury management activities undertaken during the reporting period complied with the CIPFA Code of Practice and the council's approved Treasury Management Strategy.

In introducing the report, the Portfolio Holder for Finance, Property and Regeneration advised that as at 31 March 2025 the Council had borrowings of £165M, with an arranged overdraft of £15M and investments of £5M, which resulted in a net borrowing of £160M. This was similar to the 31 March 2024 year end net borrowing figure of £159M. The Treasury Management budget outturn position 2024/25 was a surplus of £1.571M.

In response to a question regarding the increase in the estimated ratio of financing costs to 36.8% in 2026/27, the Committee was advised that this was due to the anticipated business rates reset that was being implemented by Central Government.

In response to questions from the Committee regarding comparative data for the non-treasury investments position and the assumptions that had been made relating to the forecasted increase on financial investments, the Assistant Director of Finance agreed to provide this data after the meeting.

Resolved

- (1) That the Treasury Management Annual Performance Report 2024/2025 be noted.
- (2) That the Treasury Management Annual Performance Report 2024/2025 be recommended to Council.

12 Review of Committee Work Programme

The Assistant Director of Finance provided an update on the Committee's work programme.

Resolved

- (1) That the work programme update be noted.

13 Rutten Lane planning application: fact finding review outcomes and action plan

The Assistant Director of Planning and Development submitted a report with exempt appendices which presented the outcomes of the Veritau fact finding report surrounding the handling of the Rutten Lane planning application and subsequent appeal. The exempt appendices also provided the Committee with information on the Development Management service's draft action plan, which had been prepared in response to Veritau's review and to a separate lessons learned exercise carried out by the service.

It was proposed by Councillor Lytton and seconded by Councillor Rogers that the meeting move into private session to consider the exempt appendices to the report.

14 **Exclusion of public and press**

Resolved

That under Section 100A of the Local Government Act 1972, the public and press be excluded from the meeting for the following items of business on the ground that, if the public and press were present, it would be likely that exempt information falling under the provisions of Schedule 12A, Part 1, Paragraph 3 would be disclosed to them, and that in all the circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information.

15 **Rutten Lane planning application: fact-finding review outcomes and action plan - Exempt Appendices**

The Portfolio Holder for Finance, Property and Regeneration introduced the exempt appendices, which included an action plan for the management of strategic planning applications which would be developed further with the Portfolio Holder for Planning and Development.

In response to a question regarding funding of the additional resources required to address the recommendations arising from the report, the Committee was advised that this was under ongoing consideration by the Corporate Leadership Team.

In response to a question enquiring the suitability of the current software used and if there could be improved use of technology to assist with the process of managing large scale planning applications, the Assistant Director Planning and Development explained that the use and longer term suitability of the current software would be reviewed.

16 **Readmittance of the Press and Public**

Resolved

That the press and public be readmitted to the meeting.

17 **Rutten Lane planning application: fact finding review outcomes and action plan**

The press and public having been readmitted to the meeting, the Portfolio Holder for Finance, Property and Regeneration gave an overview of the report highlighting the timeline of the events that led to the appeal and the rationale as to the subsequent award of costs against the Council.

The Committee was advised that the review had been undertaken to reduce the risk of a similar outcome in the future and to produce a draft action plan to improve the management of strategic planning applications.

Resolved

- (1) That the findings and conclusions from Veritau's fact-finding review be noted.
- (2) That it be noted that a strategic planning applications action plan had been drafted by the council's Development Management service to help manage delivery of the identified improvements and that this would be finalised in consultation with the Portfolio Holder for Planning and Development Management.

The meeting ended at 8.30 pm

Chair:

Date:

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This report is public	
Internal Audit Progress Report 2025/26	
Committee	Accounts, Audit and Risk Committee
Date of Committee	16 July 2025
Portfolio Holder presenting the report	Deputy Leader and Portfolio Holder for Finance, Property & Regeneration Councillor Lesley McLean
Date Portfolio Holder agreed report	7 July 2025
Report of	Assistant Director Finance (S151 Officer), Michael Furness

Purpose of report

This report provides the Accounts, Audit and Risk Committee with an update on delivery of the internal audit work programme for 2025/26. It also provides an update on the three audits from the 2024/25 work programme which are currently being concluded.

1. Recommendations

The Accounts, Audit and Risk Committee is recommended to:

- 1.1 Note the progress made in delivering the 2025/26 internal audit work programme, and the position with the remaining audits from the 2024/25 programme.

2. Executive Summary

- 2.1 The work of internal audit in local government is governed by the Global Internal Audit Standards in the UK Public Sector. This regime, which came into effect on 1 April 2025, is made up of the Institute of Internal Auditors' Global Internal Audit Standards (including Topical Requirements), and the Application Note: Global Internal Audit Standards in the UK Public Sector.
- 2.2 In accordance with these standards, periodic reports on internal audit work are presented to this committee.
- 2.3 The committee is required to consider the progress and outcomes of internal audit work as part of its responsibility for overseeing the internal audit service. The report (contained in appendix 1) provides the information required by the committee to fulfil its oversight role.

Implications & Impact Assessments

Implications		Commentary		
Finance		There are no financial implications associated with this report. Michael Furness, Assistant Director Finance (Section 151 Officer), 1 July 2025		
Legal		There are no financial implications associated with this report. Shiraz Sheikh, Assistant Director of Law, Governance and Monitoring Officer, 1 July 2025		
Risk Management		The council will be non-compliant with the GIAS if the performance of the internal audit function, and the results of its work, are not reported to the committee. This could result in external scrutiny and challenge. Celia Prado-Teeling, Performance Leader, 1 July 2025		
Impact Assessments		Positive	Neutral	Negative
Equality Impact				
A Are there any aspects of the proposed decision, including how it is delivered or accessed, that could impact on inequality?			X	
B Will the proposed decision have an impact upon the lives of people with protected characteristics, including employees and service users?			X	
Climate & Environmental Impact			X	
ICT & Digital Impact			X	
Data Impact			X	
Procurement & subsidy			X	
Council Priorities		This report cuts across all four of the council's priorities, as set out in its 2025-30 corporate strategy. Internal audit's contribution to these priorities is to provide independent, risk-based, assurance, advice, and insight relating to the council's systems of governance, risk management, and internal control. By doing so, internal audit supports the organisation to create the conditions to		

	become a modern council inspiring and enabling positive, lasting change.
Human Resources	N/A
Property	N/A
Consultation & Engagement	No consultation has been required in the preparation of this report. The internal audit work programme, on which this report is based, was itself subject to consultation with senior management and with members of the Accounts, Audit and Risk Committee.

Supporting Information

3. Background

- 3.1 The 2025/26 internal audit work programme was approved by the Accounts, Audit and Risk Committee at its 19 March 2025 meeting.
- 3.2 To conform with professional standards, and the council's audit charter, the Head of Internal Audit must report periodically to this committee on the progress made against the internal audit work programme, and on the results of audit activities undertaken.
- 3.3 Appendix 1 to this report provides an update on progress made in delivering the 2025/26 internal audit work programme. This includes a summary of completed work, work currently in progress, and work scheduled for the remainder of the year. It also reports on outcomes from the follow-up of actions agreed in previous audit reports.
- 3.4 In addition, appendix 1 provides the committee with an update on the three remaining audits from the 2024/25 programme, which are currently being concluded.

4. Details

- 4.1 The detailed progress report is included in appendix 1 – Internal Audit Progress Report 2025/26.

5. Alternative Options and Reasons for Rejection

- 5.1 The nature of this report is such that alternative options are not appropriate. To discharge its internal audit functions under the terms of reference for the Accounts, Audit and Risk Committee, it is required to note the progress made in delivering the 2025/26 internal audit work programme.

6 Conclusion and Reasons for Recommendations

- 6.1 The Accounts, Audit and Risk Committee is recommended to note the progress made in delivering the council's internal audit work programme. This is so that it can fulfil its responsibility for overseeing the work of internal audit. This responsibility is defined in the committee's terms of reference.

Decision Information

Key Decision	N/A
Subject to Call in	N/A
If not, why not subject to call in	N/A
Ward(s) Affected	All

Document Information

Appendices	
Appendix 1	Internal Audit Progress Report 2025/26
Background Papers	None
Reference Papers	Internal Audit Work Programme 2025/26
Report Author	Connor Munro, Assistant Director – Audit Assurance (Veritau)
Report Author contact details	Connor.Munro@veritau.co.uk 01904 553512
Corporate Director Approval (unless Corporate Director or Statutory Officer report)	Assistant Director of Finance (Section 151 Officer), 1 July 2025

Internal Audit Progress Report 2025/26

Date: 16 July 2025

APPENDIX 1

CONTENTS

3	Background
3	Internal audit progress
4	Follow up
8	Annex A: Internal audit work in 2025/26
9	Annex B: Current audit priorities
10	Annex C: Summary of key issues from finalised audits
13	Annex D: Assurance engagement opinions and finding priorities



BACKGROUND

- 1 Internal audit provides independent and objective assurance and advice about the council's operations. It helps the organisation to achieve its overall objectives by bringing a systematic, disciplined approach to the evaluation and improvement of the effectiveness of risk management, control, and governance processes.
- 2 The work of internal audit is governed by the Accounts and Audit Regulations 2015 and relevant professional standards. These include the Global Internal Audit Standards and the Application Note: Global Internal Audit Standards in the UK Public Sector.
- 3 In accordance with the Global Internal Audit Standards (UK Public Sector) the Head of Internal Audit is required to report progress against the internal audit plan (the work programme) agreed by the Accounts, Audit & Risk Committee, and to identify any emerging issues which need to be brought to the attention of the committee.
- 4 The internal audit work programme was agreed by this committee in March 2025.
- 5 Veritau has adopted a flexible approach to work programme development and delivery. Work to be undertaken during the year is kept under review to ensure that audit resources are deployed to the areas of greatest risk and importance to the council.
- 6 The purpose of this report is to update the committee on internal activity up to 30 June 2025.



INTERNAL AUDIT PROGRESS

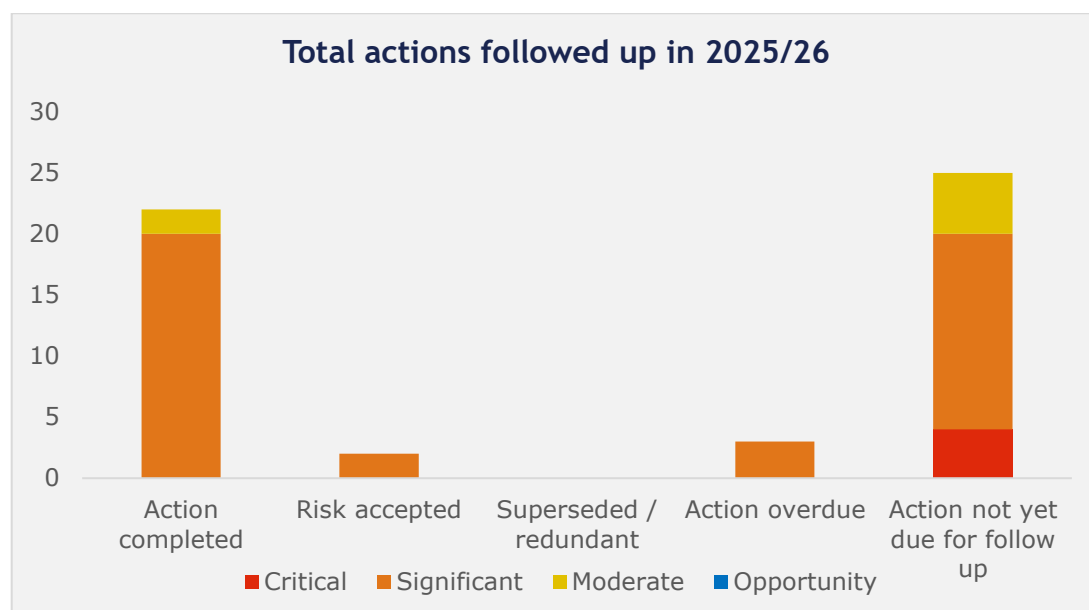
- 7 A summary of internal audit work currently underway, as well as work finalised in the year to date, is included in annex A. Annex A also details other work completed by internal audit during the year.
- 8 Since our last report to this committee, two audits have been finalised. These were the two ICT audits in the 2024/25 programme and both received ratings of Substantial Assurance.
- 9 Three audits from the 2024/25 work are nearing completion. Draft reports have been issued for the risk management and performance management audits and are currently being considered by officers. Fieldwork for the governance and decision-making audit, which was started late in 2024/25 (as a replacement for the deferred LATCO governance audit), has been completed. A closing meeting will be held, and a report drafted, during July.
- 10 The 2025/26 audit of cybersecurity is in progress. Four other 2025/26 audits are in the planning stage. Contact will be made with officers over the coming weeks to agree specifications and begin fieldwork.

- 11 The work programme, showing current priorities for internal audit work, is included at annex B. This reflects the efforts being made to conclude prior year work, and that the 2025/26 programme is underway. The remaining three audits in the 2025/26 programme are currently scheduled to be delivered in the second half of the year.
- 12 The two ICT audits that have been finalised since the last report to this committee are included in annex C. The annex summarises the key findings from these audits, and includes actions agreed with officers to address identified control weaknesses.
- 13 Annex D lists our current definitions for finding priorities and overall assurance levels.

FOLLOW UP

- 14 All actions agreed with services as a result of internal audit work are followed up to ensure that underlying control weaknesses have been addressed.
- 15 With the support of Corporate Leadership Team (CLT), we have recently agreed a follow-up and escalation procedure. This sees any non-responses (or unsatisfactory responses) to requests for evidence of completion brought to the attention of increasingly more senior members of staff and, ultimately, to this committee.
- 16 This procedure sets out when and with whom contact will be made to confirm completion of actions. It includes a series of escalation points which are used where a satisfactory response has not been received and so actions are considered overdue. These escalation points involve, in order:
 - ▲ Notifying the relevant director
 - ▲ Presenting overdue actions to CLT (monthly)
 - ▲ Reporting unresolved overdue actions to the Accounts, Audit & Risk Committee
- 17 In figure 1 on the following page, the status of agreed actions from follow-up activity undertaken in the first quarter of 2025 is shown. Actions have been categorised by the rating of the finding from which they were raised (i.e. from a scale of opportunity to critical – see annex D for definitions).
- 18 For clarity, figure 1 is showing the results of all actions followed up in Q1 2025, regardless of when they were originally due (i.e. it may also include actions which fell due prior to the reporting period but which are still being followed up). For completeness, it also shows the number of actions which have been agreed in finalised audits but which have either (a) not yet fallen due and so have not been followed up or (b) which have been followed up and a revised completion date has been agreed.

Figure 1: Total actions followed up in 2025/26



- 19 In the table 1, below, the rating of the finding from which the action was agreed is presented. This is shown to illustrate the relative importance of the actions agreed with management that have been followed up.

Table 1: Number of actions by finding rating 2025/26 YTD

	Finding Rating				Total
	Critical	Significant	Moderate	Opportunity	
All actions followed up in 2025/26	2	36	3	0	41

- 20 A total of 41 agreed actions have required follow up this year¹. Of these, 22 have been satisfactorily implemented.
- 21 An additional 2 actions have been marked as risk accepted². The risk accepted status is used when senior management has decided to accept the risk of not completing the action. In practice, this is usually because circumstances have changed and so the actions are now redundant for the purposes of follow-up.

¹ For information, a further 11 actions have been agreed which are not due for follow up at the time of reporting.

² These relate to 2 actions related to frequent emissions monitoring and reporting from the 2022/23 Climate audit which officers have identified as not being in line with standard practice or being realistic to implement.

- 22 A total of 14 actions have had their original implementation timescale extended (i.e. a revised date has been agreed with the action owner). These relate to the following audits:

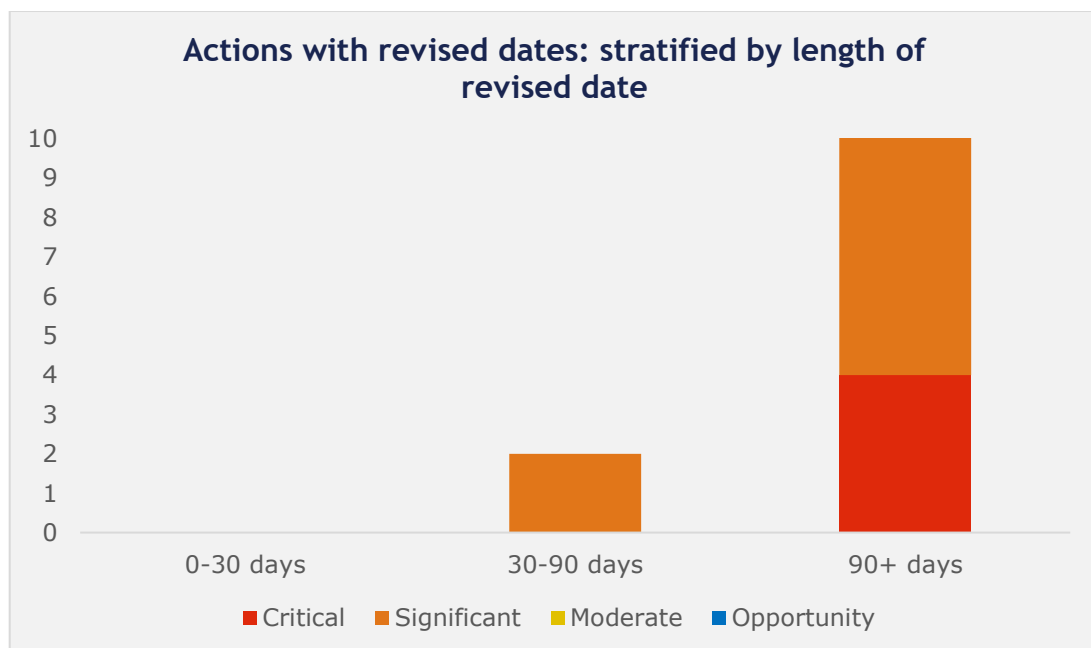
- ▲ HR
- ▲ Revenues and Benefits IT Application
- ▲ Direct Payments
- ▲ PCI
- ▲ Utilities
- ▲ Corporate Health and Safety
- ▲ GDPR
- ▲ Climate

- 23 The figure below groups agreed actions by how far from the implementation date the revised date has been set, and the priority of the action.

- 24 We agree revised dates where the delay in addressing an issue will not lead to unacceptable exposure to risk and where the delays may be unavoidable. However, the committee should be aware that lengthy or continued revised dates do inevitably lead to a degree of risk exposure to the council.

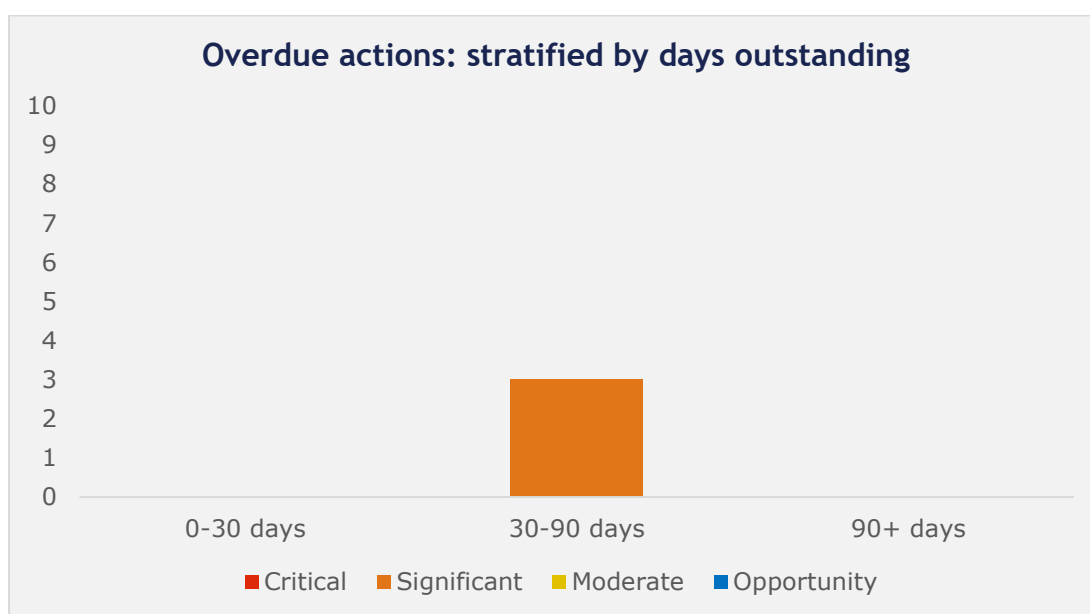
- 25 From figure 2, below, the committee can see that 2 actions have been revised between 30-90 days from the original implementation date. Of these, both were linked to 'significant' rated findings. In addition, 10 actions linked to 'significant' rated findings and 4 actions linked to 'critical' rated findings have been revised 90+ days from the implementation date.

Figure 2: Length of revised dates for action implementation



- 26 At the time of reporting, 3 agreed actions are overdue. These relate to the following audits:
- ▲ Corporate Health and Safety
 - ▲ Climate
- 27 Actions are categorised as overdue when the implementation date (either original or revised) has passed, and we have not had an adequate response from the action owner to confirm completion.
- 28 Figure 3, below, demonstrates that all 3 actions are overdue by between 30-90 days from the agreed implementation date.

Figure 3: Length of time actions have been overdue



ANNEX A: INTERNAL AUDIT WORK IN 2025/26

Final reports issued

Audit	Reported to Committee	Opinion
Cloud, network and security management and monitoring	July 2025	Substantial Assurance
ICT applications: third party assurance	July 2025	Substantial Assurance

Audits in progress

Audit	Status
Risk management	In draft
Performance management	In draft
Governance and decision-making	In progress
Cybersecurity: user awareness and training	In progress
Licensing	Planning
LATCO governance: Crown House and Graven Hill	Planning
Utilities management	Planning
Treasury management	Planning

Other work completed in 2025/26

Internal audit work has been undertaken in other areas during the year, including those listed below.

- ▲ Follow up of agreed actions, including preparation of regular reports to Corporate Leadership Team (CLT).
- ▲ Development of follow-up and escalation procedure
- ▲ Attendance at, and support to, CLT, Corporate Oversight Governance Group, and the Statutory Officers' Group.
- ▲ Contribution to the council's governance dashboard.
- ▲ Contribution to the council's annual governance statement.

ANNEX B: CURRENT AUDIT PRIORITIES

Audit / Engagement	Rationale
Category 1 (do now)	
Risk management	Key cross-cutting system of governance.
Performance management	Provides coverage of key assurance area. Risks and controls are changing.
Governance and decision-making	Provides coverage of key assurance area. Being undertaken following a request from senior management.
Cybersecurity: user awareness and training	Provides coverage of key assurance area.
Licensing	Key operational system with no recent coverage.
LATCO governance: Crown House and Graven Hill	Provides coverage of key assurance area. Being undertaken following a request from senior management.
Utilities management	Being undertaken as a follow-up audit, in response to the identification of significant control weaknesses in a previous audit.
Treasury management	Key financial system with no recent coverage.
Category 2 (do next)	
Section 106 agreements	Risks and controls are changing.
Category 3 (do later)	
Procurement Act compliance	-
ICT asset management	-

ANNEX C: SUMMARY OF KEY ISSUES FROM AUDITS FINALISED SINCE THE LAST REPORT TO THE COMMITTEE

System/area (month issued)	Opinion	Area reviewed	Comments / Issues identified	Management actions agreed
Cloud, network and security management and monitoring (May 2025)	Substantial Assurance	This audit reviewed arrangements for its co-managed service contract for managed cloud support, data platforms, network service, and security operations centre.	<p>A comprehensive call-off contract exists between the provider and the council under the G-Cloud 13 framework agreement, with supporting statements of work and service definitions for each service purchased.</p> <p>There are clear roles and responsibilities for the management of the contract, with experienced officers providing informal training to officers overseeing day-to-day management activities. Governance, risk management and reporting arrangements established for the oversight of the contract reflect the council's expectations for a contract of this scale.</p> <p>Two areas for improvement were identified. Firstly, the terms of the contract could be more clearly defined in relation to quality assessment of changes</p>	<p>The council will contact the provider to get clarity, in writing, of the arrangements for:</p> <ul style="list-style-type: none"> ▲ Quality assessment standards for changes made ▲ Secure data destruction ▲ Prioritisation of service restoration in the event of provider failure ▲ Exit plan <p>A formal monitoring schedule will be established, to include reviews of provider activity logs, periodic due diligence checks and certification reviews. The council will consider scheduling audit</p>

System/area (month issued)	Opinion	Area reviewed	Comments / Issues identified	Management actions agreed
			<p>made by the provider, secure data destruction, and service restoration in the event of provider failure.</p> <p>Secondly, at the time of the audit, contractual monitoring arrangements were still being established. Monthly performance discussions with the provider were not being documented.</p>	activity to exercise the right to audit the provider.
IT applications: third party assurance (May 2025)	Substantial Assurance	The audit sought to provide assurance that sufficient due diligence is carried out to verify that third party cloud-based applications are secure and accessible, and that performance is regularly reviewed to ensure that business needs continue to be met.	<p>Suitable processes are in place to ensure the council's digital needs and existing resources are considered before procuring third party cloud-based applications.</p> <p>Due diligence is carried out during the procurement process. This is done using questionnaires which assess compliance against technical and security requirements. However, no periodic checks are performed during the contract period to confirm that the provider has maintained its accreditation.</p> <p>Performance reviews are held with supplier account managers to discuss the application's performance and ability to</p>	<p>A formal schedule and central log of annual security credential reviews for third-party application providers will be maintained. Responsibility will be assigned to Customer Success Leads to verify up-to-date certifications and security documentation from suppliers.</p> <p>Regular performance review meetings will be held with all third-party application providers for key systems.</p>

System/area (month issued)	Opinion	Area reviewed	Comments / Issues identified	Management actions agreed
			meet business needs. However, these review meetings had not been held for one system and had not been consistently documented for the other applications tested.	Responsibilities and expectations for these meetings will be clearly defined to service areas by Customer Success Leads.

ANNEX D: ASSURANCE ENGAGEMENT OPINIONS AND FINDING PRIORITIES

Audit opinions

Audit work is based on sampling transactions to test the operation of systems. It cannot guarantee the elimination of fraud or error. Our opinion is based on the risks we identify at the time of the audit. Our overall audit opinion is based on four grades of opinion, as set out below.

Opinion	Assessment of internal control
Substantial assurance	Overall, good management of risk with few weaknesses identified. An effective control environment is in operation but there is scope for further improvement in the areas identified.
Reasonable assurance	Overall, satisfactory management of risk with a number of weaknesses identified. An acceptable control environment is in operation but there are a number of improvements that could be made.
Limited assurance	Overall, poor management of risk with significant control weaknesses in key areas and major improvements required before an effective control environment will be in operation.
No assurance	Overall, there is a fundamental failure in control and risks are not being effectively managed. A number of key areas require substantial improvement to protect the system from error and abuse.

Finding ratings

Critical	A fundamental system weakness, which presents unacceptable risk to the system objectives and requires urgent attention by management.
Significant	A significant system weakness, whose impact or frequency presents risks to the system objectives, which needs to be addressed by management.
Moderate	The system objectives are not exposed to significant risk, but the issue merits attention by management.
Opportunity	There is an opportunity for improvement in efficiency or outcomes but the system objectives are not exposed to risk.

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This report is public	
Counter Fraud Progress Report	
Committee	Accounts, Audit and Risk Committee
Date of Committee	16 July 2025
Portfolio Holder presenting the report	Deputy Leader and Portfolio Holder for Finance, Property & Regeneration Councillor Lesley McLean
Date Portfolio Holder agreed report	4 July 2025
Report of	Assistant Director Finance (S151 Officer), Michael Furness

Purpose of report

This report presents an update on counter fraud work undertaken so far in 2025/26.

1. Recommendations

The Accounts, Audit and Risk Committee is recommended to:

- 1.1 Note the counter fraud progress report.

2. Executive Summary

- 2.1 The council's counter fraud service is delivered by Veritau. The counter fraud progress report (contained in appendix 1) should be noted by this committee as part of its responsibility for monitoring the counter fraud strategy, actions and resources.

Implications & Impact Assessments

Implications	Commentary
Finance	There are no financial implications associated with this report. Michael Furness Assistant Director Finance, 4 July 2025
Legal	There are no legal implications arising directly as a result of this report. The Appendix refers to the Economic Crime and Corporate Transparency Act 2023 and the duties which the Council will have from September 2025 in order to comply with this new legislation. The report notes that the Council is actively pursuing measures to investigate and counter fraud and lists the number of incidents which have been reported. Denzil – John Turbervill Head of Legal Services, 2 July 2025

Risk Management	<p>There are no risk implications arising directly from this report. However, agreeing the recommendations of this report mitigates the risk of not being compliant with the Committee and Council's constitutional obligation.</p> <p>Celia Prado-Teeling, Performance Team Leader, 3 July 2025</p>			
Impact Assessments	Positive	Neutral	Negative	Commentary
Equality Impact				N/A
A Are there any aspects of the proposed decision, including how it is delivered or accessed, that could impact on inequality?		X		
B Will the proposed decision have an impact upon the lives of people with protected characteristics, including employees and service users?		X		
Climate & Environmental Impact		X		
ICT & Digital Impact		X		
Data Impact		X		
Procurement & subsidy		X		
Council Priorities	<p>This report supports the priorities set out in the 2025/26 business plan. The counter fraud team seeks to protect council income and assets so they can help fund the objectives of the business plan. The team also supports the council's specific goal to reduce crime which forms part of its overall goal to promote healthy, resilient, and engaged communities.</p>			
Human Resources	N/A			
Property	N/A			
Consultation & Engagement	No consultation has been required in the preparation of this report.			

Supporting Information

3. Background

- 3.1 Fraud is a significant risk to the public sector, and the estimated annual losses in the United Kingdom are as high as £81 billion. Veritau delivers the Council's counter fraud service, which helps mitigate fraud risk by investigating allegations of fraud and taking appropriate action where necessary. The service also supports the Council through preventative measures such as staff training and awareness campaigns.

4. Details

- 4.1 The counter fraud progress report in appendix 1 details counter fraud work undertaken between 1 April 2025 and 30 June 2025.

5. Alternative Options and Reasons for Rejection

- 5.1 The nature of this report is such that alternative options are not appropriate.

6 Conclusion and Reasons for Recommendations

- 6.1 The Accounts, Audit and Risk Committee is recommended to note the counter fraud progress report. This is so that it can fulfil its responsibility for monitoring the counter fraud strategy, actions and resources. This responsibility is defined in the committee's terms of reference.

Decision Information

Key Decision	N/A
Subject to Call in	N/A
If not, why not subject to call in	N/A
Ward(s) Affected	All

Document Information

Appendices	
Appendix 1	Counter Fraud Progress Report
Background Papers	None

Reference Papers	None
Report Author	Sarah Butler, Corporate Fraud Manager (Veritau)
Report Author contact details	Sarah.Butler@veritau.co.uk 01904 554627
Corporate Director Approval (unless Corporate Director or Statutory Officer report)	Assistant Director Finance (Section 151 Officer) 2 July 2025

Counter Fraud Progress Report 2025/26

Date: 16 July 2025

APPENDIX 1

CONTENTS

- 3** Background
- 3** Counter Fraud Management
- 4** Multi-Agency Work
- 4** Investigative Work



Background

- 1 Fraud is a significant risk to the public sector. Fraud is the most common offence in the UK, accounting for 41% of all crime¹. The National Audit Office estimates that fraud and error cost the taxpayer between £55 and £81 billion in 2023/24 and that only a fraction of this was detected². Financial loss due to fraud can reduce a council's ability to support public services and cause reputational damage.
- 2 The Council engages Veritau to undertake counter fraud work on its behalf. We employ qualified criminal investigators to deliver a range of work that helps the authority prevent, detect, and deter fraud and related criminality. This includes officer training to help prevent fraud, proactive identification of issues through data matching exercises, and investigation of suspected fraud. To deter fraud, offenders face a range of outcomes, including prosecution in the most serious cases.
- 3 This report provides the Accounts, Audit and Risk Committee with a summary of counter fraud activity undertaken by Veritau in 2025/26.



COUNTER FRAUD MANAGEMENT

- 4 In March 2025, the committee reviewed the 2025/26 Counter Fraud Development Plan. This included the team's fraud awareness training plans for the year. All staff have a responsibility to be aware of fraud and report any suspicion to the fraud team. The counter fraud team has arranged to deliver fraud awareness training to all Members and will attend an all-staff briefing. This training will help ensure that all staff and Members know how frauds can manifest, the effect it can have on the Council, and how to report their concerns to the fraud team.
- 5 Veritau is an active participant in regional and national counter fraud groups. The counter fraud team attend the Midland Counties Fraud Managers group, and recently took part in local authority counter fraud workshop in Oxfordshire that sought to share best practice and foster regional links.
- 6 In June, the counter fraud team helped provide awareness to council officers as part of World Whistleblower's Day. Veritau provide an independent hotline, which council officers can use to raise anonymous whistleblowing referrals. The awareness campaign helps ensure staff know how to raise a concern, and have a greater understanding of the types of issues which would be reportable as whistleblowing.

¹ [Progress combatting fraud \(Forty-Third Report of Session 2022-23\)](#), Public Accounts Committee, House of Commons, published March 2023.

² [An overview of the impact of fraud and error on public funds](#), National Audit Office, published November 2024.

- 7 In September 2025, the Economic Crime and Corporate Transparency Act 2023 comes into force. This Act creates a new offence of Failure to prevent fraud.³ Organisations can be criminally liable for any frauds undertaken by its employees, where the beneficiary of the fraud was the organisation, and there were not appropriate fraud prevention measures in place. Work is ongoing between the counter fraud team and the Council's Legal Department to assess any impact the legislation will have on the Council and consider what action may be required, including updates to policies.



MULTI-AGENCY WORK

- 8 In December 2024, the National Fraud Initiative (NFI) released the annual Single Person Discount (SPD) data match review. The matches compare the Council's council tax database to datasets held by other departments and authorities, including the electoral roll. A risk assessment has identified 35 data matches for further investigation and detailed triaging checks are now ongoing.
- 9 The counter fraud team and the Council's Creditors department are continuing to review outputs of the main NFI exercise. Council Tax Reduction data matches that compare benefit claims to records held by HMRC have identified claims with potential undeclared partners and undeclared income.



INVESTIGATIVE WORK

- 10 The counter fraud team has received 45 referrals since 1 April 2025. These mostly relate to issues affecting Council Tax Reduction (CTRS) and Single Person's Discount.
- 11 Sixteen cases are under investigation by the counter fraud team. These include investigations where it has been alleged that residents have provided false documents to the Council in order to obtain a discount on their council tax liability. Three investigations relate to allegations of undeclared capital by CTRS claimants, including undeclared property ownership. Those who receive CTRS are not eligible to receive the support if they hold capital or assets over £16,000, and are not receiving any passported benefits from the DWP.
- 12 Since 1 April 2025, six cases have been completed. Written warnings were issued to two residents in these cases; in the first investigation, a resident had allegedly provided incorrect or misleading information in support of a Discretionary Housing Payment claim. The second investigation was regarding an allegation that a resident failed to report ownership of a property and the income from its subsequent sale while receiving support from the Council.

³ [s199, Economic Crime and Corporate Transparency Act, 2023.](#)

This report is public	
Risk Monitoring Report Year End 2024-25	
Committee	Accounts, Audit & Risk Committee
Date of Committee	16 July 2025
Portfolio Holder presenting the report	Portfolio Holder for Corporate Services, Councillor Chris Brant
Date Portfolio Holder agreed report	10 June 2025
Report of	Assistant Director – Customer Focus, Shona Ware

Purpose of report

To update the committee on how well the council is managing its Strategic Risks.

1. Recommendations

The Accounts, Audit & Risk Committee resolves:

- 1.1 To note the Risk Monitoring Report for Year End 2024-25.

2. Executive Summary

- 2.1 The Leadership Risk Register is reviewed by the Corporate Leadership Team and Executive Committees every quarter; however, this is a live document and therefore is updated as and when required, to manage risk effectively.

Implications & Impact Assessments

Implications	Commentary
Finance	There are no financial and resource implications arising directly from this report. Kelly Wheeler, Finance Business Partner, 21 May 2025
Legal	Appendix 1 to this report highlights identified areas of legal and governance risk which are monitored on an on-going basis. There are no legal implications arising directly from this report. Denzil – John Turbervill, Head of Legal Services, 21 May 2025
Risk Management	This report contains a full update with regards to the council's risk position at the end of Year 2024-25. Celia Prado-Teeling, Performance Team Leader, 04 July 2025

Impact Assessments	Positive	Neutral	Negative	Commentary
Equality Impact		x		There are no direct equalities and inclusion implications as a consequence of this report. Celia Prado-Teeling, Performance Team Leader, 4 July 2025
A Are there any aspects of the proposed decision, including how it is delivered or accessed, that could impact on inequality?		x		
B Will the proposed decision has an impact upon the lives of people with protected characteristics, including employees and service users?		x		
Climate & Environmental Impact		x		
ICT & Digital Impact		x		
Data Impact		x		
Procurement & subsidy		x		
Council Priorities	Not applicable			
Human Resources	Not applicable			
Property	Not applicable			
Consultation & Engagement	Not applicable			

Supporting Information

3. Background

- 3.1 The Council carries out regular reviews to identify risks at the earliest opportunity so that it can assess and mitigate them as soon as possible.

- 3.2 Risks that may affect the Council's performance, and particularly, in its ability to deliver its corporate priorities, are captured in its Leadership Risk Register.

4. Details

- 4.1 The Council maintains a Leadership Risk Register, which contains Strategic risks that could be significant in size and duration and could potentially impact on the reputation and performance of the Council as a whole, and in particular, on its ability to deliver on its corporate priorities. The Leadership Risk Register is reviewed quarterly by the Corporate Leadership Team; however, this is a live document that gets updated as and when required.
- 4.2 Please note risks deemed as high (L01 and L04) and medium (L03, L03a, L08, L09, L12, L13, L15 and L16) present higher scores, mostly due to the magnitude of the impact these events could have for the organisation, mitigating actions are in place across them all to reduce the potential severity of the impact, and controls are established to prevent the probability of the risk event happening. The full Leadership Risk Register, including controls and mitigating actions, is attached in Appendix 1.

The overall position as of the end of 2024/2025 of all Leadership risks is as follows: -

Impact	Probability				
	1 - Remote	2 - Unlikely	3 - Possible	4 - Probable	5 - Highly Probable
5 - Catastrophic			L09		
4 - Major		L07 – L10	L03 – L08 – L12 – L13 – L15	L01 – L04	
3 - Moderate		L05 – L06 – L11	L02 – L14	L16	L03a
2 - Minor					
1 - Insignificant					

Figure 1: Risk scorecard showing the risk scores in the Leadership Risk Register for Year End 2024/25.

The full Leadership Risk Register is attached in Appendix 1.

5. Alternative Options and Reasons for Rejection

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

Option 1: No alternative options have been identified as this report is for information only.

6 Conclusion and Reasons for Recommendations

- 6.1 This report provides an update on how well the council is managing its Strategic Risks as at the end of the financial year 2024/2025

Decision Information

Key Decision	N/A
Subject to Call in	N/A
If not, why not subject to call in	N/A
Ward(s) Affected	All

Document Information

Appendices	
Appendix 1	Leadership Risk Register Year End 2024-25
Background Papers	None
Reference Papers	None
Report Author	Celia Prado-Teeling, Performance Team Leader
Report Author contact details	celia.prado-teeling@Cherwell-dc.gov.uk
Corporate Director Approval (unless Corporate Director or Statutory Officer report)	Corporate Director Resources and Transformation, 21 May 2025

Appendix 1 – Leadership Risk Register as at 20/05/2025

Level of risk	How the risk should be managed
High Risk (16-25)	Requires active management to manage down and maintain the exposure at an acceptable level. Escalate upwards.
Medium Risk (10 -15)	Contingency Plans - a robust contingency plan may suffice together with early warning mechanisms to detect any deviation from the profile.
Low Risk (1 – 9)	Good Housekeeping - may require some risk mitigation to reduce the likelihood if this can be done cost effectively, but good housekeeping to ensure that the impact remains low should be adequate. Re-assess frequently to ensure conditions remain the same.

Risk Scorecard – Residual Risks						
		Probability				
		1 - Remote	2 - Unlikely	3 - Possible	4 - Probable	5 - Highly Probable
Impact	5 - Catastrophic			L09		
	4 - Major		L07-L10	L03-L08-L12-L13-L15	L01-L04	
	3 - Moderate		L05-L06-L11	L02-L14	L16	L03a
	2 - Minor					
	1 - Insignificant					

Risk Definition	
Leadership	Strategic risks that are significant in size and duration, and will impact on the reputation and performance of the Council as a whole, and in particular, on its ability to deliver on its corporate priorities
Operational	Risks to systems or processes that underpin the organisation’s governance, operation and ability to deliver services

Name and Description of risk	Potential impact	Inherent (gross) risk level (before Controls)			Controls	Control assessment	Lead Member	Risk owner	Risk manager	Residual risk level (after existing controls)			Direction of travel	Mitigating actions (to address control issues)	Comments	Last updated
		Probability	Impact	Rating		Fully effective Partially effective Not effective				Probability	Impact	Rating				
L01 - Financial resilience – Failure to plan for and/or react to external financial impacts, new policy and increased service demand. Poor investment and asset management decisions.	Reduced medium and long term financial viability	4	4	16	Medium Term Revenue Plan updated and reported regularly to members.	Fully	Councillor L.McLean	Michael Furness	Joanne Kaye	4	4	16	↔	This continuous process will include reviewing budget monitoring, active budget management, and reflection of economic and Local Government sector trends in the MTFS. Wherever possible, policy decisions impacting on the MTFS will be taken as soon as possible, rather than waiting until the February Council meeting which sets the annual budget. This will allow officers to be ready to implement, or have implemented, policy decisions which will maximise positive impacts on the budget.	Full risk review carried out, controls and mitigating actions updated	Risk reviewed on 02/05/2025
	Reduction in services to customers				Planning for balanced medium term and dynamic ability to prioritise resources.	Fully								The budget for 2025/26 was agreed with savings proposals identified to contribute to addressing forecast reductions in funding. Close monitoring of the delivery of the savings programme will take place throughout 2025/26 with mitigations required if slippage is identified. The budget and transformation process for 2026/27 will begin in May 2025 and will involve a robust review of current budgets, how those link to activity supporting the corporate priorities, and services level options to allow for prioritisation of resources.		
	Increased volatility and inability to manage and respond to changes in funding levels				Finance team made up of highly professional, competent, qualified staff.	Partially								Integration and continued development of Performance, Finance and Risk reporting.		
	Reduced financial returns (or losses) on investments/assets such as in subsidiaries.				Good networks established locally, regionally and nationally to ensure officer are aware of developments across the sector which could impact on the council.	Fully								Internal Audits being undertaken for core financial activity and capital as well as service activity.		
	Inability to deliver financial efficiencies.				Strong shareholder function and relationships with subsidiaries to manage investment risk.	Fully								Introduction and implementation of an Asset Management Strategy.		
	Exposure to commercial pressures in relation to regeneration projects.				To be prudent, financial returns from the subsidiaries are not included in the MTFS until they are reasonably assured to materialise.	Partially								Capital & Investment Strategy agreed annually.		
	Poor customer service and satisfaction.				National guidance interpreting legislation available and used regularly.	Fully								Posts are filled by appropriately qualified individuals.		
	Increased complexity in governance arrangements.				Progress regeneration plans in a coordinated manner. Participate in Oxfordshire Treasurers' Association's work streams.	Fully								Regular involvement and engagement with colleagues across the county and nationally. The potential for local government reorganisation (develotion/unitarisation) has been noted but as yet the potential impact on the council is unknown. Officers will continue to monitor the discussions at local and national levels.		
	Lack of officer capacity to meet service demand.				Review of best practice guidance from bodies such as CIPFA, LGA, SDCT, DCN and NAO.	Fully								Regular member training and support.		
	Lack of financial awareness and understanding throughout the council.				Treasury management and capital & Investment strategies in place and updated at least annually. Regular financial and performance monitoring in place.	Fully								Regular utilisation of advisors as appropriate.		
	Increased inflation in the costs of capital schemes.				Independent third party advisers in place. Regular bulletins and advice received from advisers. Property portfolio income monitored through financial management arrangements on a regular basis.	Fully								Summarise and distribute announcements to CLT and members.		
	Increased inflation in revenue costs.				Asset Management Strategy in place and embedded.	Fully								Timely and good quality budget management reports, particularly property income and capital.		
						Fully								Work is underway to maximise the impact of the available space in Banbury town centre.		
					Transformation Programme in place to deliver efficiencies, prioritise resources, link to strategic priorities and increased income in the future.	Partially										
L02 - Statutory functions – Failure to meet statutory obligations and policy and legislative changes are not anticipated or planned for.	Legal challenge	3	4	12	Embedded system of legislation and policy tracking In place, with clear accountabilities, reviewed regularly by Directors.	Partially	Councillor Brant	Stephen Hinds	Shiraz Sheikh	3	3	9	↔	Ensure Committee forward plans are reviewed regularly by senior officers.	Full risk reviewed carried out, no changes necessary for Q3	Risk reviewed on 08/06/2025
	Loss of opportunity to influence national policy / legislation				Clear accountability for responding to consultations with defined process to ensure Member engagement	Fully								Ensure Internal Audit plan focusses on key leadership risks.		
	Financial penalties				National guidance interpreting legislation available and used regularly	Fully								Senior Officers are aware of key policy/legislative changes taking into consideration all of the Council's functions and duties arising as a result.		
	Reduced service to customers				Risks and issues associated with Statutory functions incorporated into Directorate Risk Registers and regularly reviewed.	Fully								External support secured for key corporate projects including Growth Deal and IT Transformation Programme.		
	Inability to deliver council's plans				Clear accountability for horizon scanning, risk identification / categorisation / escalation and policy interpretation in place	Partially								Learning and development opportunities identified and promoted by the Chief Executive and Directors. Staff briefings on rules and procedures by MO		
	Exposure to commercial pressures				Robust Committee forward plans to allow member oversight of policy issues and risk management, including Scrutiny and Audit	Fully								Review Directorate/Service risk registers.		
	Reduced resilience and business continuity				Internal Audit Plan risk based to provide necessary assurances	Fully								Ensure Committee forward plans are reviewed regularly by senior officers.		
	Reduced staff morale, increased workload and uncertainty may lead to loss of good people				Strong networks established locally, regionally and nationally to ensure influence on policy issues. In addition two Directors hold leading national roles	Fully								Ensure Internal Audit plan focusses on key leadership risks.		
					Senior Members aware and briefed regularly in 1:1s by Directors	Fully								Establish corporate repository and accountability for policy/legislative changes taking into consideration all of the Council's functions.		
					Arrangements in place to source appropriate interim resource if needed	Partially								Project Management Methodology to be established with appropriate oversight. Programme Office with the appropriate capabilities to monitor deliver projects.		
					Ongoing programme of internal communication	Fully								Review Directorate/Service risk registers.		
					Programme Boards in place to oversee key corporate projects and ensure resources are allocated as required.	Partially										
					Extended Leadership Team (ELT) Meetings established to oversee and provide assurance on key organisational matters including resourcing.	Fully										

Name and Description of risk	Potential impact	Inherent (gross) risk level (before Controls)			Controls	Control assessment	Lead Member	Risk owner	Risk manager	Residual risk level (after existing controls)			Direction of travel	Mitigating actions (to address control issues)	Comments	Last updated
		Probability	Impact	Rating		Fully effective Partially effective Not effective				Probability	Impact	Rating				
L03 - CDC Local Plan - Failure to have an up to date Local Plan could result in poor planning decisions such as development in inappropriate locations. It could also make it more difficult to demonstrate an adequate supply of land for housing which could lead to more planning by appeal and decisions that are contrary to the Council's wishes. The Plan requires approval by Council to be submitted for Examination.	Poor planning decisions leading to inappropriate growth in inappropriate place.	4	4	16	The statutory Local Development Scheme (LDS) is actively managed and reviewed, built into Service Plan, and integral to staff appraisals of all those significantly involved in Plan preparation and review	Partially	Councillor J. Conway	Ian Boll	David Peckford	3	4	12	↔	Annual (Authority) Monitoring Reports presented to the Executive on plan making and policy effectiveness.	The Proposed Local Plan (Reg.19) was approved by the Council's Executive on 5 December 2024. Consultation commenced on 19 December 2024 and continued to 25 February 2025. Officers are completing their review of the responses received and preparing documents for presentation to the Executive and Council in July 2025. Upon approval, the Plan would be submitted to the Planning Inspectorate for independent Examination.	Risk reviewed on 09/06/25
	Failure to have up to date policies that meet the District's requirements.				Team capacity and capability kept under continual review with gaps and pressures identified and managed at the earliest opportunity.	Partially								An updated LDS presented to the Executive when there is a significant change in the circumstances for the Local Plan timetable.		
	Negative impact on the council's ability to deliver its strategic objectives, including for minimising carbon emissions.													Programme built into Directorate level objectives (e.g. via Service Plans) and staff appraisals; on-going preparation of the Local Plan is a service priority.		
	A higher number of planning appeals with associated increased costs													Project management of the Local Plan process continues.		
	Reputational damage with our local communities through not having up to date policies to meet needs and protect the environment				On-going review of planning appeal decisions to assess robustness and relevance of Local Plan policies	Partially								Regular Corporate Director, Portfolio Holder and Members Advisory Group briefings		
	Reputational damage with investor community of Cherwell as a good place to do business created by uncertainty/lack of policy clarity.				Regular Councillor briefings to ensure all timescale requirements are understood. Ensuring that staff and consultancy resourcing is maintained	Partially								Continuance of internal Members' Advisory Group meetings.		
	Failure to submit Plan for Examination would mean that the Council would need to prepare a Local Plan under a new plan-making system on which further Gov't guidance is awaited. This would significantly delay having a new, up-to-date Plan.				Political consensus - building	Partially								Political consensus building through Chief Executive briefings and the Local Plan's Members Advisory Group.		
L03a - Five Year Housing Land Supply - Failure to maintain a five year housing land supply provides more opportunity for unplanned housing developments to receive planning permission	More housing development in locations not preferred by the Council and in potentially less sustainable locations with more environmental impact.	4	4	16	A new Local Plan provides the opportunity to review the allocation of land for housing. Planning decisions are taken in the context of the five year housing land supply position and are a means by which additional housing can be approved for delivery within a five year period. Housing land supply is reviewed on at least an annual basis. An action plan can be prepared to identify measures to help facilitate the delivery of approved housing. The rate of housing delivery is ultimately a matter for the developer.	Partially	Councillor J. Conway	Ian Boll	David Peckford	5	3	15	↔	Regular monitoring and review Preparation & adoption of a a new Local Plan Regular Briefings for the Chair of Planning Committee and the Portfolio Holder. Member awareness of the implications of not having a five year land supply Preparation of an Action Plan	The 2024 Annual Monitoring Report was approved by the Council's Executive in February 2025 and included a review of the district's housing land supply position. It was resolved to prepare a Housing Delivery Action Plan (HDAP). An HDAP was considered by the Overview & Scrutiny Committee on 3 June. It is due to be presented to the Executive on 10 June. Upon approval the HDAP would be published and used to help manage housing land supply.	Risk reviewed 09/06/25
L04 - Planning Applications for Major Development - The need to reduce the percentage of planning decisions for major development overturned at appeal	Over the period April 2022 to March 2024, and allowing for appeal decisions to December 2024, 10.4% of decisions on major applications were overturned at appeal (12 out of 115 decisions). Consequently, the Council has been under ministerial review for potential designation for the quality of its decisions on applications for major development.	5	4	20	A review of the Council's decision making processes by the Planning Advisory Service. Entering into an improvement plan to address issues identified in the review. Ensuring full, timely and successful implementation of the improvement plan.	Fully	Councillor J. Conway	Ian Boll	David Peckford	4	4	16	↔	Discussion with the Planning Advisory Service about the review of decision-making Corporate oversight	On 6 June 2025, the Council was advised by MHCLG that it would not be designated: <i>"The Minister has ...noted the actions your authority has taken to improve performance and on balance, has concluded that the evidence presented does demonstrate exceptional circumstances as set out in the published criteria for designation. The Minister is therefore satisfied not to designate your authority at this time, recognising that such a designation could undermine the progress your authority has already made. The government wishes to support your ongoing performance improvement."</i> On 29 May 2025 a review of the Council's decision making processes for major developments was undertaken by the Planning Advisory Service (PAS). The report of it's findings is awaited. Officers will continue to pursue a reduction in the number of decisions on major developments overturned at appeal through improvement work.	Risk reviewed 09/06/25
L05 - Business Continuity - Failure to ensure that critical services can be maintained in the event of a short or long term incident impacting on the delivery of the Council's operation	Inability to deliver critical services to customers/residents	4	4	16	Business continuity strategy, statement of intent and framework in place and all arrangements overseen by a Business Continuity Steering Group	Fully	Councillor R. Parkinson	Ian Boll	Tim Hughes	2	3	6	↔	BCSG meeting routinely and corporate refresh across all areas completed. BC programme is in place and timescales for review/update/test are being followed.	Full risk review carried out. Mitigating actions updated.	Risk reviewed on 06/05/2025
	Financial loss/ increased costs				Services prioritised and ICT recovery plans reflect those priorities and the requirements of critical services	Fully										
	Loss of important data				ICT disaster recovery arrangements in place with data centre and cloud services reducing likelihood of ICT loss and data loss	Fully								BC Impact Assessments and BCPs being updated and reviewed by Emergency Planning Team with supporting document management system having been implemented.		
	Inability to recover sufficiently to restore non-critical services before they become critical				Incident management team identified in Business Continuity Framework	Fully								Business Continuity Statement of Intent and Framework reviewed and updated to align with new incident management framework		
	Loss of reputation				All services undertake annual business impact assessments and updates of business continuity plans	Partially								Cross-council BC Steering Group meets regularly to identify BC improvements needed; BC Steering Group engagement is being achieved across all service areas.		
	Reduced service delivery capacity in medium term due to recovery activity				Cross-council Business Continuity Steering Group meets regularly to identify Business Continuity improvements needed	Partially								Plans tested and annual cycle clearly sets out the test/review/improve process and expectations		

Name and Description of risk	Potential impact	Inherent (gross) risk level (before Controls)			Controls	Control assessment	Lead Member	Risk owner	Risk manager	Residual risk level (after existing controls)			Direction of travel	Mitigating actions (to address control issues)	Comments	Last updated
		Probability	Impact	Rating		Fully effective Partially effective Not effective				Probability	Impact	Rating				
L06 - Emergency Planning (EP) - Failure to ensure that the local authority has plans in place to respond appropriately to a civil emergency fulfilling its duty as a category one responder	Inability of council to respond effectively to an emergency	4	4	16	Incident Management Framework in place and key contact lists updated monthly.	Fully	Councillor R. Parkinson	Ian Boll	Tim Hughes	2	3	6	↔	IMF reviewed and updated. Training schedule in place and being delivered including training for new ADs/CEx and refresh for existing duty directors. Emergency plan contacts list updated monthly and reissued to all duty directors periodically. Available on ELT Teams channel.	OCC Joint resilience Team arrangments to be continued into 25/26	Risk reviewed on 06/05/2025
	Unnecessary hardship to residents and/or communities				Emergency Planning Lead Officer defined with responsibility to review, test and exercise plan and to establish, monitor and ensure all elements are covered	Fully								Supporting officers for incident response reviewed and identified across some areas, to ensure they are reviewed and updated across all service areas.		
	Risk to human welfare and the environment				Expert advice and support provided by Oxfordshire County Council's Emergency Planning Team under partnership arrangements.	Fully										
	Legal challenge				Council Duty Directors attend training relating to role prior to joining duty director rota and have refresh training annually	Fully										
	Potential financial loss through compensation claims				CEx and Corporate Directors have received Strategic Co-ordinating Group (SCG) Training.	Partially										
	Ineffective Cat 1 partnership relationships				Multi agency emergency exercises conducted to ensure readiness	Fully										
					Active participation in Local Resilience Forum (LRF) activities											
	Reputational damage				On-call rota being maintained and updated to reflect recent staffing changes	Fully										

Name and Description of risk	Potential impact	Inherent (gross) risk level (before Controls)			Controls	Control assessment	Lead Member	Risk owner	Risk manager	Residual risk level (after existing controls)			Direction of travel	Mitigating actions (to address control issues)	Comments	Last updated
		Probability	Impact	Rating		Fully effective Partially effective Not effective				Probability	Impact	Rating				
L07 - Safeguarding the Vulnerable – Operational and partnership actions- Failure to work effectively with partners to identify and protect vulnerable people in the district and disrupt exploitation leaving vulnerable people at risk or subject to exploitation.	Increased harm and distress caused to vulnerable individuals and their families.	4	4	16	Continue in linking in with Oxfordshire partnerships protocol review to ensure outcomes relevant to CDC are understood and implemented as necessary	Partially	Councillor R. Parkinson	Ian Boll	Tim Hughes	2	4	8	↔	Continue in linking in with Safer Oxfordshire partnership and contributing towards patnership activity to ensure safeguarding responsibilities are met.	Full risk review carried out. Risk controls updated	Risk reviewed on 06/05/2025
	Council subject to external reviews				Exploitation concerns and actions discussed routinely at Joint Agency Tasking and Co-ordination meetings on a monthly basis	Fully								Exploitation concerns and actions discussed routinely at Joint Agency Tasking and Co-ordination meetings on a monthly basis		
	Criminal investigations potentially compromised															
	Potential financial liability if council deemed to be negligent.															
	Reputational damage to the council.															
L08 - Health and safety Failure to ensure effective arrangements are in place for Health and Safety.	Unsafe services leading to fatality, serious injury & ill health to employees, service users or members of the public	5	4	20	Corporate H&S governance arrangements and policies are regularly reviewed and updated by the Corporate H&S Team and monitored by the H&S Assurance Board.	Fully	Councillor C. Brant	Claire Cox	Ruth Wooldridge	3	4	12	↔	Corporate H&S Auditing and Inspection programme on track. Reports issued to managers and actions tracked for completion. Work ongoing with 2 audits per calendar month.	Full risk review carried out. Risk reviewed and mitigation actions updated. These are ongoing risks which cannot be removed only reduce the likelihood of these happening. The final Veritau report was presented to AARC on 15 Janaury 2025. Work is now progressing on the audit actions which we hope to have concluded the actions that we own by the Autumn 2025.	Risk reviewed on 02/05/2025
	Criminal prosecution for failings Breach of legislation and potential for enforcement action.				Directors and service leads are responsible for ensuring H&S arrangements are in place within their areas or responsibility. Managers are responsible for ensuring operational health and safety risks are assessed and effective control measures implemented.	Fully								Work still in progress with service areas around the corporate H&S register, which will be managed and monitored with a focus on the depots as our highest risk areas.		
	Financial impact (compensation or improvement actions)				Consultation with employee representatives via employer and union consultative committees (Unison)	Fully								Relevant and required policies and procedures are regularly reviewed.		
	Reputational Impact				Corporate H&S Training provided via corporate learning and development programme. Training for operational risks may be organised by services.	Fully								Working with service areas to ensure that suitable risk assessments are in place.		
					H&S performance monitored by accident and incident reports and corporate H&S auditing and inspection programme.	Fully								Working with service areas and providing training to staff where necessary.		
					H&S information is disseminated via internal communications and updates to ELT and other relevant meetings.	Fully										
L09 - Cyber Security -If there is insufficient security with regards to the data held and IT systems used by the councils and insufficient protection against malicious attacks on council's systems then there is a risk of: a data breach, or a loss of service.	Financial loss / fine	4	5	20	Intrusion prevention and detection monitoring and regular actions are implemented from the resulting reports	Fully	Councillor C.Brant	Stephen Hinds	David Spilsbury	3	5	15	↔	All staff reminded to be vigilant to unexpected emails due to the heightened risk of cyber-attack due to escalating worldwide tensions and at critical periods such as the run up to Elections.	Full risk review carried out. Impacts, controls and mitigating actions updated	Risk reviewed 10/04/2025
	Prosecution – penalties imposed				Additional 3rd party monitoring in place using a SIEM tool and 24/7 monitoring via a SOC	Fully										
	Individuals could be placed at risk of harm				A zero trust VPN model.	Fully								Cyber Security advice and guidance regularly highlighted to all staff.		
	Reduced capability to deliver services				Schedule of regular security patching	Fully										
	Unlawful disclosure of sensitive information				Vulnerability scanning	Fully								Cyber Security is mandatory e-learning for all staff to be completed annually and is part of new starters induction training. Additionally regular Mimecast videos sent to all users for bitesize regular training		
	Inability to share services or work with partners				Malware protection and detection	Fully										
	Loss of reputation				File and data encryption on computer devices	Fully								External Health Check undertaken each year and Cabinet Office PSN compliance reviewed and certified each year to ensure the infrastructure is secure to connect to the PSN.		
					Managing access permissions and privileged users controls.	Fully										
					Effective information management and security training and awareness programme for staff	Fully								Internal Audits complete regular cyber audits.		
					Password and Multi Factor Authentication security controls in place.	Fully										
					Robust information and data related incident management procedures in place	Fully										
					Appropriate robust contractual arrangements in place with all third parties that supply systems or data processing services	Fully										
					Appropriate plans in place to ensure ongoing PSN compliance	Fully										
					Preventative measures in place to mitigate insider threat, including physical and system security	Fully										
					Advice received from NCSC on specific activity alerts, the increased threat of globalised ransomware and malware attacks	Fully										
					Mimecast awareness training and comprehensive defence system deployed to improve email security	Fully										

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		Probability	Impact	Rating					Probability	Impact	Rating					
L10 - Safeguarding the vulnerable - Internal procedures- Failure to work effectively with partners to identify and protect vulnerable people in the district and disrupt exploitation leaving vulnerable people at risk or subject to exploitation.	Increased harm and distress caused to vulnerable individuals and their families	4	4	16	Safeguarding lead in place and clear lines of responsibility established	Fully	Councillor R. Pattenden	Ian Boll	Nicola Riley	2	4	8	↔	Action plan acted upon and shared with Overview and scrutiny committee once a year	Mitigations refreshed	Risk reviewed 02/04/2025
	Council subject to external reviews				Safeguarding Policy and procedures in place	Fully								Comprehensive on line training available for all staff and members		
	Criminal investigations potentially compromised				Information on the intranet on how to escalate a concern	Fully								Continue to attend safeguarding board sub groups as necessary to maintain high levels of awareness within the system and compliance with latest practice		
	Potential financial liability if council deemed to be negligent				Mandatory training and awareness raising sessions are now in place for all staff.	Fully								Corporate monitoring of all referrals		
	Reputational damage to the council				Safer recruitment practices and DBS checks for staff with direct contact	Fully								Ensure web pages remain up to date		
					Data sharing agreement with other partners	Fully								Monitoring of implementation of corporate policies and procedures to ensure fully embedded		
					Attendance at Safeguarding Boards	Fully								Regular internal cross departmental meetings to discuss safeguarding practice		
					Annual Section 11 return compiled and submitted as required by legislation.	Fully										
														Member training completions shared twice a year		
														SAR's and Lessons Learned reports circulated to improve practice and knowledge.		
L11 - Sustainability of Council owned companies and delivery of planned financial and other objectives - Failure of council owned companies to achieve their intended outcomes or fail to meet financial objectives	Unclear governance leading to lack of clarity and oversight in terms of financial and business outcomes	3	5	15	Annual business planning in place for all companies to include understanding of the link between the Council's strategic objectives being delivered and financial impact for the council. A regular Shareholder Representative meeting takes place, a Shareholder Liaison Meeting including the S.151 Officer and Monitoring Officer takes place on a quarterly basis and a Shareholder Committee meeting on a quarterly basis. A governance review is being undertaken and initial recommendations have been approved by the Shareholder Committee.	Fully	Councillor D. Hingley	Gordon Stewart	Stephen Hinds	2	3	6	↔	A Shareholder Representative was appointed and regular governance arrangements are in place.	New chair appointed in 2025, with recruitment for 2 new NEDS underway. Governance framework also drafted for SHC to approve in June.	Risk reviewed on 13/05/2025
	Failure of council owned companies to achieve their intended outcomes or fail to meet financial objectives				Regular meetings are in place between the Council's S.151 Officer and the relevant company Finance Directors. Financial planning for the companies undertaken that will then be included within our own Medium Term Financial Strategy. Financial risks are routinely reported by the Shareholder Representative to the Shareholder Committee.	Fully								Resilience and support being developed across business to support and enhance knowledge around council companies.		
	Lack of understanding at officer and member level about the different roles of responsibilities required when managing council owned companies				Clear governance arrangements are in place.	Partially								Skills and experience being enhanced to deliver and support development, challenge and oversight.		
					Sound monitoring in place of both business and financial aspects of the companies and the impact on overall council performance through the Shareholder Representative meetings and through the reporting to the Corporate Leadership Team monthly.	Fully								Work with one company to ensure long term support arrangements are put in place.		
					Training in place for those undertaking Director roles relating to the companies.	Partially										

Name and Description of risk	Potential impact	Inherent (gross) risk level (before Controls)			Controls	Control assessment	Lead Member	Risk owner	Risk manager	Residual risk level (after existing controls)			Direction of travel	Mitigating actions (to address control issues)	Comments	Last updated
		Probability	Impact	Rating		Fully effective Partially effective Not effective				Probability	Impact	Rating				
L12 - Financial sustainability of third-party suppliers and contractors	The financial failure of a third party supplier and contractors results in the inability or reduced ability to deliver a service to customers or provide goods needed. A reduced supply market could also result in increased costs due to the council's' loss of competitive advantage.	3	4	12	Ensure contract management in place review and anticipate problems within key service suppliers and partners	Partially	Councillor C Brant	Shiraz Sheikh	Darren Jacobs	3	4	12	↔	Creditsafe UK tool purchased to allow Procurement to carry out supplier credit checks when required.	No changes	Risk reviewed on 01/05/25
					Business continuity planning arrangements in place in regards to key suppliers	Partially								Service areas to ensure supplier suitability checks have been carried out prior to award of contract and hold meetings as required with suppliers to review higher risk areas and ensure risks are being managed. Reminders to be sent to all who have Procurement/Contract Management responsibility to regularly meet with key suppliers and partners to gain early understanding of any issues arising.		
					Ensuring that proactive review and monitoring is in place for key suppliers to ensure we are able to anticipate any potential service failures	Partially										
	Reduced resilience and business continuity				Intelligence unit set up procurement Hub to monitor supplier and contractor market	Fully								Services areas to keep the key suppliers under regular check including running financial checks.		
	Increased complaints and/or customer dissatisfaction				Analysis of third party spend undertaken to identify and risk assess key suppliers/contractors	Fully										
	Increased costs and/or financial exposure to the Council due to having to cover costs or provide service due to failure of third party supplier of contractor															

Name and Description of risk	Potential impact	Inherent (gross) risk level (before Controls)			Controls	Control assessment	Lead Member	Risk owner	Risk manager	Residual risk level (after existing controls)			Direction of travel	Mitigating actions (to address control issues)	Comments	Last updated
		Probability	Impact	Rating						Probability	Impact	Rating				
						Fully effective Partially effective Not effective										
L13 - Corporate Governance - Failure of corporate governance leads to negative impact on service delivery or the implementation of major projects providing value to customers.	Threat to service delivery and performance if good management practices and controls are not adhered to.	4	4	16	Clear and robust control framework including: constitution, scheme of delegation, ethical walls policy etc.	Fully	Councillor C. Brant	Stephen Hinds	Shiraz Sheikh	3	4	12	↔	External Audit - external audit issue an opinion on the accounts and the Council's arrangements for securing Value for Money. The Council's Annual Governance Statement and Code of Corporate Governance. At least annually, a review of effectiveness of governance framework including the system of internal control and AGS is published. The work is informed by the Corporate Governance and Oversight Group. CLT & ELT has responsibility of maintenance of the governance environment.	Full risk review carried out - potential impacts updated	Risk reviewed on 08/06/2025
					Member Scrutiny - OSC function, Council Executive, AARC and Standards Committees	Fully										
	Risk of ultra vires activity or lack of legal compliance				Clear accountability and resource for corporate governance (including the shareholder role).	Fully										
	Risk of fraud or corruption				Integrated budget, performance and risk reporting framework.	Fully										
	Risk to financial sustainability if lack of governance results in poor investment decisions or budgetary control.				Corporate programme office and project management framework. Includes project and programme governance.	Partially										
	Failure of corporate governance in terms of major projects, budgets or council owned companies impacts upon financial sustainability of the council.				Internal audit programme aligned to leadership risk register.	Fully										
	Inability to support Council's democratic functions / obligations (e.g. return to physical public meetings and public access to meetings).				Training and development resource targeted to address priority issues; examples include GDPR, safeguarding etc.	Partially										
					HR policy framework.	Partially										
					Annual governance statement process connects more fully and earlier with ELT and CLT.	Fully										
					Review of the Constitution by the MO with member involvement and approval by the Full Council	Fully										
L14 - Monitoring and management of Major Infrastructure Projects and Programmes - Failure to properly manage and monitor the various residual Oxfordshire Housing and Growth Deal infrastructure projects.	Failure to actively manage the various Infrastructure Projects and Programmes, particularly in relation to those being delivered by Oxfordshire County Council, could lead to delays or failure to deliver timely obligations, which could lead to HM Government holding back some or all of its funding, or requiring repayment.	4	5	20	Need to establish appropriate officer and stakeholder governance structures to support effective programme delivery.	Partially	Councillor L. McLean	Ian Boll	Julia Harrington	3	3	9	↔	Regular infrastructure & project meetings are held between officers at Oxfordshire County and Cherwell District Councils in order to monitor progress. Projects also included within Area Oversight Priority Plans for monitoring at AOGs held quarterly for each area.		Risk reviewed on 13/05/2025
					Need to institute regular and effective dialogue with developers.	Partially								Regular and effective dialogue with developers via Area Developer Forums and Area Oversight Groups held on a quarterly basis.		
	Delivery of Infrastructure projects fail to accelerate housing delivery as commercial pressures impact house builders projects.															
L15 - Workforce Strategy The lack of effective workforce strategies could impact on our ability to deliver Council priorities and services.	Limit our ability to recruit, retain and develop staff	3	4	12	Analysis of workforce data and on-going monitoring of issues.	Partially	Councillor C. Brant	Stephen Hinds	Claire Cox	3	4	12	↔	There are indications that specific service areas continue to experience recruitment difficulties for professional roles. HR is working with the relevant directors to consider alternative resourcing methods.	Full risk review carried out. Mitigating actions updated. Strategy is in development. We are collecting recruitment data to better identify areas where recruitment is proving challenging so that a review and actions can be carried out at the earliest opportunity.	Risk reviewed and updated 07/04/2025
	Impact on our ability to deliver high quality services				Key staff in post to address risks (e.g. strategic HR business partners)	Fully								Development of a people strategy to include succession planning, and to underpin the organisation strategy		
	Overreliance on temporary staff				Weekly Vacancy Management process in place	Fully								Development of relevant workforce plans.		
														Development of specific recruitment and retention strategies. It is planned for CDC to develop a framework that suits the needs of all services ensuring that the Council has access to a much wider pool of staffing agencies at competitive rates.		
	Additional training and development costs				Ongoing service redesign will set out long term service requirements	Partially								The new IT system has been implemented to improve our workforce data and continues to be develop to improve our ability to interrogate and access key data (ongoing) in order to inform workforce strategies.		
L16 - Local Government Reorganisation Potential impact that the Local Government Reorganisation implementation might across the council, including services we provide to our residents.	Impact on potential short term decision making due to future uncertainty	4	4	16	Representation of all political parties is ensured, including through dialogue with PGL		Councillor D. Hingley	Gordon Stewart	Stephen Hinds	4	3	12	↔	Implement proposals from our Transformation Plan to ensure improved efficiencies and improving our resilience	Case for Change, PID and TOM in development/developed.	Risk reviewed on 13/05/2025
	Inability to recruit key personnel to achieve priorities during the transition period				Legal implications and actions to be identified and executed											
	Inability to transform services to achieve required financial savings/ VFM due to uncertainty of future design requirements & timescales				Communication plan to be put in place											
	Services not being fully ready on vesting day				Local/District specific impact to be identified, assessed and managed/escalated											
	Risk to the continuity of services				Active engagement at officer & Council Leader levels with authorities across Oxfordshire & wider as appropriate.											
	Insufficient resources to implement LGR / business case with impact on BAU work.															
	Staff morale and resilience may be low															
	Risk that assumed savings from reorganisation will not be realised or will be significantly delayed.															
	Failure of back-office systems															
	That decision making will be unclear and confused															
	Lack of clarity of vision and priorities															
	Loss of local representation to issues important to Cherwell residents; that any unitary body(ies) may not have community as a central focus in design of the new operating model.															

This report is public	
Housing Benefit Subsidy Audit 2012-22	
Committee	Accounts Audit and Risk Committee
Date of Committee	16 July 2025
Portfolio Holder presenting the report	Deputy Leader and Portfolio Holder for Finance, Property & Regeneration, Councillor Lesley Mclean
Date Portfolio Holder agreed report	8 July 2025
Report of	Assistant Director Finance (Section 151 Officer), Michael Furness

Purpose of report

To provide members of this Committee with an update on the final position of the Housing Benefit subsidy claim audit for the financial year 2021/22.

1. Recommendations

The Accounts, Audit and Risk committee resolves:

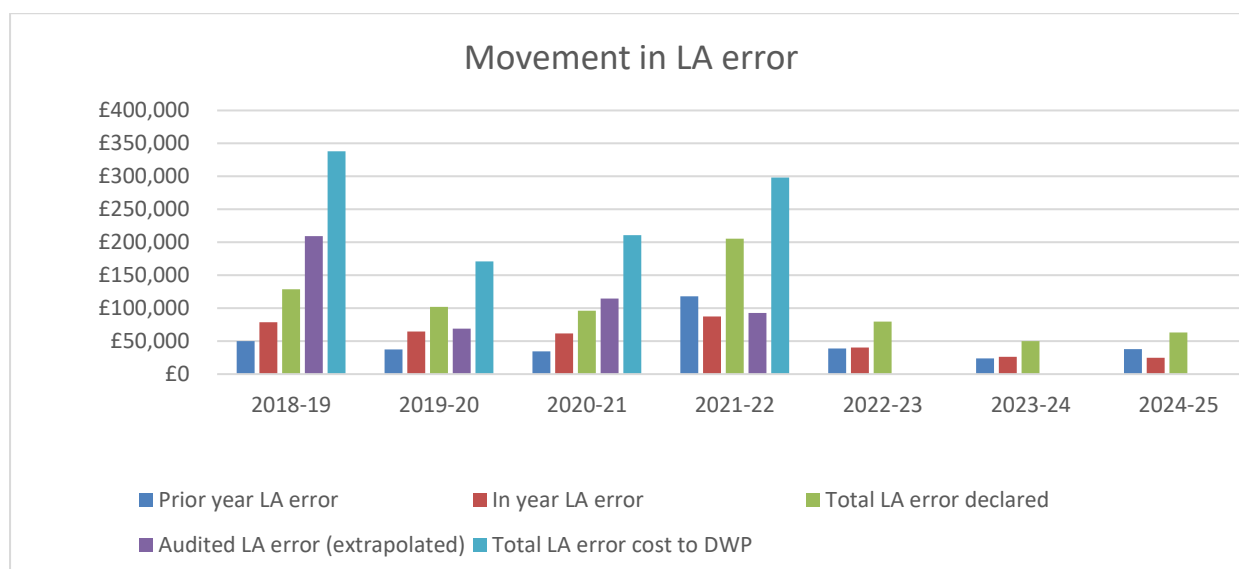
- 1.1 To note the contents of this report

2. Executive Summary

- 2.1 Housing Benefit (HB) is a means tested benefit, administered by local authorities on behalf of the Department for Work and Pensions (DWP). HB is provided to help claimants meet housing costs for rented accommodation in the private and social rent sectors. Administration of HB is highly complex and requires detailed knowledge of ever-changing regulations that span several decades. The introduction of Universal Credit (UC) has reduced the amount of working age claims year on year but adds additional complexity to working age, temporary and supported accommodation claims which remain the responsibility of the council to administer.
- 2.2 Local authorities reclaim HB that has been paid to claimants by submitting annual subsidy claims to the DWP. The subsidy claim details the HB expenditure which has been paid out over the year, dividing the total caseload into various claim types. The Cherwell claim for 2021/22 accounts for £22.5m in HB expenditure.
- 2.3 Throughout 2020-21 and until November 2021 the revenues and benefits function was provided by CSN Resources and brought back inhouse by

Cherwell in November 2021. This was a major disruption to the benefits service as we had to recruit and train an entirely new benefits team.

- 2.4 Since the recruitment of the new in-house team in November 2021, the council has introduced robust quality assurance measures for checking the accuracy of claims, as well as introducing monthly monitoring of the local authority error, which is recorded and reviewed each month to establish where Cherwell are with the thresholds for local authority overpayment error. These processes are continually reviewed to look for improvement. However, due to the severe disruption of bringing the team back in house overall improvements in performance were not seen in 2021/22.
- 2.5 Following the audit challenge for 2019/20 subsidy report and the early findings of issues in the 2020/21 audit a significant amount of corrective work was undertaken in preparation for the 2021/22 audit year which resulted in further movement into LA error
- 2.6 The corrections in 21/22 will be beneficial for the lifetime of each claim, if a claim is in continuous payment an error from any past period can still be a problem in future audits should it perpetuate through each year. To address this going forward, corrective work was completed during 21/22 in addition to enhanced training and reviewing of processes.
- 2.7 There was a large piece of work to identify “in year and prior year error”. The expectation is that this would reduce levels of error found as part of future audits and the high extrapolated amounts. It is also clear from the graph below that the level of error now identified by the team in 2022 /23 and beyond has reduced due to the additional checks and controls that have been put in place as part of the assessment process. Full financial implications can be seen at 3.11 of the report.



Implications & Impact Assessments

Implications	Commentary			
Finance	The local authority error overpayments declared pre audit was £205,534 which is above the higher threshold. Subsidy was therefore not claimed for this amount. Additional testing and extrapolations the overpayment increased by £92,653. The authority must now pay the DWP £92,653 which will be deducted from our ongoing monthly subsidy payments received from the DWP. The financial implications are as outlined within the report, with the payment of £92,653 being considered within the Councils forecast outturn position. Michael Furness Assistant Director for Finance, 2 July 2025			
Legal	There are no legal implications directly related to this information report. Denzil Tuberville, Head of Legal Services, 2 July 2025			
Risk Management	There are no risk implication directly related to this information Celia Prado-Teeling, Performance Team Leader, 2 July 2025			
Impact Assessments	Positive	Neutral	Negative	Commentary
Equality Impact				Not applicable
A Are there any aspects of the proposed decision, including how it is delivered or accessed, that could impact on inequality?		X		Not applicable
B Will the proposed decision have an impact upon the lives of people with protected characteristics, including employees and service users?		X		Not applicable
Climate & Environmental Impact		X		Not applicable
ICT & Digital Impact				Not applicable
Data Impact				Not applicable

Procurement & subsidy				Not applicable
Council Priorities	Not applicable			
Human Resources	Not applicable			
Property	Not applicable			
Consultation & Engagement	None			

Supporting Information

3. Background

3.1 There are extensive subsidy rules that determine how much of the HB expenditure by the Council is recouped from the Government. Where HB has been correctly paid, DWP will normally provide 100% subsidy to the Council. However, where HB has been overpaid, DWP provides different rates of subsidy.

- Claimant error overpayments attract 40% subsidy – this is where the claimant has not provided the correct information or has not updated their information in relation to a claim
- Local authority error overpayments, subsidy is determined by thresholds, expressed as a percentage of the value of correct payments made. These are:
 - 0.48% (lower threshold) - £108k
 - 0.54% (upper threshold)- £122K

3.2 Where the local authority error overpayments are less than or equal to the lower threshold local authorities receive 100% subsidy. Where they are more than the lower threshold but less than the upper threshold, local authorities receive 40% subsidy. No subsidy is payable on the value of overpayments that are above the upper threshold. Therefore, minor levels of error found in the audit can lead to significant costs for the council through the extrapolation method adopted by the DWP

3.3 Each local authority's appointed external auditor is required to certify that the annual claim is fairly stated and to report any errors to the DWP in a covering letter that accompanies the claim. Where there are errors, the claim is qualified and the DWP will seek to reduce subsidy payments to the Council. Any error is extrapolated against the total of all the payments made in the area in which it was found. Although the value of any errors may be low the

DWP method of extrapolation means that the value can be substantially increased. This methodology is applied to all councils nationally.

- 3.4 In 2020/21 Cherwell District Councils benefits service was provided by CSN Resources, a teckal company jointly owned by Cherwell and South Northants Councils. In November 2021 the company was disbanded, and the Revenues and Benefits Service was brought back in-house within the council.
- 3.5 Recruiting and retaining staff for the benefits function supplied by CSN was challenging and agency staff were mainly used to deliver this function.
- 3.6 Reliance on agency staff and the level of quality assurance processes in place throughout has contributed significantly to the level of error found in housing benefit claims tested by the external auditor.
- 3.7 Since the recruitment of the new in-house team in November 2021, the council has introduced robust quality assurance measures for checking the accuracy of claims, as well as introducing monthly monitoring of the local authority error, which is recorded and reviewed each month to establish where Cherwell are with the thresholds for local authority overpayment error. These processes are continually reviewed to look for improvement. However, due to the severe disruption of bringing the team back in house overall improvements in performance were not seen in 2021/22.
- 3.8 Following the audit challenge for 2019/20 subsidy report and the early findings of issues in the 2020/21 audit a significant amount of corrective work was undertaken in preparation for the 2021/22 audit year which resulted in further movement into LA error.
- 3.9 Previous years pre-audit claims reported below the LA Error threshold but as found in the post-audit position for 2019/20 this was not the true position as numerous errors were found pushing the council over the higher threshold and resulting in our having to repay the subsidy previously claimed and the penalty from the audit.
- 3.10 It is the corrective work done for 2021/22 pre-audit that has contributed to a higher LA error total. The initial cost due to LA Error was already repaid by a one-off deduction from our ongoing subsidy payment in May 2023 after submitting the final claim in April.
- 3.11 The corrections in 21/22 will be beneficial for the lifetime of each claim, if a claim is in continuous payment an error from any past period can still be a problem in future audits should it perpetuate through each year. To address this going forward, corrective work was completed during 21/22 in addition to enhanced training and reviewing of processes.

Financial year	Prior year LA error	In year LA error	Total LA error declared	Audited LA error (extrapolated)	Total LA error cost to DWP
2018-19	£49,888	£78,826	£128,714	£209,505	£338,219
2019-20	£37,467	£64,681	£102,148	£69,046	£171,194
2020-21	£34,650	£61,590	£96,240	£114,550	£210,790
2021-22	£118,260	£87,274	£205,534	£92,652	£298,186
2022-23	£39,114	£40,375	£79,489	TBC	TBC
2023-24	£23,850	£26,099	£49,949	TBC	TBC
2024-25	£38,120	£24,850	£62,970	TBC	TBC

- 3.12 The table shows that as well as the disruption of bringing the Benefits team back in house and a significant recruitment drive in 2021/22, there was a large piece of work to identify “in year and prior year error”. The expectation is that this would reduce levels of error found as part of future audits and the high extrapolated amounts. It is also clear that the level of error now identified by the team in 2022 /23 and beyond has reduced due to the additional checks and controls that have been put in place as part of the assessment process.

4. Details

Housing Benefit Subsidy 2021/22

- 4.1 For the financial year 2021/22 Cherwell District Council (CDC) submitted a Housing Benefit claim in April 2021 for a total value of £22.5M which attracted £22.5M in subsidy from the Department for Work and Pensions (DWP). The audit of the subsidy claim was undertaken by Ernst and Young (EY) using the national methodology determined by the DWP.
- 4.2 Initial testing is undertaken and if this testing identifies any error the auditor is unable to conclude that the error is isolated. The DWP methodology requires that an additional sample of 40 cases is tested which is focussed on the error.
- 4.3 The DWP methodology also requires auditors to extrapolate the results of the initial and additional testing by multiplying the subsidy cell total by the sample value that is found to be in error. Therefore, even small errors found in the sample can lead to large changes in the extrapolated levels of error.
- 4.4 In line with the requirement of the subsidy audit additional testing was also carried out based on the preceding audit findings (known as cumulative assurance knowledge and experience or CAKE).
- 4.5 It was agreed with EY that there would be 25 areas of change to the final claim prepared April 2022 where there would be movement to Local Authority error relating to areas found in Appendix 1 and listed below:

Table 1 – Areas sampled for Non-Housing Revenue Account and Rent Allowances

Area identified	Number of cases	Sample Value
Non HRA - Eligible Rent	60	£278,561
Non HRA - Childcare Costs	2	£7,380
Non HRA - Earnings	15	£66,108
Non HRA - CY Eligible Error	14	£9,415
Non HRA - Tenure Type	60	£275,202
Non HRA - Notional Income	1	£1,678
Non HRA - Cancellations	53	£89,671
Non HRA - Universal Credit	55	£122,582
LHA Tenure Type	60	£362,152
RA - Eligible Rent	60	£338,573
RA - AIF	40	£211,723
RA - Occupational Pension	40	£163,254
RA - Capital	49	£247,919
RA - CY Eligible Error	40	£17,969
RA - PY Eligible Error	41	£22,220
RA - Earnings	42	£193,736
RA - SE Earnings	40	£223,446
RA - Passported to Standard	65	£176,097
RA - Additional Earnings Disregard	41	£197,127
RA - State Retirement Pensions	45	£187,850
RA - Dependent's Allowance	42	£202,141
RA - ND SE Earnings	10	£53,499
RA - Change of Address	40	£266,429
RA - Bedroom Count	1830	£9,673,372
RA - Modified Scheme	8	£21,819

- 4.6 As shown in the table below EY found 174 errors during their audit as a result of initial testing, 40+ testing and CAKE. Of the 25 areas checked 9 presented no further errors:

Table 2 - Outcome of the sample testing:

Area identified	Number of cases with errors	Error Value
Non HRA - Eligible Rent	0	£0.00
Non HRA - Childcare Costs	0	£0.00
Non HRA - Earnings	4	£0.00
Non HRA - CY Eligible Error	4	£2,025
Non HRA - Tenure Type	1	£126
Non HRA - Notional Income	1	£1,070
Non HRA - Cancellations	4	£77
Non HRA - Universal Credit	2	£459
RA - LHA Tenure Type	0	£0.00
RA - Eligible Rent	5	£111

RA - AIF	2	£0.00
RA - Occupational Pension	7	£238
RA - Capital	4	£0.00
RA - CY Eligible Error	15	£1,095
RA - PY Eligible Error	20	£1,358
RA - Earnings	26	£504
RA - SE Earnings	9	£1,041
RA - Passported to Standard	26	£13,920
RA - Additional Earnings Disregard	2	£609
RA - State Retirement Pensions	7	£128
RA - Dependent's Allowance	2	£0.00
RA - ND SE Earnings	4	£0.00
RA - Change of Address	0	£0.00
RA - Bedroom Count	26	£9,263
RA - Modified Scheme	3	£0.00
Total		£22,633

- 4.7 The value of the original errors found were relatively low, however the DWP extrapolation process means that the impact of these values is much increased. A summary of the financial impact is shown below in Table 3 and at Appendix 1.

Table 3 – Financial Impact:

Area of fail	Claims with Errors	Error - £	% Error Rate	LA Extrapolation Value
Non HRA - Eligible Rent	0	£0.00	0.00%	£0.00
Non HRA - Childcare Costs	0	£0.00	0.00%	£0.00
Non HRA - Earnings	4	£0.00	0.00%	£0.00
Non HRA - CY Eligible Error	4	£2,025	21.51%	£2,025
Non HRA - Tenure Type	1	£126	0.05%	£351
Non HRA - Notional Income	1	£1,070	63.77%	£1,070
Non HRA - Cancellations	4	£77	0.02%	£135
Non HRA - Universal Credit	2	£459	0.37%	£869
RA - LHA Tenure Type	0	£0.00	0.00%	£0.00
RA - Eligible Rent	5	£111	0.03%	£6,648
RA - AIF	2	£0.00	0.00%	£0.00
RA - Occupational Pension	7	£238	0.15%	£2,976
RA - Capital	4	£0.00	0.00%	£0.00
RA - CY Eligible Error	15	£1,095	4.98%	£11,732
RA - PY Eligible Error	20	£1,358	6.011%	£19,903
RA - Earnings	26	£504	0.26%	£7,679
RA - SE Earnings	9	£1,041	0.47%	£4,133
RA - Passported to Standard	26	£13,920	1.18%	£13,920
RA - Additional Earnings Disregard	2	£609	0.31%	£9,793
RA - State Retirement Pensions	7	£128	0.068%	£2,156

RA - Dependent's Allowance	2	£0.00	0.00%	£0.00
RA - ND SE Earnings	4	£0.00	0.00%	£0.00
RA - Change of Address	0	£0.00	0.00%	£0.00
RA - Bedroom Count	26	£9,263	0.07%	£9,263
RA - Modified Scheme	3	£0.00	0.00%	£0.00
Total				£92,653

- 4.8 In appendix A consolidated table of table 1, 2, and 3 can be found with the financial impact for Cherwell
- 4.9 When the original subsidy claim was submitted in April 2022 the value of the local authority error overpayments was £205,534, this is over the higher threshold, therefore no subsidy was claimed.
As a result of the additional testing and the resulting extrapolations, the value of the local authority error overpayments increased by £92,653, the post audit position remains over the upper threshold with an additional £92,653 payable to the DWP.
- 4.10 During 2021, which this audit relates, CSN Resources were responsible for administering HB claims on behalf of Cherwell and South Northants, the errors made within 2021/22 can be attributed in part to the performance of CSN resources and the reliance on temporary resources and lack of quality assurance processes in place.
- 4.11 CSN was disbanded in 2021, and a new in-house Revenues and Benefits team was formed. This split was extremely disruptive, and the required resources were not available to focus on the audit and has been the cause of the delay in presenting the subsidy position for 2021/22.

Improvement plans implemented

- 4.12 An analysis has been carried out on the errors found during the 2019/20, 2020/21 and 2021/22 subsidy audit process and the largest financial impact areas have been the subject of numerous key projects, focusing on key areas of HB that have been identified as the most common fail areas for subsidy. A monthly 10% quality check on all officer's performance has been in place since taking the service in-house from the latter part of 2021/22; this will better target training requirements at an individual and team level. The council has also implemented numerous key projects and incorporated ongoing checks with our quality assurance processes which focuses on identified problem areas.
- 4.13 An online Knowledge Hub has been setup which provides the benefits team with up-to-date relevant training slides in key areas of HB and best practice, guidance, and legislation in an easily searchable format. Ongoing refresher training sessions are incorporated into the monthly team meetings covering areas found to be an issue from the monthly subsidy monitoring undertaken. A dedicated subsidy area has been setup to provide the team with the key areas to focus on throughout the year with clear explanations of knock-on financial implication of each.

- 4.14 The council is currently in the process of having the 2022/23 HB subsidy claim audited. This is expected to not have a similar level of local authority error and not expected to exceed the upper threshold due to the ongoing review of the subsidy position and subsequent training of staff.
- 4.15 It is hoped that any positive impact of the improvements in controls described above will be seen in the audit for the 2022/23 and subsequent financial year's Housing Benefit claim; the audit of 2022/23 is now underway.

5. Alternative Options and Reasons for Rejection

- 5.1 None

6 Conclusion and Reasons for Recommendations

- 6.1 Members are requested to note the contents of this report.

Decision Information

Key Decision	N/A
Subject to Call in	N/A
If not, why not subject to call in	N/A
Ward(s) Affected	All

Document Information

Appendices	
Appendix 1	Movement to Local Authority Error
Background Papers	None
Reference Papers	None
Report Author	Sandra Ganpot – Benefit Services and Performance Manager
Report Author contact details	Sandra.ganpot@Cherwell-dc.gov.uk 01295 221 721
Corporate Director Approval (unless	N/A – Statutory officer report

Corporate Director or Statutory Officer report)	
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Appendix 1 – Movement to Local Authority Error

Non HRA movement to Local Authority Error

	Audit		Total Population		Outcome of Sample Testing			Financial Impact
Area	Sample Count	Sample Value	Claim Count	Total HB paid	Claims with Errors	Error - £	% Error Rate	Local Authority Extrapolated Value
Eligible Rent	60	£278,561	191	£701,058	0	£0.00	0.00%	£0.00
Childcare Costs	2	£7,380	2	£7,380	0	£0.00	0.00%	£0.00
Earnings	15	£66,108	15	£66,108	4	£0.00	0.00%	£0.00
CY Eligible Error	14	£9,415	14	£9,415	4	£2,025	21.51%	£2,025
Tenure Type	60	£275,202	191	£701,058	1	£126	0.05%	£351
Notional Income	1	£1,678	1	£1,678	1	£1,070	63.77%	£1,070
Cancellations	53	£89,671	113	£149,775	4	£77	0.02%	£135
Universal Credit	55	£122,582	111	£234,282	2	£459	0.37%	£869
Total Non HRA								£4,450

Rent Allowance movement to Local Authority Error

	Audit		Total Population		Outcome of Sample Testing			Financial Impact
Area	Sample Count	Sample Value	Claim Count	Total HB paid	Claims with Errors	Error - £	% Error Rate	Local Authority Extrapolated Value
LHA Tenure Type	60	£362,152	737	£4,107,787	0	£0.00	0.00%	£0.00
Eligible Rent	60	£338,573	4202	£22,161,457	5	£111	0.03%	£6,648
AIF	40	£211,723	163	£853,833	2	£0.00	0.00%	£0.00
Occupational Pension	40	£163,254	491	£1,983,733	7	£238	0.15%	£2,976
Capital	49	£247,919	1441	£6,760,510	4	£0.00	0.00%	£0.00
CY Eligible Error	40	£17,969	795	£235,780	15	£1,095	4.98%	£11,732
PY Eligible Error	41	£22,220	381	£325,738	20	£1,358	6.011%	£19,903
Earnings	42	£193,736	648	£2,953,489	26	£504	0.26%	£7,679
SE Earnings	40	£223,446	160	£879,370	9	£1,041	0.47%	£4,133
Passported to Standard	65	£176,097	65	£176,097	26	£13,920	1.18%	£13,920
Additional Earnings Disregard	41	£197,127	668	£3,159,025	2	£609	0.31%	£9,793

State Retirement Pensions	45	£187,850	737	£3,171,082	7	£128	0.068%	£2,156
Dependent's Allowance	42	£202,141	700	£3,492,742	2	£0.00	0.00%	£0.00
ND SE Earnings	10	£53,499	10	£53,499	4	£0.00	0.00%	£0.00
Change of Address	40	£266,429	180	£1,039,266	0	£0.00	0.00%	£0.00
Bedroom Count	1830	£9,673,372	1830	£9,673,372	26	£9,263	0.07%	£9,263
Modified Scheme	8	£21,819	8	£21,819	3	£0.00	0.00%	£0.00
Total RA								£88,203
Total Non HRA & RA								£92,653
Average error rate HRA & RA							1.26%	

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This report is public	
Housing Management Performance	
Committee	Accounts, Audit and Risk Committee
Date of Committee	16 July 2025
Portfolio Holder presenting the report	Portfolio Holder for Housing, Councillor Nick Cotter
Date Portfolio Holder agreed report	1 July 2025
Report of	Assistant Director Wellbeing and Housing, Nicola Riley

Purpose of report

To provide the Committee with an annual report relating to housing complaints performance, in accordance with the Housing Ombudsman's Complaints Handling Code.

1. Recommendations

The Accounts, Audit and Risk Committee resolves:

- 1.1 To note the content of the report and appendices. The appendices, including the Complaints Handling Code self-assessment, will be published on the Council's website and will form the basis of the Council's return to the Housing Ombudsman for 2024-25.

2. Executive Summary

- 2.1 As part of meeting our statutory duties in relation to our stock holding and as part of new regulatory frameworks, the Council is required to produce and publish a report that outlines its complaint handling and compliance with the Housing Ombudsman's Complaint Handling Code every year. This relates to complaints that the Council receive as a landlord and that relate to its landlord functions.
- 2.2 Complaints that relate to other areas of the Council and do not relate to the discharge of our landlord functions for our housing stock are not within the scope of the report.

Implications & Impact Assessments

Implications	Commentary
Finance	This report does not have any direct financial implications. Kelly Wheeler, Finance Business Partner, 23 June 2025

Legal	The legal framework relating to housing complaints performance and improvement is set out in the main body of this report. There are no additional legal implications arising from the report. Adrian Thompson, Principal Solicitor 25 June 2025			
Risk Management	There are no risk implications arising directly from this report. However, this report is a necessary action that mitigates the risk of not complying with the corresponding legislation. Celia Prado-Teeling, Performance Team Leader, 25 June 2025			
Impact Assessments	Positive	Neutral	Negative	Commentary
Equality Impact		x		Not applicable
A Are there any aspects of the proposed decision, including how it is delivered or accessed, that could impact on inequality?		x		
B Will the proposed decision have an impact upon the lives of people with protected characteristics, including employees and service users?		x		
Climate & Environmental Impact		x		
ICT & Digital Impact		x		
Data Impact		x		
Procurement & subsidy		x		
Council Priorities	Quality Housing and Place Making			
Human Resources	Not applicable			
Property	Not applicable			
Consultation & Engagement	None			

Supporting Information

3. Background

- 3.1 The Council has a small stock holding of 246 units. 100 of these are held within shared ownership, where the Council has fewer responsibilities as a landlord as the shared owner has responsibilities for the upkeep and repair of their home. The rest of the portfolio is made up of rented property. It is a mix of general needs accommodation, supported accommodation and temporary accommodation for homeless households.
- 3.2 The Housing Ombudsman's Complaint Handling Code came into effect in April 2024 in conjunction with the wider Social Housing (Regulation) Act 2023. It empowered the Ombudsman to issue a code of practice that landlords should have in place for considering complaints. It also places a duty on the Ombudsman to monitor compliance with the code. The code outlined definitions of complaints, timescales that they should be handled within and how they should be handled. It also advises that the Council must report on compliance with the code to its appropriate governing body or committee and complete a self-assessment form annually. It must also publish outcomes on its website.

4. Details

- 4.1 Appendix 1 shows the complaints received within 2024-25 that are within the scope of the Housing Ombudsman and the Council's performance against the code. It includes some improvements that have been identified and, within Appendix 2, provides the self-assessment that is required to be completed.

5. Alternative Options and Reasons for Rejection

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

Option 1: Not to produce and publish a report.

There is a statutory obligation to produce a report and report our performance in these areas as part of the legislation that is outlined within the report. This is therefore rejected.

6. Conclusion and Reasons for Recommendations

- 6.1 The report provides members with information regarding complaints performance within the scope of the Housing Ombudsman. It is a requirement within social housing regulation to report and publish our performance.

Decision Information

Key Decision	Not applicable
Subject to Call in	Not applicable
If not, why not subject to call in	Not applicable
Ward(s) Affected	All wards

Document Information

Appendices	
Appendix 1	Housing Management Performance Annual Report
Appendix 2	Housing Ombudsman Complaint Handling Code Self-Assessment
Background Papers	None
Reference Papers	None
Report Author	Richard Smith – Head of Housing
Report Author contact details	richard.smith@cherwell-dc.gov.uk 01295 221640
Corporate Director Approval (unless Corporate Director or Statutory Officer report)	Ian Boll, Corporate Director – Communities, 24 June 2025

Housing Management Complaint Performance – Annual Report

Introduction

The Housing Ombudsman's Complaint Handling Code became statutory from 1 April 2024, which means that social housing landlords are now obliged by law to follow its requirements.

The Social Housing (Regulation) Act 2023 places a legal duty on the Ombudsman to monitor social housing landlord's compliance with the Code. Section 8 of the Housing Ombudsman's Service Complaint Handling Code requires that landlords must produce an Annual Complaints Performance and Service Improvement Report for scrutiny and challenge.

This annual report provides an analysis of the complaints received by the Council's Housing Management Team during 2024/25. This process and these complaints are different and separate from complaints received by other Council services, that are reported through a separate process.

This report seeks to provide information on the performance of the Council's complaint handling in terms of the volume and timeliness of the responses. In addition, the report seeks to identify themes, trends and lessons learnt to bring about service improvements.

The Housing Ombudsman Service has a two-stage complaint handling process which requires:

- All Complaint Acknowledgements responded within 5 working days.
- A first stage complaint must be responded to within 10 working days.
- A second stage complaint within 20 working days.

Cherwell District Council operates a 3 stage complaint process.

Stage 1 – Informal Complaint

Stage 1 complaints cover oversights or human error that can be quickly resolved by contacting the service rather than awaiting formal investigation.

Stage 2 – Formal Complaint

A formal complaint involves a senior officer within the service concerned investigating the matter. A stage 2 complaint will be acknowledged within 3 working days and a full response will be sent within 10 working days.

Stage 3 – Formal Review

A Stage 3 formal review involves a member of the Extended Leadership Team within the Council (Assistant Director). It will also be someone who has not been involved in the matter before.

The acknowledgement for the Stage 3 request will be provided within 3 working days and a full response will be sent within 10 working days.

The Council's corporate policy for handling and managing complaints is not fully aligned with the Housing Ombudsman framework. Therefore, for the purpose of this report, Housing Ombudsman Stage One complaints consist of both Stage 1 and Stage 2 complaints made to the Council. The timescale compliance is also shown separately within tables. Taking this approach does not affect the outcomes within the report.

Scope of report

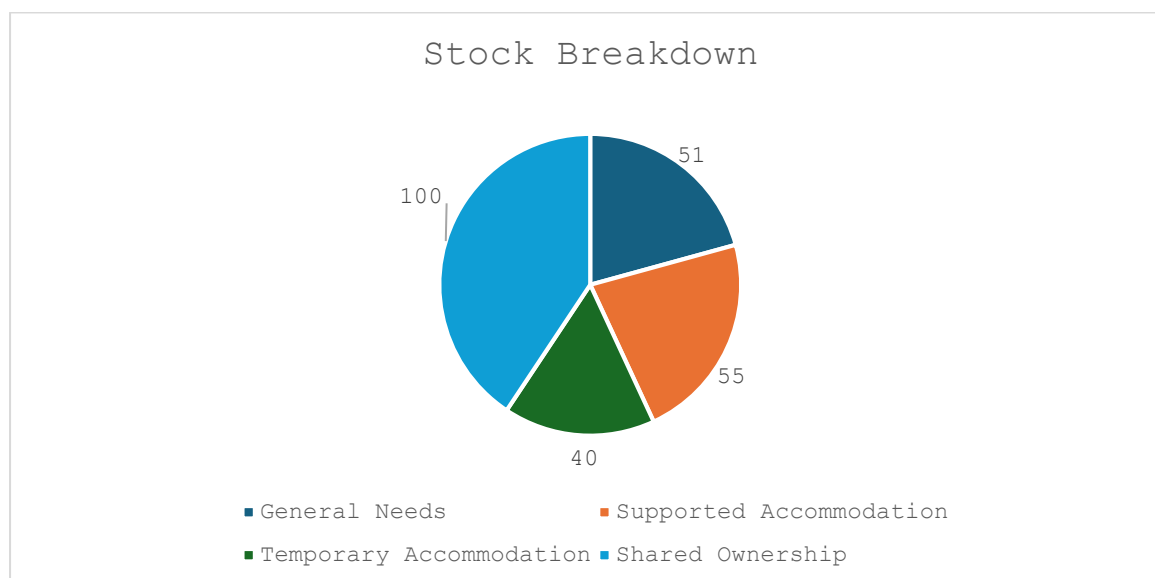
The Council has a small stock holding of 246 units. As 100 properties are Shared Ownership and the Council's share is less than 50%, the effective units that the Council owns and manages is under 200. This is made up of a mix of Supported Accommodation, Temporary Accommodation, General Needs Housing and Shared Ownership.

Throughout the period covered by the report, 24 units of temporary accommodation and 12 units of general needs accommodation were unoccupied as long term void due to renovation works taking place (36 total). Only becoming occupied in the final month of the report (March 25). Therefore, the number of rented properties that the Council is managing with tenants within was significantly reduced.

Complaints and other data presented as part of this report relate to the Council's stock holding and to the residents within.

The breakdown of the properties is shown in **Figure 1**

Figure 1 – Cherwell District Council Housing Stock Breakdown



Definition of a Complaint

In accordance with the Housing Ombudsman's Complaints Handling Code, a complaint is an

“expression of dissatisfaction, however made, about the standard of service, actions or lack of action by the landlord, its own staff, or those acting on its behalf, affecting a resident or groups of residents”

The word complaint does not have to be used by the resident for it to be treated as such.

There is a difference between a complaint and a service request. This is outlined within the Council's complaints procedure.

Types of complaints within scope of this report

Within scope of the report are complaints that are raised by residents or raised by residents through an appropriate third party.

The Council receives enquiries from Members of Parliament and elected members, sometimes on behalf of customers or to enquire on their behalf. Where appropriate, the enquiry received may be escalated to a complaint and handled as such if it is clear that there is a service failing that needs to be investigated and addressed. Not all enquiries that are made by MP's or Councillors are treated as complaints. They are primarily dealt with as requests for information and through part of day to day communications.

Volume of Complaints

The data below summarises the Council's performance regarding complaints and the compliance with the Housing Ombudsman's Code regarding timescales and complaint handling.

This shows that of the complaints we have received regarding and relating to our stock holding have been compliant with internal processes and our Policy as well as the Housing Ombudsman's Complaint Handling Code. It should be noted that the scope of the stock to which the Code relates is small, as outlined in previous sections.

Figure 2a - Number of Housing Management related complaints received and compliance with response times - acknowledgement

Complaint Stage	Number Received	Acknowledgment sent within 5 working days
Informal Stage 1 (Housing Ombudsman Stage 1)	3	3 (100%)

Appendix 1

Formal Stage 2 (Housing Ombudsman Stage 1)	0	N/A
Stage 3 Formal Review (Housing Ombudsman Stage 2)	0	N/A
Logged as complaint but closed as service request	0	N/A

Figure 2b - Number of Housing Management related complaints received and compliance with response times

Complaint Stage	Response within CDC timescales	Response within Housing Ombudsman Timescales
Informal Stage 1 (Housing Ombudsman Stage 1)	3	N/A
Formal Stage 2 (Housing Ombudsman Stage 1)	0	N/A
Stage 3 Formal Review (Housing Ombudsman Stage 2)	0	N/A

Complaints by Theme

When analysing the themes of the complaints received, **Figure 3** shows the nature of the complaints that were received in 2024/25.

Complaint Theme	Number of complaints
Poor handling or progression of housing case	3 (100%)
Staff attitude/behaviour	0
Failure to attend appointment	0
Condition of property	0
Poor workmanship	0
Relating to performance of a contractor	0
Other	0

Complaints by Tenure

The Council holds a small but varied stock holding, as outlined in previous sections. The breakdown of the complaints by tenure of property is shown below in **Figure 4**

Tenure	Number of complaints
Shared Ownership	3 (100%)
Supported Accommodation	0
General Needs Housing	0
Temporary Accommodation	0

Method in which a complaint is received

The below table shows the method in which complaints were received by the Council during 2024-25. It shows that the Council's digital channels are most prevalent when reporting complaints.

Figure 5 – Method in which complaints are received

Complaint Type	Number Received	Received by Email/Website Link	Received by phone	Received by letter	Received in person
Complaint logged as per Housing Ombudsman Code	3 (100%)	3 (100%)	0	0	0
Logged as complaint but closed as service request	0	0	0	0	0

Complaint Outcomes

As part of complaint handling, the Council wishes to learn lessons where possible from the feedback it receives from customers. The below table shows the number of complaints that the Council upheld in 2024-25.

Figure 6 - Number of complaints that were upheld by the Council

Number of complaints	Reason for complaint	Percentage upheld
3	Poor handling or progression of housing case	0%

Findings of non-compliance with the Housing Ombudsman Complaint Handling Code

There are no instances of non-compliance with the code. All complaints were acknowledged and handled within the timescales provided by the Housing Ombudsman within the code.

Service Improvements

Contact Management and Identification of Potential Complaints

Staff within the Housing Management Team are receiving annual briefings and training updates regarding identification and recording of complaints that come

directly to the team, either in person, by phone, letter or e-mail. This is to ensure that there is minimised potential for any under reporting of complaints.

The customer services team, who handle all complaint communications and receive complaints when not received directly to staff, have refresher training as part of their roles.

In the 2023-24 return, there were instances of service requests being logged as complaints. This can lead to unnecessary administration for the Council and lead to potential confusion for customers. Customers could be advised that the matter they have reported is being dealt with as a complaint and then later find out that it isn't, because it isn't a complaint. There were no instances of this occurring this year, this is therefore positive.

It is noted that complaints have been resolved by customer services or the housing team and the customer responded to on the issue initially recorded as a complaint, without the need for further investigation. It is positive that potential issues raised have been quickly responded to. To ensure compliance with the code, complaints relating to housing management will be checked by a senior officer to check their correct handling. Due to the small number of complaints and small stock size, this is considered a feasible and proportionate step to ensure compliance with the code.

There is a culture within the Housing Management Team of resolving issues that customers raise as quickly as possible. It is positive that there is an approach and emphasis on early intervention and being proactive with the customer to ensure their issues and concerns are resolved at the earliest opportunity, it is important that the team retain this, and this continues to be encouraged.

It is positive for complaint control that customers are finding their way to the complaints section of the website to make their complaint and using the website links and forms. The Council's corporate management system for complaints assists in the automation of tasks and therefore ensures communications are sent and tracks responses.

Complaints by Tenure

This year has shown a trend that all the complaints are received by tenants that hold their properties within shared ownership. When satisfaction surveys have been undertaken by the Council, it has also shown that these tenants are generally less satisfied with the housing services provided by the Council.

Considering the large proportion of units held in shared ownership, larger than any other single type, the potential for complaints to be made are higher. The relationship between the Council and these tenants is different however, with less services being provided to them directly and, therefore, the less potential for there to be a complaint about services provided. The Council will continue to review its communications with these clients and monitor any concerns raised more closely and implement learning

Appendix 1

appropriately and accordingly. It should however be noted that the number of complaints remains small.

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Appendix 2 – Housing Ombudsman Service Complaints Handling Code Self Assessment Results

Code provision	Code requirement	Comply: Yes / No	Evidence Commentary / explanation
1.2	A complaint must be defined as: <i>'an expression of dissatisfaction, however made, about the standard of service, actions or lack of action by the landlord, its own staff, or those acting on its behalf, affecting a resident or group of residents.'</i>	Yes	Cherwell District Council Service Complaints Procedure, P2-3 Published on Cherwell District Council website Provides a definition of complaints that references dissatisfaction with standard of service received, but is generic to all residents within the community.
1.3	A resident does not have to use the word 'complaint' for it to be treated as such. Whenever a resident expresses dissatisfaction landlords must give them the choice to make complaint. A complaint that is submitted via a third party or representative must be handled in line with the landlord's complaints policy.	Yes	Cherwell District Council Service Complaints Procedure P1-3 A further staff training briefing took place in December 2024 with the Housing Management Team, who manage our stock and deal with the direct incoming contacts, to ensure that this is reaffirmed. This however has not led to an increase in reporting of any complaints or dissatisfaction to the team of Council, so further work will be undertaken in this area to ensure that residents expressing dissatisfaction is appropriately dealt with. Council manages a significant percentage of supported accommodation that have vulnerable tenants within that have advocates or support agencies and keeps an up-to-date record of agency contacts and advocates.
1.4	Landlords must recognise the difference between a service request and a complaint. This must be set out in their complaints policy. A service request is a request from a resident to the landlord requiring action to be taken to put something right. Service	Yes	Cherwell District Council Service Complaints Procedure, P2-3 As above, staff briefings took place in December 24 and further activity and monitoring planned.

Appendix 2

Code provision	Code requirement	Comply: Yes / No	Evidence Commentary / explanation
	requests are not complaints, but must be recorded, monitored and reviewed regularly.		
1.5	A complaint must be raised when the resident expresses dissatisfaction with the response to their service request, even if the handling of the service request remains ongoing. Landlords must not stop their efforts to address the service request if the resident complains.	Yes	<p>This is not specifically dealt with within our policy. However, escalation routes are established within teams to ensure that this happens.</p> <p>Cherwell District Council Service Complaints Procedure, P5, describes how complaints are escalated from stage 1 to stage 2 of the Cherwell procedure, which can give a path to escalation to a formal complaint where applicable</p>
1.6	An expression of dissatisfaction with services made through a survey is not defined as a complaint, though wherever possible, the person completing the survey should be made aware of how they can pursue a complaint if they wish to. Where landlords ask for wider feedback about their services, they also must provide details of how residents can complain.	Yes	<p>Due to the small number of properties that the Council manages, the Council is able to respond directly to feedback such as this received with residents where identified and appropriate.</p>

Code provision	Code requirement	Comply: Yes / No	Evidence Commentary / explanation
2.1	Landlords must accept a complaint unless there is a valid reason not to do so. If landlords decide not to accept a complaint they must be able to evidence their reasoning. Each complaint must be considered on its own merits	Yes	Cherwell District Council Service Complaints Procedure, P3-4, defines what is and isn't a complaint and alternative methods for dealing with other matters that may be attempted to be raised as complaints.
2.2	<p>A complaints policy must set out the circumstances in which a matter will not be considered as a complaint or escalated, and these circumstances must be fair and reasonable to residents. Acceptable exclusions include:</p> <ul style="list-style-type: none"> • The issue giving rise to the complaint occurred over twelve months ago. • Legal proceedings have started. This is defined as details of the claim, such as the Claim Form and Particulars of Claim, having been filed at court. • Matters that have previously been considered under the complaints policy. 	Yes	As above, Cherwell District Council Service Complaints Procedure, P3-4
2.3	Landlords must accept complaints referred to them within 12 months of the issue occurring or the resident becoming aware of the issue unless they are excluded on other grounds. Landlords must consider whether to apply discretion to accept complaints made outside	Yes	Cherwell District Council Service Complaints Procedure, P3-4. The Council does not have scope to refuse complaints on the grounds stated within 2.3 of the code, so they would be included and dealt with as complaints and not excluded.

Appendix 2

Code provision	Code requirement	Comply: Yes / No	Evidence Commentary / explanation
	this time limit where there are good reasons to do so.		
2.4	If a landlord decides not to accept a complaint, an explanation must be provided to the resident setting out the reasons why the matter is not suitable for the complaints process and the right to take that decision to the Ombudsman. If the Ombudsman does not agree that the exclusion has been fairly applied, the Ombudsman may tell the landlord to take on the complaint.	Yes	Cherwell District Council Service Complaints Procedure, P3-4. Complaints are routinely recorded as complaints rather than not accepting them and front-line staff handling and managing complaints are trained and are independent from the housing team and thus ensure fairness and transparency. Complaints are routinely acknowledged and updates regarding their processing and progress are provided as part of standard processes.
2.5	Landlords must not take a blanket approach to excluding complaints; they must consider the individual circumstances of each complaint.	Yes	As above Cherwell District Council Service Complaints Procedure, P3-4.

Code provision	Code requirement	Comply: Yes / No	Evidence Commentary / explanation
3.1	Landlords must make it easy for residents to complain by providing different channels through which they can make a complaint. Landlords must consider their duties under the Equality Act 2010 and anticipate the needs and reasonable adjustments of residents who may need to access the complaints process.	Yes	<p>Cherwell District Council Service Complaints Procedure, P4.</p> <p>Multiple channels – letter, email, face to face, via staff.</p> <p>Council has an EDI Framework to ensure services are inclusive and respond to our responsibilities within legislation.</p>
3.2	Residents must be able to raise their complaints in any way and with any member of staff. All staff must be aware of the complaints process and be able to pass details of the complaint to the appropriate person within the landlord.	Yes	<p>Cherwell District Council Service Complaints Procedure, P4</p> <p>Staff training and awareness of housing management team, who deal and manage the customer contacts with our tenants and shared awareness is provided.</p>
3.3	High volumes of complaints must not be seen as a negative, as they can be indicative of a well-publicised and accessible complaints process. Low complaint volumes are potentially a sign that residents are unable to complain.	Yes	<p>Wider complaints performance of the Council is reported through the Accounts, Audit and Risk Committee.</p> <p>Customer Focus and performance is also regularly part of the Overview and Scrutiny Processes.</p> <p>Complaints and how to complain is found within one click on the Council website from the homepage.</p> <p>The Council is recording a low number of complaints into its housing service. Some factors are worthy of note.</p> <ul style="list-style-type: none"> • The Council has a small stock holding of less than 200 properties. • The Council has a high proportion of supported accommodation with support workers available 24/7.

Code provision	Code requirement	Comply: Yes / No	Evidence Commentary / explanation
			<p>Many customers are therefore vulnerable and have support staff managing most of their affairs.</p> <ul style="list-style-type: none"> • Much of the other general needs stock has transferred to temporary accommodation, where occupancy is short term and properties are regularly visited by staff.
3.4	Landlords must make their complaint policy available in a clear and accessible format for all residents. This will detail the 2 stage process, what will happen at each stage, and the timeframes for responding. The policy must also be published on the landlord's website.	Yes	Cherwell District Council Service Complaints Procedure and details of how to make complaints and how they will be dealt with is available for download on the Council website and is also available on the Council's webpages
3.5	The policy must explain how the landlord will publicise details of the complaints policy, including information about the Ombudsman and this Code.	Yes	Cherwell District Council Service Complaints Procedure, P7, Policy is being reviewed in 2025 to incorporate these changes and consider wider changes to comply with changing statutory guidance.
3.6	Landlords must give residents the opportunity to have a representative deal with their complaint on their behalf, and to be represented or accompanied at any meeting with the landlord.	Yes	Cherwell District Council Service Complaints Procedure, P1, has a section regarding third parties. Many of those living in our housing stock have representatives working on their behalf due to their level of vulnerability. The Council therefore is used to managing issues and tenancy/property matters through engagement with third parties.
3.7	Landlords must provide residents with information on their right to access the	Yes	Cherwell District Council Service Complaints Procedure, P7,

Code provision	Code requirement	Comply: Yes / No	Evidence Commentary / explanation
	Ombudsman service and how the individual can engage with the Ombudsman about their complaint.		Policy is being reviewed in 2025 to incorporate these changes and consider wider changes to comply with changing statutory guidance. Ombudsman information also included within complaint responses.

Code provision	Code requirement	Comply: Yes / No	Evidence Commentary / explanation
4.1	Landlords must have a person or team assigned to take responsibility for complaint handling, including liaison with the Ombudsman and ensuring complaints are reported to the governing body (or equivalent). This Code will refer to that person or team as the 'complaints officer'. This role may be in addition to other duties.	Yes	Specific officers within the Customer Service Team ensure standard response to complaints across the Council. They ensure that complaints are dealt with at the correct stage and ensure that an appropriate officer investigates them
4.2	The complaints officer must have access to staff at all levels to facilitate the prompt resolution of complaints. They must also have the authority and autonomy to act to resolve disputes promptly and fairly.	Yes	<p>The Council takes complaints seriously and processes and a complaints handling system is in place to ensure that complaints are managed, escalated and responded to correctly and in accordance with procedure.</p> <p>The complaints officers liaise with the executive support staff across departments to ensure that complaints are managed correctly and responded to within timescales.</p>
4.3	Landlords are expected to prioritise complaint handling and a culture of learning from complaints. All relevant staff must be suitably trained in the importance of complaint handling. It is important that complaints are seen as a core service and must be resourced to handle complaints effectively	Yes	<p>Staff within the Customer Services Team are appropriately trained and ensure that appropriate and robust complaint handling takes place across the organisation.</p> <p>Performance of the Council as a whole is reported and scrutinised routinely through the Overview and Scrutiny Committee processes.</p> <p>The Council routinely reports in its responses which complaints are upheld and not upheld and seeks to learn, particularly when complaints are upheld or upheld in part.</p>

Code provision	Code requirement	Comply: Yes / No	Evidence Commentary / explanation
5.1	Landlords must have a single policy in place for dealing with complaints covered by this Code. Residents must not be treated differently if they complain.	Yes	Cherwell District Council Service Complaints Procedure
5.2	The early and local resolution of issues between landlords and residents is key to effective complaint handling. It is not appropriate to have extra named stages (such as 'stage 0' or 'informal complaint') as this causes unnecessary confusion.	Yes	Cherwell District Council Service Complaints Procedure advises of an informal stage 1. However, relating to housing complaints and compliance with the code, these are counted and dealt formally through stage 2 within our process.
5.3	A process with more than 2 stages is not acceptable under any circumstances as this will make the complaint process unduly long and delay access to the Ombudsman.	Yes	Cherwell District Council Service Complaints Procedure, as above. 2 stage process.
5.4	Where a landlord's complaint response is handled by a third party (e.g. a contractor or independent adjudicator) at any stage, it must form part of the 2 stage complaints process set out in this Code. Residents must not be expected to go through 2 complaints processes.	Yes	These are carried out in accordance with the 2 stage process. If they were to occur.
5.5	Landlords are responsible for ensuring that any third parties handle complaints in line with the Code.	Yes	The Council would seek to ensure that any appointed third party complied with the Council's policy and process, as they are acting on our behalf.
5.6	When a complaint is logged at Stage 1 or escalated to Stage 2, landlords must set	Yes	Cherwell District Council Service Complaints Procedure P4-5. The procedure advises for information and clarifications where relevant.

Code provision	Code requirement	Comply: Yes / No	Evidence Commentary / explanation
	out their understanding of the complaint and the outcomes the resident is seeking. The Code will refer to this as “the complaint definition”. If any aspect of the complaint is unclear, the resident must be asked for clarification.		Responses as standard outline what we believe the complaint to be and outcomes sought as appropriate.
5.7	When a complaint is acknowledged at either stage, landlords must be clear which aspects of the complaint they are, and are not, responsible for and clarify any areas where this is not clear.	Yes	Cherwell District Council Service Complaints Procedure P4-5. As above, standard responses include this.
5.8	At each stage of the complaints process, complaint handlers must: <ul style="list-style-type: none"> a. deal with complaints on their merits, act independently, and have an open mind; b. give the resident a fair chance to set out their position; c. take measures to address any actual or perceived conflict of interest; and d. consider all relevant information and evidence carefully. 	Yes	Staff responding to housing complaints, even at first stage, are senior staff within the organisation and thus, as complaints handlers, have the ability to be independent, fair and be balanced. They are also able to provide appropriate resolutions where identified.
5.9	Where a response to a complaint will fall outside the timescales set out in this Code, the landlord must agree with the resident suitable intervals for keeping them informed about their complaint.	Yes	Cherwell District Council Service Complaints Procedure P4-6 references how timescales and extensions are managed.

Code provision	Code requirement	Comply: Yes / No	Evidence Commentary / explanation
5.10	Landlords must make reasonable adjustments for residents where appropriate under the Equality Act 2010. Landlords must keep a record of any reasonable adjustments agreed, as well as a record of any disabilities a resident has disclosed. Any agreed reasonable adjustments must be kept under active review.	Yes	<p>Cherwell District Council Service Complaints Procedure P1</p> <p>The Housing department records any disabilities a resident has disclosed, record not kept by the Complaints Officer. The Council has comprehensive records of residents known to be vulnerable and within supported accommodation.</p> <p>If a disability is disclosed during a complaint the Housing department will be informed and the Council will ensure that any reasonable adjustments are met.</p>
5.11	Landlords must not refuse to escalate a complaint through all stages of the complaints procedure unless it has valid reasons to do so. Landlords must clearly set out these reasons, and they must comply with the provisions set out in section 2 of this Code.	Yes	Cherwell District Council Service Complaints Procedure P4-6. Independence of complaints officers would ensure appropriate handling.
5.12	A full record must be kept of the complaint, and the outcomes at each stage. This must include the original complaint and the date received, all correspondence with the resident, correspondence with other parties, and any relevant supporting documentation such as reports or surveys.	Yes	Bespoke administration system for recording all stages of complaints, complainant/council liaison, letters and e-mails. It also monitors response timeframes. All the above is embedded within the system.
5.13	Landlords must have processes in place to ensure a complaint can be remedied at any stage of its complaints process. Landlords must ensure appropriate remedies can be	Yes	Complaints are investigated and responded to by staff at appropriate level to ensure that complaints can be remedied without unnecessary escalation.

Appendix 2

Code provision	Code requirement	Comply: Yes / No	Evidence Commentary / explanation
	provided at any stage of the complaints process without the need for escalation.		
5.14	Landlords must have policies and procedures in place for managing unacceptable behaviour from residents and/or their representatives. Landlords must be able to evidence reasons for putting any restrictions in place and must keep restrictions under regular review.	Yes	Council has process for managing customers that can pose issues and places restrictions on contacts. These lists are reviewed annually to see if the restrictions should still apply. This is reviewed by an independent department from those who are routinely managing the customer involved.
5.15	Any restrictions placed on contact due to unacceptable behaviour must be proportionate and demonstrate regard for the provisions of the Equality Act 2010.	Yes	As outlined in 5.14. This is independently managed to ensure proportionality.

Appendix 2

Code provision	Code requirement	Comply: Yes / No	Evidence Commentary / explanation
6.1	Landlords must have processes in place to consider which complaints can be responded to as early as possible, and which require further investigation. Landlords must consider factors such as the complexity of the complaint and whether the resident is vulnerable or at risk. Most stage 1 complaints can be resolved promptly, and an explanation, apology or resolution provided to the resident.	Yes	Cherwell District Council Service Complaints Procedure
6.2	Complaints must be acknowledged, defined and logged at stage 1 of the complaints procedure <u>within five working days of the complaint being received.</u>	Yes	Cherwell District Council Service Complaints Procedure, processes and performance outlined in the published report
6.3	Landlords must issue a full response to stage 1 complaints <u>within 10 working days</u> of the complaint being acknowledged.	Yes	Cherwell District Council Service Complaints Procedure, processes and performance outlined in the published report
6.4	Landlords must decide whether an extension to this timescale is needed when considering the complexity of the complaint and then inform the resident of the expected timescale for response. Any extension must be no more than 10 working days without good reason, and the reason(s) must be clearly explained to the resident.	Yes	Cherwell District Council Service Complaints Procedure

Code provision	Code requirement	Comply: Yes / No	Evidence Commentary / explanation
6.5	When an organisation informs a resident about an extension to these timescales, they must be provided with the contact details of the Ombudsman.	Yes	The Council has not had to extend any complaint timescales and has been able to respond comfortably in accordance with the Complaints Handling Code. If a response is delayed, the details will be provided within the written communication that is sent.
6.6	A complaint response must be provided to the resident when the answer to the complaint is known, not when the outstanding actions required to address the issue are completed. Outstanding actions must still be tracked and actioned promptly with appropriate updates provided to the resident.	Yes	This has not occurred in any housing complaints, as the answers have been known. If they are not known, a clear timescale would be provided within the complaint response, with the responsible person and how it will be responded to or updated on. This would then be recorded on the Council's complaints monitoring system.
6.7	Landlords must address all points raised in the complaint definition and provide clear reasons for any decisions, referencing the relevant policy, law and good practice where appropriate.	Yes	This is within the complaint templates used for the stage complaints.
6.8	Where residents raise additional complaints during the investigation, these must be incorporated into the stage 1 response if they are related, and the stage 1 response has not been issued. Where the stage 1 response has been issued, the new issues are unrelated to the issues already being investigated or it would unreasonably delay the response, the new issues must be logged as a new complaint.	Yes	New complaints or new matters raised that do not relate to the matters being investigated would generate a new complaint and would be handled through the Cherwell District Council Service Complaints Procedure. If they were related or a customer wanted to add related information following an acknowledgement being received, they would be incorporated into this response. If this necessitated a change or an extension in timescales for a response, this would be communicated to the customer.

Appendix 2

Code provision	Code requirement	Comply: Yes / No	Evidence Commentary / explanation
6.9	Landlords must confirm the following in writing to the resident at the completion of stage 1 in clear, plain language: a. the complaint stage; b. the complaint definition; c. the decision on the complaint; d. the reasons for any decisions made; e. the details of any remedy offered to put things right; f. details of any outstanding actions; and g. details of how to escalate the matter to stage 2 if the individual is not satisfied with the response.	Yes	This is covered within the standard response templates provided those raising a complaint.

Code provision	Code requirement	Comply: Yes / No	Evidence Commentary / explanation
6.10	If all or part of the complaint is not resolved to the resident's satisfaction at stage 1, it must be progressed to stage 2 of the landlord's procedure. Stage 2 is the landlord's final response.	Yes	Cherwell District Council Service Complaints Procedure
6.11	Requests for stage 2 must be acknowledged, defined and logged at stage 2 of the complaints procedure within five working days of the escalation request being received.	Yes	Cherwell District Council Service Complaints Procedure
6.12	Residents must not be required to explain their reasons for requesting a stage 2 consideration. Landlords are expected to make reasonable efforts to understand why a resident remains unhappy as part of its stage 2 response.	Yes	Cherwell District Council Service Complaints Procedure.
6.13	The person considering the complaint at stage 2 must not be the same person that considered the complaint at stage 1.	Yes	Cherwell District Council Service Complaints Procedure
6.14	Landlords must issue a final response to the stage 2 <u>within 20 working days</u> of the complaint being acknowledged.	Yes	Cherwell District Council Service Complaints Procedure
6.15	Landlords must decide whether an extension to this timescale is needed when considering the complexity of the complaint and then inform the resident of the expected timescale for response. Any	Yes	Cherwell District Council Service Complaints Procedure

Code provision	Code requirement	Comply: Yes / No	Evidence Commentary / explanation
	extension must be no more than 20 working days without good reason, and the reason(s) must be clearly explained to the resident.		
6.16	When an organisation informs a resident about an extension to these timescales, they must be provided with the contact details of the Ombudsman.	Yes	The Council has not had to extend any complaint timescales and has been able to respond comfortably in accordance with the Complaints Handling Code. If a response is delayed, the details will be provided within the written communication that is sent.
6.17	A complaint response must be provided to the resident when the answer to the complaint is known, not when the outstanding actions required to address the issue are completed. Outstanding actions must still be tracked and actioned promptly with appropriate updates provided to the resident.	Yes	This has not occurred in any housing complaints, as the answers have been known. If they are not known, a clear timescale would be provided within the complaint response, with the responsible person and how it will be responded to or updated on. This would then be recorded on the Council's complaints monitoring system.
6.18	Landlords must address all points raised in the complaint definition and provide clear reasons for any decisions, referencing the relevant policy, law and good practice where appropriate.	Yes	This is within the complaint templates used for the stage complaints.
6.19	Landlords must confirm the following in writing to the resident at the completion of stage 2 in clear, plain language: <ul style="list-style-type: none"> a. the complaint stage; b. the complaint definition; c. the decision on the complaint; d. the reasons for any decisions made; 	Yes	This is covered within the standard response templates provided those raising a complaint.

Appendix 2

Code provision	Code requirement	Comply: Yes / No	Evidence Commentary / explanation
	e. the details of any remedy offered to put things right; f. details of any outstanding actions; and g. details of how to escalate the matter to the Ombudsman Service if the individual remains dissatisfied.		
6.20	Stage 2 is the landlord's final response and must involve all suitable staff members needed to issue such a response.	Yes	Cherwell District Council Service Complaints Procedure

Code provision	Code requirement	Comply: Yes / No	Evidence Commentary / explanation
7.1	<p>Where something has gone wrong a landlord must acknowledge this and set out the actions it has already taken, or intends to take, to put things right. These can include:</p> <ul style="list-style-type: none"> • Apologising; • Acknowledging where things have gone wrong; • Providing an explanation, assistance or reasons; • Taking action if there has been delay; • Reconsidering or changing a decision; • Amending a record or adding a correction or addendum; • Providing a financial remedy; • Changing policies, procedures or practices. 	Yes	Standard complaint response templates
7.2	Any remedy offered must reflect the impact on the resident as a result of any fault identified.	Yes	Standard complaint response templates and resolutions that are within scope of the investigating officer.
7.3	The remedy offer must clearly set out what will happen and by when, in agreement with the resident where appropriate. Any remedy proposed must be followed through to completion.	Yes	Standard complaint response templates. If a remedy is identified and necessary, what the customer would expect and when would be clarified and made clear, to avoid further escalation.

Appendix 2

Code provision	Code requirement	Comply: Yes / No	Evidence Commentary / explanation
7.4	Landlords must take account of the guidance issued by the Ombudsman when deciding on appropriate remedies.	Yes	The remedies offered would be SMART and would be within the scope of the investigating officer, who would be of appropriate seniority to ensure that they are delivered.

Code provision	Code requirement	Comply: Yes / No	Evidence Commentary / explanation
8.1	<p>Landlords must produce an annual complaints performance and service improvement report for scrutiny and challenge, which must include:</p> <ul style="list-style-type: none"> a. the annual self-assessment against this Code to ensure their complaint handling policy remains in line with its requirements. b. a qualitative and quantitative analysis of the landlord's complaint handling performance. This must also include a summary of the types of complaints the landlord has refused to accept; c. any findings of non-compliance with this Code by the Ombudsman; d. the service improvements made as a result of the learning from complaints; e. any annual report about the landlord's performance from the Ombudsman; and f. any other relevant reports or publications produced by the Ombudsman in relation to the work of the landlord. 	Yes	<p>Analysis of the Council's 2024-25 performance was presented to the Accounts Audit and Risk Committee in July 2025.</p> <p>This included a copy of this self-assessment.</p>
8.2	<p>The annual complaints performance and service improvement report must be reported to the landlord's governing body (or equivalent) and published on the on the section of its website relating to complaints.</p>	Yes	<p>Analysis of the Council's 2024-25 performance was presented to the Accounts Audit and Risk Committee in July 2025.</p> <p>Following approval, a version of the report will be available on the Council website.</p>

Appendix 2

Code provision	Code requirement	Comply: Yes / No	Evidence Commentary / explanation
	The governing body's response to the report must be published alongside this.		
8.3	Landlords must also carry out a self-assessment following a significant restructure, merger and/or change in procedures.	Yes	The Council will fully comply with this requirement when the need arises.
8.4	Landlords may be asked to review and update the self-assessment following an Ombudsman investigation.	Yes	The Council would fully comply with any request should the need arise.
8.5	If a landlord is unable to comply with the Code due to exceptional circumstances, such as a cyber incident, they must inform the Ombudsman, provide information to residents who may be affected, and publish this on their website Landlords must provide a timescale for returning to compliance with the Code.	Yes	The Council would fully comply with any request should the need arise.

Code provision	Code requirement	Comply: Yes / No	Evidence Commentary / explanation
9.1	Landlords must look beyond the circumstances of the individual complaint and consider whether service improvements can be made as a result of any learning from the complaint.	Yes	Our current complaint numbers and stock size make pattern analysis difficult. However, learning from complaints and the capturing of learning is part of our corporate process and how learning is implemented, which could include service change and improvements, is captured on our systems.
9.2	A positive complaint handling culture is integral to the effectiveness with which landlords resolve disputes. Landlords must use complaints as a source of intelligence to identify issues and introduce positive changes in service delivery.	Yes	As above. Our annual analysis and ongoing complaint handling would identify this, particularly considering the small number of properties, and therefore potentially complaints, in scope.
9.3	Accountability and transparency are also integral to a positive complaint handling culture. Landlords must report back on wider learning and improvements from complaints to stakeholders, such as residents' panels, staff and relevant committees.	Yes	As above. Our annual report and communication with tenants through newsletter/e-mail fulfils this.
9.4	Landlords must appoint a suitably senior lead person as accountable for their complaint handling. This person must assess any themes or trends to identify potential systemic issues, serious risks, or policies and procedures that require revision.	Yes	Complaints are monitored centrally through the complaints team with the wider customer service team. The responsibility for complaints processes and overall policy is with Assistant Director – Customer Focus.
9.5	In addition to this a member of the governing body (or equivalent) must be appointed to have lead responsibility for complaints to support a positive complaint handling culture. This person is referred to	Yes	Executive portfolio holder with responsibility for Corporate Services, which includes complaints.

Code provision	Code requirement	Comply: Yes / No	Evidence Commentary / explanation
	as the Member Responsible for Complaints ('the MRC').		
9.6	The MRC will be responsible for ensuring the governing body receives regular information on complaints that provides insight on the landlord's complaint handling performance. This person must have access to suitable information and staff to perform this role and report on their findings.	Yes	Executive portfolio holder with responsibility for Corporate Services, which includes complaints. Ensuring that analysis of complaints and compliance with relevant ombudsman requirements are met.
9.7	As a minimum, the MRC and the governing body (or equivalent) must receive: <ul style="list-style-type: none"> a. regular updates on the volume, categories and outcomes of complaints, alongside complaint handling performance; b. regular reviews of issues and trends arising from complaint handling; c. regular updates on the outcomes of the Ombudsman's investigations and progress made in complying with orders related to severe maladministration findings; and d. annual complaints performance and service improvement report. 	Yes	Annual Performance report and Ombudsman decisions presented to Accounts, Audit and Risk Committee.
9.8	Landlords must have a standard objective in relation to complaint handling for all relevant employees or third parties that reflects the need to:	Yes	Staff within customer services and the housing management team are appropriately trained to have awareness and respond to complaints.

Appendix 2

Code provision	Code requirement	Comply: Yes / No	Evidence Commentary / explanation
	<ul style="list-style-type: none"> a. have a collaborative and co-operative approach towards resolving complaints, working with colleagues across teams and departments; b. take collective responsibility for any shortfalls identified through complaints, rather than blaming others; and c. act within the professional standards for engaging with complaints as set by any relevant professional body. 		<p>Structures are in place to ensure that these are responded to in timescales, ensuring wider teams or contractors where appropriate are engaged in putting things right.</p> <p>All teams involved in all Council complaints are responsible to the same complaints processes and thus have the same responsibilities to residents.</p>

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This report is public	
Annual Governance Statement 2024-25	
Committee	Accounts, Audit and Risk Committee
Date of Committee	16 July 2025
Portfolio Holder presenting the report	N/A
Date Portfolio Holder agreed report	Agreed with the Leader of the Council
Report of	Assistant Director Law and Governance and Monitoring Officer, Shiraz Sheikh

Purpose of report

The report sets out the Annual Governance Statement (AGS) for the Council for 2024-25 for approval. The AGS summarises the key governance issues for the Council and the actions required to address these. The AGS is required to be approved by those charged with governance, the Accounts Audit & Risk Committee, under the Accounts and Audit Regulations 2015.

1. Recommendations

The Accounts, Audit and Risk Committee resolves:

- 1.1 To approve the Annual Governance Statement 2024-25.
- 1.2 To authorise the Leader of the Council and the Chief Executive to sign the Annual Governance Statement on behalf of Cherwell District Council.

2. Executive Summary

- 2.1 This report outlines the purpose of the Annual Governance Statement (AGS) and explains how the necessary assurance to support the AGS has been obtained. This should enable the Committee to make an informed judgement as to the effectiveness of the process that the Council has followed in conducting the annual review of the system of internal control within the Council.

Implications & Impact Assessments

Implications	Commentary
Finance	The are no financial implications arising directly from this report. Michael Furness, Assistant Director of Finance, S151 Officer, 7 July 2025

Legal	<p>Completion and approval of the AGS is required by Regulation 6(1) (b) of the Accounts and Audit England Regulations 2015. Within the Regulations, and in accordance with defined 'proper practice', there is a mandatory requirement to publish an AGS. The AGS, attached, if approved and signed will form part of the Statement of Accounts. Failure to comply would result in the Council not meeting its statutory requirements.</p> <p>Shiraz Sheikh, Assistant Director Law and Governance and Monitoring Officer, 7 July 2025</p>			
Risk Management	<p>There are no risk implications arising directly from this report. However, as per paragraph 1 in section 5 the approval of this report will avoid the risk of not being compliant with Accounts and Audit Regulations 2015.</p> <p>Celia Prado-Teeling, Performance Team Leader, 7 July 2025</p>			
Impact Assessments	Positive	Neutral	Negative	Commentary
Equality Impact				Not applicable
A Are there any aspects of the proposed decision, including how it is delivered or accessed, that could impact on inequality?		x		
B Will the proposed decision have an impact upon the lives of people with protected characteristics, including employees and service users?		x		
Climate & Environmental Impact		x		Not applicable
ICT & Digital Impact		x		Not applicable
Data Impact		x		Not applicable
Procurement & subsidy		x		Not applicable
Council Priorities	Not applicable			
Human Resources	Not applicable			
Property	Not applicable			
Consultation & Engagement	Corporate Leadership Team			

Supporting Information

3. Background

- 3.1 Every year the Accounts, Audit and Risk Committee receives the annual governance statement. The statement is required under the account and audit regs and is published with the council's accounts.

4. Details

- 4.1 The Council's AGS for 2024-25 is attached at Appendix 1. It outlines for the Council:
- The scope of governance responsibilities.
 - The purpose of the governance framework.
 - A description of the governance framework against the CIPFA/SOLACE Framework for "Delivering Good Governance in Local Authorities".
 - Arrangements for reviewing the effectiveness of the governance framework.
 - Governance issues that need to be addressed.
- 4.2 The preparation of the Statement has built on previously established arrangements, which involves the collating of information from a number of sources, both internal and external. The information is analysed, and a draft Statement is produced, discussed with key officers, and any amendments identified are then made.
- 4.3 To support the Annual Governance review, the Extended Leadership Team are required to complete an assurance statement in relation to systems and processes operational within their areas during the year. The Statements demonstrate that Directorates have evaluated and assessed their internal control environment.
- 4.4 The Council receives a substantial amount of assurance from the work that is undertaken by its Internal Audit Service and its External Auditors. The role of Internal Audit is to provide independent assurance that the Council's risk management, governance and internal control processes are operating effectively. The role of External Audit is to review the financial statements, obtain evidence that they are materially correct and provide an opinion as to whether these represent a true and fair view of the financial position of the Council. In addition, External Audit provide a value for money opinion assessing whether proper arrangements are in place for securing financial resilience and challenging how the Council secures economy, efficiency and effectiveness.
- 4.5 One of the assurance statements the Council receives is the annual opinion of the Chief Internal Auditor in respect of the control framework. The opinion of the Chief Internal Auditor in respect of audit work completed in 2024/25 gave Reasonable Assurance on the internal control environment and the arrangements for governance, risk management and control.

5. Alternative Options and Reasons for Rejection

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

Option 1: Not to agree the Annual Governance Statement. This is not recommended as the Council is required to produce an Annual Governance Statement as set out in the Accounts and Audit Regulations 2015.

6 Conclusion and Reasons for Recommendations

- 6.1 The Accounts and Audit Regulations 2015 require the Council to produce an Annual Governance Statement and for it to be approved by those charged with governance, the Accounts Audit & Risk Committee.

Decision Information

Key Decision	N/A
Subject to Call in	N/A
If not, why not subject to call in	N/A
Ward(s) Affected	All

Document Information

Appendices	
Appendix 1	Annual Governance Statement 2024/25
Background Papers	None
Reference Papers	None
Report Author	Shiraz Sheikh - Assistant Director Law and Governance and Monitoring Officer.
Report Author contact details	shiraz.sheikh@cherwell-dc.gov.uk
Corporate Director Approval (unless Corporate Director or Statutory Officer report)	Report of the Monitoring Officer

ANNUAL GOVERNANCE STATEMENT 2024/2025

DRAFT

Shiraz Sheikh
Monitoring Officer
Assistant Director Law & Governance

CONTENTS

INTRODUCTION..... 3

THE PURPOSE OF THE GOVERNANCE FRAMEWORK 4

THE KEY ELEMENTS OF THE GOVERNANCE FRAMEWORK AT CHERWELL DISTRICT COUNCIL 4

ANNUAL PLANNING PROCESS 5

DECISION MAKING..... 5

 Risk Management 6

 Corporate Leadership Team (Corporate Leadership Team) 6

FINANCE..... 6

ARRANGEMENTS FOR GOVERNANCE 6

 A. Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law; 7

 B. Ensuring openness and comprehensive stakeholder engagement; 7

 C. Defining outcomes in terms of sustainable economic, social, and environmental benefits; 7

 D. Determining the interventions necessary to optimise the achievement of the intended outcomes; 8

 E. Developing the Council's capacity, including the capability of its leadership and the individuals within it; 8

 F. Managing risks and performance through robust internal control and strong public financial management; 8

 G. Implementing good practices in transparency, reporting, and audit to deliver effective accountability..... 9

REVIEW OF EFFECTIVENESS 9

 Overview of work completed in 2024/25 10

 Professional standards and quality assurance 10

 Annual opinion of the Head of Internal Audit 11

GOVERNANCE SELF ASSESSMENT 14

CONCLUSION 14

STATEMENT OF OPINION 16

INTRODUCTION

One Council vision

A modern council, inspiring and enabling positive, lasting change.

Our Key priorities

Economic prosperity
Community Leadership
Environmental Stewardship
Quality housing and place making

Delivering these priorities requires good governance - for our residents, employees, businesses, service users and councillors.

Governance means: the values, culture, processes and systems by which the Council is controlled, directed and through which we deliver services for our communities. Governance means carrying out our activities in accordance with the law and proper standards, and that public money is properly accounted for, and used well.

This Annual Governance Statement looks honestly at how effective our governance has been during 2024/25. It also looks ahead to some of our governance priorities and improvements for 2025/26.

The CIPFA/SOLACE Delivering Good Governance in Local Government (2016) requires local authorities to publish an Annual Governance Statement, and to be responsible for ensuring that:

- its business is conducted in accordance with the law and proper standards
- public money is safeguarded and properly accounted for, and
- resources are used economically, efficiently and effectively to deliver agreed priorities and benefit local people.

The Council also has a duty to:

- make arrangements to secure continuous improvement in the way in which its functions are exercised
- put in place proper arrangements for the governance of its affairs, and
- implement and maintain effective processes of internal control, including appropriate arrangements to manage risk.

The Council's Accounts Audit & Risk Committee (Accounts, Audit and Risk Committee) reviews governance arrangements, audit reports and risk registers. Their role is to recommend improvements or interventions if expected performance is not being achieved, or gaps in current governance arrangements have been identified. The Overview and Scrutiny Committee (Overview and Scrutiny Committee) also scrutinises performance reports as part of its work programme. Budget Planning

Committee is also involved in looking at the budget process and in year performance of delivering the budget.

THE PURPOSE OF THE GOVERNANCE FRAMEWORK

The governance framework comprises the systems, processes, cultures and values which underpin how the Council is controlled and managed internally, and how it engages with taxpayers, service users and the wider community. The governance framework enables the Council to monitor delivery of its strategic objectives and assess whether those objectives are securing service improvements and value for money. Systems of internal control and risk management are a significant part of the governance framework and are designed to manage risk down to a reasonable level. Some risks can never be eliminated entirely, however, and these processes provide only reasonable and not absolute assurance of effectiveness.

THE KEY ELEMENTS OF THE GOVERNANCE FRAMEWORK AT CHERWELL DISTRICT COUNCIL

As a local authority, the responsibility for good governance is shared by councillors and officers.

The Council has 48 councillors. These councillors are from different political parties and have different roles in the decision making process. All councillors agree to follow the member code of conduct and the rules for making decisions set out in our Constitution.

The Council operates an executive based system of governance with a Leader. The Executive takes strategic key decisions with officers responsible for day to day decisions. The Executive is made up of a Leader and 8 other councillors. The leader then appoints individual councillors (portfolio holders) to other positions in the Executive. Their remit includes obtaining assurance that Annual Delivery Plan priorities, and the Budget and Policy Framework approved by Council each year, are delivered in their relevant areas.

Since May 2024 a new Liberal Democratic Leader has been in place with no overall control.

The Council has a Constitution which sets out how the Council operates, how decisions are made and the procedures which are followed to ensure that decisions are efficient, transparent, and accountable to local people.

We have various layers of management within the organisation and the management teams each play an important role in the governance framework.

The corporate leadership team (Corporate Leadership Team), comprises the Head of Paid Service, Corporate Directors, Monitoring Officer and Section 151 Officer. Corporate Leadership Team meets on a weekly basis. The extended leadership team (Extended Leadership Team) comprises the Corporate Leadership Team and Assistant Directors. Extended Leadership Team meets on a monthly basis and are programmed as a series of sessions to focus on strategic issues, projects and programmes and health of the organisation.

The council has two wholly owned companies – Graven Hill and Crown House.

Graven Hill Village Developments was established in 2014. It is an ambitious project aimed at disrupting the market and creating innovative solutions to housing supply issues. The aim of Graven Hill is a large scale self-build community and also looking to develop around 2000 new homes. It will also provide commercial space, a nursery, a primary school and health hub, continuing to create new jobs in the locality.

The Crown House apartments project was initiated to drive economic and social regeneration. The initiative has improved community safety, and provided housing in Banbury town centre, comprising 50 apartments and one commercial unit.

The Council commissioned an independent review of the governance arrangements for Graven Hill, the recommendations arising from it were reported to the Shareholder Committee in July 2023 with the action plan agreed with the members. The action plan is regularly reviewed by the Committee and progress is tracked.

Shareholder Committee is a sub-committee of Executive. The Shareholder Committee manages the shareholding interests in the Council's trading companies. It also appoints and removes directors to the companies, and monitors the performance of the companies.

ANNUAL PLANNING PROCESS

The Council's Vision, Strategy and the new Corporate Plan sets the Council's future priorities, goals and aims over 5 years .

The annual delivery plan sets out the key projects for delivering the above priorities on an annual basis. The new delivery plan was agreed on 7th April 2025.

The Service Plans informed by the service set out how each service is working towards the annual delivery plan and the above priorities.

The framework also sets out the council's golden thread – how its annual priorities are cascaded down through the organisation to individual work plans . Progress towards these priorities is regularly reviewed and reported to the Executive and Overview and Scrutiny Committee. Performance monitoring includes key Indicators, monthly measures and targets.

DECISION MAKING

There is a Forward Plan which is updated on a regular basis for all key decisions.

All meetings are held in public and are webcast and available to watch after the event.

Decisions are recorded on the Council's website

Decisions are supported by officer reports which are open to the public unless they qualify as legally “exempt” from publication.

Decisions are also subject to call-in to Overview and Scrutiny Committee.

RISK MANAGEMENT

Risk registers identify operational and strategic risks.

Key risks are considered by Directorate Management Teams.

Strategic risks are reported to the Executive and Accounts, Audit and Risk Committee quarterly and overseen by Corporate Leadership Team

CORPORATE LEADERSHIP TEAM (CORPORATE LEADERSHIP TEAM)

Corporate Leadership Team are responsible for the overall management of the Council

The Head of Paid Service is the Chief Executive who is responsible for all Council staff and for leading Corporate Leadership Team.

The Corporate Directors lead the majority of services which are delivered to the public with the Chief Executive.

The Monitoring Officer is the Council's Assistant Director of Law, Governance and Procurement who is also responsible for ensuring legality and promoting high standards of conduct.

The Council's Assistant Director of Finance is the Council's Section 151 Officer/Chief Finance Officer and is responsible for safeguarding the Council's financial position and ensuring value for money.

There is also a statutory officer group with set objectives that meets to monitor governance issues.

FINANCE

A new Medium-Term Financial Strategy was approved by Council in February 2025 to cover the five years 2025/26 – 2029/30. The purpose of the Medium-Term Financial Strategy is to deliver a balanced and affordable 2025/26 budget and ensure that the Council's finances are robust and sustainable over the medium term or act as an early warning system of a gap in future years between forecast expenditure and resources which the Council must address, and that in the longer term, the Council's finances are not reliant on the unsustainable use of one-off reserves or funding. The Section 151 Officer issues Section 25 statements on robustness of estimate.

The Council has a robust approach to the use of reserves with any changes in uses of reserves from budgeted levels requiring approval in line with the Council's reserves policy. The Section 151 Officer carries out a risk assessment of general balances as part of the budget setting process and issues an overall opinion on the level of reserves via their Section 25 statement.

ARRANGEMENTS FOR GOVERNANCE

The Council has approved and adopted a Local Code of Corporate Governance, which is consistent with the principles of the CIPFA/SOLACE Framework 'Delivering Good Governance in Local Government' 2016.

The Council is responsible for ensuring that its business is conducted in accordance with the law and proper standards, and that public money is safeguarded, properly accounted for, and used economically, efficiently and effectively. The Council also has a duty under the Local Government Act 1999 together with the Statutory Guidance on Best Value (2024) to make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness. The Council meets the Standards of the Framework in the following ways:

A. BEHAVING WITH INTEGRITY, DEMONSTRATING STRONG COMMITMENT TO ETHICAL VALUES, AND RESPECTING THE RULE OF LAW;

The Council's Chief Finance Officer (also referred to as Section 151 Officer) and Monitoring Officer have specific statutory responsibilities to ensure that decisions taken by the Council are lawful and in line with constitutional requirements. The Council report format and accompanying guidance helps to assist with lawful decision making and contains legal and financial implications alongside impacts assessments under the equality act, environment and sustainability, procurement and subsidy control to assist the decision maker in taking all relevant information into account when making a decision.

The Council has adopted codes of conduct for both Officers and Members which facilitates the promotion, communication and embedding of proper standards of behaviour. The Members Code of Conduct is based on the Local Government Association model code which has the benefit of it being consistent across the spectrum of County, District and Parish/Town councils and makes it easier to administer.

The Council's Constitution explains existing policy making and delegation procedures and the matters which must be dealt with by the full Council. It documents the role and responsibilities of the Executive, portfolio holders, each committee and Members and officers. The Monitoring Officer has also setup a Constitution Review Group working with members across the political spectrum to review the Constitution.

B. ENSURING OPENNESS AND COMPREHENSIVE STAKEHOLDER ENGAGEMENT;

The Council consults regularly with stakeholders, taxpayers and service users. The letstalk.cherwell.gov.uk, is the consultation website and enables local people to find, participate in, and view outcomes from, any consultation activities that interest them. It also provides feedback opportunity for stakeholders, taxpayers and service users. In addition, a number of different groups and forums are in place to represent local views on a range of subjects including health and wellbeing and community safety.

C. DEFINING OUTCOMES IN TERMS OF SUSTAINABLE ECONOMIC, SOCIAL, AND ENVIRONMENTAL BENEFITS;

The Annual Delivery Plan sets out how the Council aims to work in partnership to achieve its agreed objectives. These key objectives are designed to be both financially and environmentally sustainable and have been developed in consultation with partners. The Medium-Term Financial Strategy makes a realistic assessment of financial resources available, and the Budget and Policy Framework approved by Council each year sets out revenue and capital spending limits, savings and efficiency plans as well as key improvement priorities for the forthcoming year.

The Council has implemented a robust procurement strategy for all its procurement activities in accordance with the law and the Council's Contract Procedure Rules. The Social Value outcomes are included as part of the Council's procurement process.

D. DETERMINING THE INTERVENTIONS NECESSARY TO OPTIMISE THE ACHIEVEMENT OF THE INTENDED OUTCOMES;

The Executive is responsible for ensuring that actions approved as part of the Budget and Policy Framework are delivered in each service area. The Projected Outturn, leadership risk register and performance against agreed key performance indicators (KPIs) reports to the Executive summarise the forecast financial outturn position each month against budget and delivery of agreed savings targets. These are also considered by Corporate Leadership Team on regular basis. These elements of the report are reviewed quarterly by Corporate Leadership Team, the Budget Planning Committee and Accounts Audit and Risk Committee and the Overview and Scrutiny Committee respectively.

There is a Governance Dashboard produced and maintained by the Monitoring Officer which is also reviewed by the Governance and Oversight Group and Corporate Leadership Team. The frequency of the review is being determined as it is a recent initiative. Once developed it will be presented to Accounts, Audit and Risk Committee on at least on an annual basis.

E. DEVELOPING THE COUNCIL'S CAPACITY, INCLUDING THE CAPABILITY OF ITS LEADERSHIP AND THE INDIVIDUALS WITHIN IT;

The May elections resulted in a change of administration at the Council. A series of "Away days" was planned with the new administration on key strategic issues, with each day including a session on governance – related to the topics covered in the away day e.g. planning, regeneration, companies.

The legal team review the officer scheme of delegation regularly, with other departments, to ensure decision making is at the correct level of delegation. The scheme of delegation is updated as and when necessary by taking a report to Full Council

On companies owned by the council, a governance review was conducted in 2023 in respect of Graven Hill and its actions are ongoing and monitored each quarter by the Shareholder Committee. A governance review of Crown House is due to be undertaken.

Legal and governance comments are included in every report that goes to members for a decision.

The Monitoring Officer is a member of the Corporate Leadership Team, and provides governance advice on all matters before Corporate Leadership Team. The Monitoring Officer attends all meetings of the Executive and Council, and provides governance and constitutional advice

Maximising capacity by working collaboratively is a key component of the Annual Delivery Plan and a number of longstanding partnership working arrangements are in place. The Constitution sets out how the governance aspects of these arrangements should operate in practice. The Human Resources and Development team has a specific role and remit to improve the capability and capacity of Council officers by offering a range of skills and qualification-based training opportunities.

F. MANAGING RISKS AND PERFORMANCE THROUGH ROBUST INTERNAL CONTROL AND STRONG PUBLIC FINANCIAL MANAGEMENT;

The Council's Monitoring Officer has formed the Corporate Oversight and Governance Group (COGG). The primary purpose of the COGG is to ensure good governance and decision-making processes, effective risk management, ensuring and improving value for money, effective internal

controls and ensuring transparency and accountability. It also reviews the Governance Dashboard that has been developed by the Monitoring Officer periodically.

The COGG is an internal officer group consisting of the Corporate Director (Resources) as the responsible chair, Monitoring Officer, the Section 151 Officer, Head of Internal Audit (Veritau (the internal audit provider)) , Deputy Section 151 Officer, Head of Legal & Democratic/ Deputy Monitoring Officer.

For Council-owned companies there is a separate Companies Governance & Oversight Group which is led by the Chief Executive and supported by the Monitoring Officer, Corporate Director Resources, Section 151 Officer together with relevant company officers.

The Leadership Risk Register provides a high-level overview of key risks which are reported to Corporate Leadership Team and Executive on a monthly basis and Accounts, Audit and Risk Committee on a quarterly meeting. Financial Procedure Rules, Contracts Procedure Rules and Employment Procedure Rules, set out the framework of internal controls. Internal Audit have a programme of work designed to assess how this framework operates in practice and report to the Accounts, Audit and Risk Committee.

Procurement strategy for individual procurements act as a lever for cascading corporate priorities down to services and capital projects that are delivered through commercial partners. Procurement Strategy approval process has been developed to provide a system of robust internal control and ensure best value is achieved through all significant contract awards.

G. IMPLEMENTING GOOD PRACTICES IN TRANSPARENCY, REPORTING, AND AUDIT TO DELIVER EFFECTIVE ACCOUNTABILITY.

All Council's meetings are held in public and minutes of meetings and webcasts are available on the Council's website. Public questions are allowed at Executive, Committees and Council's meetings.

The Council publishes an Annual Financial Report (the Statement of Accounts) annually within the statutory timescales. The Annual Financial Report incorporates the full requirements of best practice guidance in relation to corporate governance, risk management and internal control.

The Council is subject to independent audit by Bishop Fleming and receives an Annual Audit Letter reporting on findings. The Council supplements this work with its own internal audit function (outsourced to Veritau (the internal audit provider) Public Sector Limited) and ad hoc external peer reviews. The Accounts Audit and Risk Committee undertakes the core functions as identified in CIPFA's Audit Committees – Practical Guidance for Local Authorities.

REVIEW OF EFFECTIVENESS

The Council has reviewed the Council's existing governance arrangements against the revised CIPFA / SOLACE 'Delivering Good Governance in Local Government Framework - 2016 Edition' good practice guidance (See below).

The review of effectiveness is informed by three lines of defence:

- senior managers within the Council who have responsibility for the development and maintenance of the governance environment;

- the Head of Internal Audit (Veritau (the internal audit provider)) and other professional leads including the Chief Executive, Chief Finance Officer, Corporate Directors, Monitoring Officer and Assistant Director of Human Resources;
- Internal Audit as provided by Veritau (the internal audit provider) and other inspections made by external auditors and independent reviews.

INTERNAL AUDIT

OVERVIEW OF WORK COMPLETED IN 2024/25

The Council uses several ways to review the effectiveness of governance arrangements. One of the key assurance statements is the annual report and opinion of the Head of Internal Audit (Veritau (the internal audit provider)). The role of the Internal Audit Service is to provide assurance to management and those charged with governance about the quality and effectiveness of the governance framework and systems of internal control. The internal audit team have completed five internal audits and two fact finding exercises, the outcomes are reported to the Accounts, Audit & Risk Committee. There are two internal audits in progress for this years programme.

PROFESSIONAL STANDARDS AND QUALITY ASSURANCE

The Accounts and Audit Regulations 2015 require internal auditors working in local government to take into account public sector internal auditing standards or guidance. During 2024/25, the professional standards governing the practice of internal auditing in UK local government were the Public Sector Internal Audit Standards (Public Sector Internal Audit Standards).

The 2019 CIPFA Statement on the “Role of the Head of Internal Audit in public service organisations” also applied during 2024/25. This outlines the principles that defines the core activities and behaviours that belong to the role of the ‘Head of Internal Audit’ and the governance requirements needed to support them. The Council’s arrangements conform with the governance requirements of the CIPFA statement as follows:

- objectively assessing the adequacy and effectiveness of governance and management of risks, giving an evidence-based opinion on all aspects of governance, risk management and internal control.
- championing best practice in governance and commenting on responses to emerging risks and proposed developments.
- be a senior manager with regular and open engagement across the organisation, particularly with the leadership team and with the audit committee.
- lead and direct an internal audit service that is resourced appropriately, sufficiently and effectively.
- be professionally qualified and suitably experienced.

The Internal Audit Service operated in accordance with the Public Sector Internal Audit Standards (Public Sector Internal Audit Standards) during 2024/25, as confirmed in the Head of Internal Audit’s annual report.

With effect from 9 January 2025, the standards regime underpinning the Public Sector Internal Audit Standards were replaced by the Global Internal Audit Standards. From 2025/26, the Public Sector Internal Audit Standards will be replaced by a new standards regime known as the Global Internal Audit Standards in the UK Public Sector or ‘Global Internal Audit Standards UK Public Sector’.

Global Internal Audit Standards UK Public Sector is made up of the Global Internal Audit Standards (as well as what are known as ‘Topical Requirements’) and the ‘Application Note: Global Internal Audit Standards in the UK Public Sector’ (‘the Application Note’). The purpose of the Application Note is to set out interpretations and requirements which need to be applied to the Global Internal Audit Standards

requirements so that these form a suitable basis for internal audit practice in the UK public sector.

Veritau (the internal audit provider) used a conformance readiness tool, published by the Chartered Institute of Internal Auditors (UK and Ireland), to self-assess its conformance with the Global Internal Audit Standards. It also completed a self-assessment against the Application Note. The Head of Internal Audit confirmed that the service conforms with the Global Internal Audit Standards UK Public Sector.

CIPFA has recently published the 'Code of Practice for the Governance of Internal Audit in UK Local Government' ('the Code'). The purpose of the Code is to ensure that the essential conditions of governance can be met in a local government context. A difference between the Global Internal Audit Standards UK Public Sector and the Code is that the Code is intended for local authorities rather than internal audit functions. It is designed to support authorities in establishing effective internal audit arrangements and providing oversight and support for internal audit.

Internal audit functions are still expected to be aware of the Code, and to assess compliance with it (alongside Global Internal Audit Standards UK Public Sector), but the emphasis of the Code is on ensuring that local authorities have created the conditions for internal audit to be delivered effectively. The internal audit service has worked alongside senior management to ensure that the Code is understood and that the correct conditions for internal audit exist.

ANNUAL OPINION OF THE HEAD OF INTERNAL AUDIT

The Chief Internal Auditor prepared an Annual Report on the work of Internal Audit which concludes for the 12 months ended 31 March 2025. The overall opinion on the framework of governance, risk management and control operating at the council is that it provides Reasonable Assurance. However, in giving that opinion, the Head of Internal Audit, recommended that two significant control weaknesses be considered for inclusion in the Annual Governance Statement. These were as follows:

1. Health and safety management system: An audit of compliance with the Corporate Health, Safety, and Wellbeing Policy identified several significant control weaknesses which, taken together, meant that we could only provide Limited Assurance that the council's health and safety objectives will be achieved. Accident and incident reporting and investigation requirements were not adequately met, nor were requirements linked to distributing service area risk assessments amongst staff or completion of mandatory training. These issues were particularly prevalent within the council's place-based services which also carry the greatest risk to officer and public safety. Veritau (the internal audit provider) has worked with officers to support development of improvement actions. Action has already been taken in some areas, with the remaining actions expected to be completed by October 2025.
2. Management of strategic site applications (Rutten Lane): In April 2024, the Planning Inspectorate found the council to be at fault for the non-determination of the Rutten Lane application (21/03522/OUT). The Inspectorate's decision was that costs be awarded to the appellant, with these settled at £401k approx. A fact-finding review undertaken by Veritau (the internal audit provider) identified several significant control weaknesses which significantly contributed to the delays and non-determination of the application. The council has already been financially exposed as a result of these weaknesses and, if left unaddressed, there is a risk that the situation reoccurs with other strategic site applications it handles. In response, the Development Management service has implemented an improvement action plan which is expected to be mostly completed by the end of 2025.

Both of these weaknesses have been included in the 2024/25 Annual Governance Statement action plan.

The Reasonable Assurance opinion given by the Head of Internal Audit means that, overall, there is satisfactory management of risk within the council but with a number of weaknesses identified. An acceptable control environment is in operation but there are a number of improvements that could be made.

Where weaknesses have been identified through internal audit review, they have worked with management to agree appropriate corrective action and timescale for improvement. Management action plans are in place and are routinely monitored by the Internal Audit team and reported to Corporate Leadership Team and the Accounts, Audit & Risk Committee. In 2024/25, the Council and its

internal audit service developed a follow-up and escalation procedure to strengthen this process further. Managers are required to provide positive assurance that actions have been implemented; performance on implementation is high, demonstrating that control weaknesses identified by Internal Audit are being addressed on a timely basis.

The Council agrees an Annual Plan for the Counter-Fraud Service each year. This is usually presented to the March meeting of the Accounts, Audit and Risk Committee, supporting the Council's Anti-Fraud and Corruption Strategy with updates taken throughout the year. The 2024/25 Counter Fraud Plan was considered in July 2024 as Veritau (the internal audit provider) had recently taken over the provision of this function from the previous provider. The Counter-Fraud team's purpose is to adhere to and promote the zero-tolerance approach to fraud detailed in the Council's Fraud Strategy, by thoroughly investigating any instances of fraud; applying the appropriate sanctions; undertaking proactive and preventive work to prevent and detect fraud through training, awareness raising, data matching and proactive reviews.

The key areas of work for the Counter-Fraud Strategy for 2024/25 were:

- Counter Fraud Framework – monitoring changes to regulations and guidance and maintaining the counter fraud framework
- Proactive work – raising awareness, targeted pro active counter fraud work and advice on measures to help prevent and detect fraud
- Reactive investigations – investigation of suspected frauds against the council and associated recommendations.
- National Fraud Initiative – Coordination of the submission of data to the programme and investigating subsequent data matches
- Fraud liaison – Act as a single point of contact to the DWP to provide data to support Housing Benefit investigations.

For the period April 2024 – March 2025, 47 referrals of potential fraud were made to the team. Twelve investigations were completed, addressing fraud related to Empty homes Council Tax Premiums, Single person discounts and claims for Council Tax Reduction. One person was issued with a formal warning, three people were invoiced for money owed to the council, one person was referred to the Police, positive outcomes were achieved in four cases, and no fraud was found in three cases.

The 2024/25 bi-annual National Fraud exercise began in Autumn 2024; data privacy notices held by relevant departments were reviewed, to ensure they are compliant with government guidance. Datasets were then collated and securely provided to the PSFA. Following this, the PSFA conducted the data-match, comparing data held by Cherwell District Council to other Local Authorities and Government Departments. In December 2024, over 1,000 data matches were sent to the counter fraud team for triaging. The matches cover Council areas including Council Tax Reduction, Housing Benefits, Housing Allocations, Payroll and Creditors. Work is ongoing to review the matches and identify those where further fraud investigation is required.

FINANCIAL MANAGEMENT CODE

A key goal of the Financial Management Code of Practice (launched by CIPFA in November 2019) (FM Code) is to improve the financial resilience of organisations by embedding enhanced standards of financial management. Since April 2021 authorities have been expected to work towards full compliance of the FM Code. There are clear links between the FM Code and the Governance Framework, particularly with its focus on achieving sustainable outcomes. The Council's latest self- assessment of compliance with the FM Code paints a positive picture with the RAG (Red-Amber-Green) rating of compliance showing as Green for all of the 19 standards.

2023/24 ACTIONS

Significant actions have now been completed.

Actions	Update
Review focus on transformation and identify work programmes with savings.	The four phases of the Transformation programme work were completed in January 2025. Initial effectiveness changes are being built into the budget for 2025/26. Further work is underway to bring forward a Case for Change for Executive approval to develop the long term transformation programme covering the next 3-5 years.
Ensure reports commissioned for transformation projects have taken into account financial implications and have clear actions plans.	Some savings identified in 2025/26 and the rest has been incorporated into the scope for next phase of the transformation programme.
Develop Workforce Strategy to address key staff vacancies in key services with staff development objectives.	This is being transferred to next year's actions with high level People elements covered in the Corporate Strategy.
Update on the implementation of the Planning Improvement Plan following three different service review reports.	A new plan is being developed and this is part of the next year's actions.
Devise a work programme arising from the Digital Futures Strategy 2022 – 2025.	This is now incorporated into Cherwell Futures programme (as part of case for change) which will deliver this work programme.
Ensure understanding of the Council's governance at all levels including members and officers. This is to include roles and responsibilities and scheme of delegation.	Series of seminars and away days.
Ensure Implementation of Procurement Act 2023 effective from October 2024.	Procurement & Contracts Teams Site Updates Monthly Newsletters Procurement Act FAQs Engagement with our e-tendering portal provider Cabinet Office Procurement Act accreditation Briefing/Webinars to staff & members Existing toolkits to support: Specification/KPI development Contract management & variation. Update to Forms/Templates Information for Suppliers Commercial Playbook v2 (2025)
Ensure further improvements on Information Governance by setting up as a corporate project.	This has been setup and work is underway.
Ensure Health and Safety requirements are properly understood for those working in the office and remotely.	This has now been implemented.
Implementation of the new waste regime and extended producer responsibility.	This now incorporates the Simpler Recycling (as required regulations) which has been incorporated into the next year's action plan.

GOVERNANCE SELF ASSESSMENT

Annual Assurance Statements from the Chief Executive, Corporate Directors and Assistant Directors in respect of governance and internal controls for their respective areas, confirm that expected governance arrangements have been in place throughout the year. They have also confirmed that Codes of Conduct, Financial regulations and other corporate processes have operated as expected by undertaking self-assessments of governance arrangements. The themes arising from the self assessment are also reflected in the conclusion below.

CONCLUSION

The Council is satisfied that appropriate governance arrangements are in place however it remains committed to maintaining and where possible improving these arrangements. The following items are noted for improvement in 2024/2025:

Actions	Lead Officer
<p>An audit of compliance with Health and safety management system identified several significant control weaknesses in this particularly within the Place directorate.</p> <p>Demonstrably meet the Council's accident and incident reporting and investigation requirements.</p> <p>Implement the action plan.</p>	<p>AD HR as corporate health and safety.</p> <p>AD Environment for implementation</p>
<p>Implement improvements in report clearance processes, with DLTs taking responsibility for early engagement with legal and finance to improve quality and timeliness of reports and improved forward planning.</p>	<p>DLTs</p>
<p>Management of strategic site applications to minimise the risk of legal proceedings and costs exposure.</p> <p>Implement all review findings and action plan</p> <p>Address issues identified in the Internal Audit fact finding review relating to negative framing of officer recommendations, strategic partnerships and stakeholder management, Resource and document management, Performance management, management of planning performance agreements and management of service improvement.</p>	<p>AD PLANNING & DEVELOPMENT</p>
<p>Work with Executive and CLT to deliver the 2025/26 budget and financial challenges, giving particular attention to the delivery of the agreed savings. Delivery of agreed savings</p> <p>Where overspends are identified operating within the mitigation plan outlined in the S25 statement.</p>	<p>AD FINANCE</p>

<p>In collaboration with the new administration, better engagement and consultation with Portfolio Holders (PH) and CLT including focus on strategic planning and transformation change.</p> <p>Officers and members should work together. PH briefing, reports produced and presented to ensure that it meets members needs and provided sufficiently in advance to allow PH and Exec members to review and have political discussion. Planned away days.</p>	CLT DLTS
<p>Build on the existing work on transformation and develop a plan to address the budgetary shortfall identified in the Medium Term Financial Strategy beginning in 2026/27.</p> <p>Transformation Case for Change Strategic Planning Process</p>	CD Resources AD FINANCE & CLT
Further embed the new Procurement Act 2023 and Procurement Regulations 2024 including Member and officer training.	AD LAW & GOVERNANCE
Produce and Implement Risk Management Strategy and framework to ensure compliance with HM Government Orange Book and implement training programme to embed risk management.	CD RESOURCES
Specific training on Information Governance as identified in the improvement plan especially in relation to data breaches.	AD LAW & GOVERNANCE
Building on the Corporate Strategy which covered at a high level "People" to produce Strategic workforce plan focussed on skills and knowledge gaps, performance management, including appraisal processes and learning development plans.	AD HR
Review of agency processes to ensure that pre employment checks are conducted and the reasons for waiver of any requirement is properly authorised and reasoned.	AD HR
To produce and implement detailed Simpler Recycling action plan	AD Environment
To define governance parameters around Local Government Reorganisation leading to implementation phase.	CLT

Other governance outcomes are shown below:

- Nil reports issued by the Section 151 Officer or the Monitoring Officer.
- The Monitoring Officer received 12 complaints about member conduct in 2024/ 2025. 9 were dismissed at initial stage with 1 offered an informal resolution. 2 were withdrawn by the complainant.
- The Local Government and Social Care Ombudsman upheld 1 complaint out of total 10 received.

STATEMENT OF OPINION

It is our opinion that the Council's governance arrangements in 2024/25 were sound and provide a robust platform for achieving the Council's priorities and challenges in 2024/25. It is our opinion that our ability to maintain sound governance during the past year, has been effective.

Gordon Stewart

Chief Executive

Cllr David Hingley

Leader of the Council

This report is public.	
Draft Statement of Accounts 2024-25	
Committee	Accounts, Audit and Risk Committee
Date of Committee	16 July 2025
Portfolio Holder presenting the report	Deputy Leader and Portfolio Holder for Finance, Property & Regeneration Councillor Lesley McLean
Date Portfolio Holder agreed report	2 July 2025
Report of	Assistant Director of Finance (Section 151 Officer)

Purpose of report

To provide an opportunity for review of the draft 2024/25 Statement of Accounts which were published on the council's website on 27 June 2025.

1. Recommendations

The Accounts, Audit and Risk committee resolves:

- 1.1 To note the report and publication of the draft statement of accounts 2024/25 (Appendix 1).

2. Executive Summary

- 2.1 The draft statement of accounts 2024/25 were published on 27 June 2025. Section 15 of the Accounts and Audit Regulations 2015 require the statement of accounts to be published by 30 June, to allow the public inspection period to include the first 10 working days of July. A public inspection notice was published on the council's website alongside the draft accounts, which declared that the public inspection period commenced on 30 June 2025 and will end on 8 August 2025.
- 2.2 The draft statement of accounts for 2024/25 are now being presented to the Accounts, Audit and Risk committee for review (Appendix 1).

Implications & Impact Assessments

Implications	Commentary
Finance	There are no financial implications as a result of this report. Joanne Kaye, Head of Finance (Deputy S151), 2 July 2025
Legal	The statement of accounts is required under the Accounts and Audit Regulations 2015. There are no legal implications arising directly from this report.

	Denzil Turbervill, Head of Legal (Deputy Monitoring Officer), 2 July 2025		
Risk Management	There are no risk implications arising directly from this report. Celia Prado-Teeling, Performance Team Leader, 3 July 2025		
Impact Assessments	Positive	Neutral	Negative
			Commentary
Equality Impact			Not Applicable
A Are there any aspects of the proposed decision, including how it is delivered or accessed, that could impact on inequality?			Not Applicable
B Will the proposed decision have an impact upon the lives of people with protected characteristics, including employees and service users?			Not Applicable
Climate & Environmental Impact			Not applicable
ICT & Digital Impact			Not applicable
Data Impact			Not applicable
Procurement & subsidy			Not applicable
Council Priorities	Not applicable		
Human Resources	N/A		
Property	N/A		
Consultation & Engagement	No consultation necessary.		

Supporting Information

3. Background

- 3.1 All local authorities must produce a statement of accounts annually to help ensure that there is appropriate stewardship of public finances. Section 15 of the Accounts and Audit Regulations 2015 require the statement of accounts to be published by 30 June to allow the public inspection period to include the first 10 working days of July. A public inspection notice was published on the council's website alongside the draft accounts on 27 June 2025, which declared that the public inspection period commenced on the 30 June 2025 and will end on the 8 August 2025.
- 3.2 The statements of accounts are produced according to accounting standards to ensure that they are produced on a consistent standard and are comparable with other statements of accounts. Local Authority statements of accounts are produced by following the Chartered Institute of Public Finance and Accountancy (CIPFA) Code of Practice on Local Authority Accounting in the United Kingdom (the Code). The Code occasionally overrides International Financial Reporting Standards (IFRS) where public sector adaptations are required, or where statute takes precedence over accounting standards.
- 3.3 The Statement of Accounts is made up of the following elements:
- The Narrative Statement - an introduction to Cherwell District Council (CDC) and what it has achieved over the year.
 - The main financial statements:
 - Expenditure and Funding Analysis (EFA)
 - Comprehensive Income and Expenditure Statement (CIES)
 - Movement in Reserves Statement (MIRS)
 - Balance Sheet
 - Cashflow Statement
 - Supporting Notes to the Accounts
 - Collection Fund accounts – setting out the Non-Domestic Rates and Council Tax collected and distributed by the council as the billing authority.
 - Group accounts and explanatory notes – a set of accounts where the subsidiaries within the group have been consolidated with the council's accounts.
 - Annual Governance Statement – an annual assessment of the governance arrangements for the council which is required to be published alongside the financial statements.

4. Details

- 4.1 The council's draft statement of accounts for 2024/25 are attached at Appendix 1. This report will provide an overview of what the main financial statements say about the council.
- 4.2 **Expenditure and Funding Analysis**

- 4.2.1 The objective of the Expenditure and Funding Analysis (EFA) is to demonstrate to council taxpayers how the funding available to the council (i.e. government grants, council tax and business rates) for the year has been used in providing services in comparison with those resources consumed or earned by authorities in accordance with generally accepted accounting practices.
- 4.2.2 The EFA also shows how this expenditure is allocated for decision making purposes between the council's directorates within the General Fund. Income and expenditure accounted for under generally accepted accounting practices is presented more fully in the CIES.
- 4.2.3 All figures shown in the EFA are net expenditure or (income) figures. Therefore, a figure without brackets shows a net cost and a figure with brackets is a net income item.
- 4.2.4 The council reported to its Executive Committee a balanced revenue outturn position for 2024/25 in June 2025. This position did not (and should not have) included the statutory accounting adjustments found in the EFA. The overall surplus on the General Fund and Earmarked Reserves for the provision of services for the year was (£4.2m). This consists of a (£0.2m) surplus on the General Fund, and (£4.0m) contribution to Earmarked reserves. In total there were £11.2m of adjustments between the net expenditure chargeable to the general fund and net expenditure in the CIES. These are statutory adjustments between the funding basis for the council and the accounting requirements of the CIPFA code. The adjustments are as follows:

- **Capital Statutory adjustments of £7.0m**

This adjustment adds in capital items not chargeable to the general fund such as depreciation, impairment, revaluation movements and capital grant income. It also removes statutory charges for capital financing such as the Minimum Revenue provision as these are not chargeable under generally accepted accounting practices.

- **Pensions Statutory adjustments of £1.6m**

This adjustment removes the pension contributions chargeable to the general fund under statute and replaces with the accounting charges based on estimated changes in the net defined benefit pension liability as calculated by the pension scheme actuary.

- **Other Statutory Adjustments of £2.5m**

Consisting primarily of the difference between what is chargeable to the general fund under statutory regulations for Council Tax and Non-Domestic Rates and the income recognised in the CIES under generally accepted accounting practices in the Code. This is a timing difference, as any difference will be brought forward in future Surpluses or Deficits on the Collection Fund.

4.3 **Comprehensive Income and Expenditure Statement**

- 4.3.1 The CIES shows the accounting cost in the year of providing services in accordance with generally accepted accounting practices rather than the amount to be funded from taxation. Authorities raise taxation to cover expenditure in accordance with statutory requirements; this may be different from the accounting cost. The

expenditure funded from taxation position is shown through the EFA and the Movement in Reserves Statement (MIRS).

4.3.2 All figures shown in the CIES with brackets are income and without brackets are expenditure.

4.3.3 Table 1 below compares the Net Expenditure/ (Income) for the council for 2023/24 and 2024/25

Table 1: Comparison of Net Expenditure / (Income) for the council between 2023/24 and 2024/25	2023/24 Net Expenditure /(Income) £m	2024/25 Net Expenditure /(Income) £m	Increase/ (decrease) £m
Communities	19.8	23.3	3.5
Resources & Transformation	11.6	21.3	9.7
Cost of Services	31.5	44.6	13.1
Other Operating Expenditure	5.9	6.2	0.3
Financing and Investment (Income) and Expenditure	(1.4)	(1.3)	0.1
Taxation and Non-specific Grant (Income)	(40.6)	(42.6)	(2.0)
(Surplus) or Deficit on Provision of Services	(4.5)	7.0	11.5

4.3.4 The primary factors in the £11.5m increase in net deficit on provision of services are as follows. There was a £5.9m increase in expenditure across services due to downward valuations of the council's assets. Across the directorates in cost of services there was an increase in the IAS19 pension adjustments of 5.5m. Note that both the change in valuation of the council's assets and the IAS19 pensions adjustments do not impact on the general fund (i.e. in-year costs to the council tax payer) due to statutory overrides. The changes in net expenditure/(income) are broken down in table 2 below:

Table 2: Breakdown of reduction in net deficit on provision of services

	IAS19 Adjustments £m	Revaluation of the council's assets £m	Other Net movements	Total Increase / (Decrease)
Communities	0.0	1.3	2.2	3.5
Resources	5.5	4.6	(0.4)	9.7
Cost of Services	5.5	5.9	1.7	13.1
Other Operating Expenditure	0.0	0.0	0.3	0.3
Financing and Investment (Income) and Expenditure	0.0	0.0	0.1	0.1
Taxation and Non-specific Grant (Income)	0.0	0.0	(2.0)	(2.0)
(Surplus) or Deficit on Provision of Services	5.5	5.9	0.1	11.5

- 4.3.5 Other net movements include changes in grant income, council tax income, budgeted increases in staff costs and other small changes. For more detail on some of the other net movements see the 2024/25 Outturn report taken to Executive on 10 June 2025.

4.4 Movement in Reserves Statement

- 4.4.1 The MIRS shows the movement from the start of the year to the end of the year for the different reserves held by the council, analysed into 'useable reserves' (i.e. those that can be applied to fund expenditure or reduce local taxation) and other 'unusable reserves' (e.g. the Revaluation Reserve which holds unrealised gains and losses from the revaluation of assets or the Capital Adjustment Account which holds adjustments between the accounting basis and funding basis under regulations).
- 4.4.2 This statement shows how the movements in year of the council's reserves are broken down between gains and losses incurred in accordance with generally accepted accounting practices and the statutory adjustments required to return to the amounts chargeable to council tax for the year. The net (Increase)/Decrease line shows the statutory General Fund Balance in the year following those adjustments.
- 4.4.3 The MIRS combines both levels of reserves held (balances) and changes in the level of reserves that have happened through the year. Where there is a change in the year that contributes to - (increases) - a reserve this is shown with brackets. Where there is a use of - decreases - a reserve this is shown without brackets.
- 4.4.4 The council's general reserve levels increased from (£6.2m) to (£8.0m). Other usable reserves have increased from (£37.1m) to (£38.6m), meaning total usable reserves as at 31 March 2025 are (£46.6m). The increase relates primarily to contributions to earmarked reserves agreed by Executive throughout the financial year.
- 4.4.5 Total unusable reserves have decreased by £14.1m from (£16.2m) to (£2.1m) as at 31 March 2025. The decrease is due to a £5.2m decrease in the pension reserve, a £4.7m decrease in the Capital Adjustment Account, a £2.5m decrease in the Collection Fund Adjustment Account and a £2.0m decrease in the Revaluation Reserve. The decrease in the pension reserve is due to a £5.2m increase in the net pension liability, as the reserve mirrors the liability (see section 4.5.5 for detail on the pension liability movement). Similarly the decreases in the Capital Adjustment Account and Revaluation Reserve reflect changes in capital assets such as Property, Plant and Equipment, Investment Property and Intangible assets on the balance sheet. The decrease in the Collection Fund Adjustment Account is due to the in-year deficit on business rates of £1.5m compared to a £1.2m surplus in the previous year.

4.5 Balance sheet

- 4.5.1 The balance sheet shows the values as at 31 March 2025 of the assets and (liabilities) recognised by the council. The net assets of the council - assets less (liabilities) - are matched by the reserves held by the council, analysed between 'useable' and 'unusable' reserves, shown in the bottom portion of the Balance

Sheet. Assets are shown without brackets, whilst (liabilities) are shown with brackets.

4.5.2 The Balance Sheet is split between long-term and short-term items (also referred to as non-current and current respectively). Long-term items are expected to last or mature after a period of more than 1 year. Short-term items are expected to last or mature within 1 year of the balance sheet date.

4.5.3 A high-level breakdown of the balance sheet is shown in table 3 below, for a full breakdown please see the balance sheet as presented on pg28 of Appendix 1.

Table 3 – High-Level Balance Sheet

Category	2023/24 £m	2024/25 £m	Movement £m
Long term Assets	288.8	282.1	(6.7)
Current Assets	35.5	18.1	(17.4)
Total Assets	324.3	300.1	(24.2)
Current Liabilities	(78.9)	(67.8)	11.1
Long Term Liabilities	(185.9)	(183.7)	2.2
Total Liabilities	(264.8)	(251.5)	13.3
Net Assets	59.5	48.7	(10.8)
Total Reserves	(59.5)	(48.7)	10.8

4.5.4 The decrease to net assets of £10.8m is largely attributed to a (£5.2m) increase in the net pension liability in long term liabilities and a (£5.0m) decrease in value of property, plant and equipment in long term assets. Due to the statutory overrides in place these changes then flow through to unusable reserves.

4.5.5 The net pension liability increase of £5.2m is primarily due to an increase in the effect of the asset ceiling. This was caused by the actuary's estimate of the projected service cost falling from 19.4% for 2023/24, to 13.8% in 2024/25. As a result, the difference to the council's effective pension contribution rate has increased, and so there is a larger effect of the asset ceiling. However, as noted in note 35 of the accounts, the council does not expect the liability in relation to the effect of the asset ceiling to materialise. This is because the asset ceiling calculation is based on the assumption that employer contributions will not change over the funding 'time horizon', but contributions are reviewed every 3 years and the council is already in discussions with the pension fund to agree reduced contributions in the next review.

4.5.6 Long term assets have decreased by (£6.7m). This is primarily due to a (£5.0m) decrease in value of property, plant and equipment, largely relating to downward valuations of the council's land and buildings. The movements in property plant and equipment consist of £11.4m of additions, (£10.1m) net downward valuations, (£5.5m) depreciation, (£1.0m) disposals and £0.2m transfers from assets held for sale. The largest downward valuation was of the Castle Quay centre by (£9.0m). (£6.4m) relates to the main shopping centre area, and (£2.6m) for the waterfront side.

4.5.7 Current assets have decreased by (£17.4m). This is in relation to a (£13.1m) decrease in short term investments and a (£3.7m) decrease in cash and cash

equivalents. Short term investments have matured in year, and there have been fewer new short-term investments and a reduction in cash and cash equivalents due to repayments of borrowing and other changes in working capital.

4.5.8 Current liabilities have decreased by £11.1m. This is in relation to a £9.8m decrease in short-term borrowing as the council repays some of its borrowing, and a £1m reduction in the council's overdraft.

4.5.9 Long term liabilities have decreased by £2.2m due to a combination of factors. As discussed above, the net pension liability has increased by £5.2m. In addition, long-term borrowing has reduced by £6.0m as the council repays some of its borrowing. Other movements include a £2.0m decrease in capital grants received in advance, as the council applies the grants to its capital expenditure.

4.6 Cash Flow Statement

4.6.1 The Cash Flow Statement summarises the changes in cash and cash equivalents during 2024/25. The statement shows how the council generates and uses cash and cash equivalents by classifying cash flows as operating, investing, and financing activities.

- Net cash flows arising from operating activities is a key indicator of the extent to which the operations of the council are funded by way of taxation and grant income or from the recipients of services provided by the council.
- Investing activities represent the extent to which net cash flows have been made for resources which are intended to contribute to the council's future service delivery.
- Net cash flows arising from financing activities are useful in predicting claims on future cash flows by providers of capital (i.e. borrowing) to the council.

4.6.2 Increases in cash - (inflows) - are shown with brackets. Reductions in cash – outflows – are shown without brackets. A high-level summary of the cashflow statement is shown in table 4 below.

Table 4 – Cashflow Statement

	£m
Net Cash Flows from Operating Activities	(5.3)
Net Cash Flows from Investing Activities	(2.5)
Net Cash Flows from Financing Activities	10.6
Net (Increase) / Decrease in Cash and Cash Equivalents in the Period	2.7

4.6.3 The (£5.3m) net cash inflow from operating activities is primarily driven by the overall surplus on the General Fund and Earmarked Reserves for the provision of services for the year of (£4.2m). The £10.6m cash outflow from financing activities is largely due to repayment of £15.8m of borrowing, offset by £7.0m of capital grant income recognised. For a full breakdown of the movements see the full cashflow statement on page 29 of Appendix 1.

5. Alternative Options and Reasons for Rejection

- 5.1 There are no alternative options as the council is required by the Accounts and Audit Regulations 2015 to produce and publish its statement of accounts for 2024/25 which has already been completed. This report is to give members the opportunity to comment or raise any queries so these can be discussed with officers.

6 Conclusion and Reasons for Recommendations

- 6.1 The statement of accounts has been prepared according the CIPFA code and represents a true and fair view of the council's financial position. The Accounts, Audit and Risk Committee is invited to note the draft statement of accounts and discuss these with officers to get an understanding of the statements.

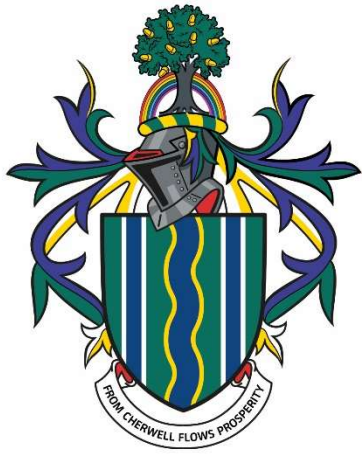
Decision Information

Key Decision	N/A
Subject to Call in	N/A
If not, why not subject to call in	N/A
Ward(s) Affected	All

Document Information

Appendices	
Appendix 1	Draft Statement of Accounts 2024-25
Background Papers	None
Reference Papers	Accounts, Audit and Risk Committee report on 19 March 2025 – Accounting Policies 2024-25
Report Author	Alex Rycroft, Strategic Finance Business Partner
Report Author contact details	Alex.Rycroft@cherwell-dc.gov.uk , 01295 221541
Corporate Director Approval (unless Corporate Director or Statutory Officer report)	N/A – Statutory officer report

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Cherwell

DISTRICT COUNCIL
NORTH OXFORDSHIRE

DRAFT

Statement of Accounts

2024/25

Contents

CONTENTS	2
INTRODUCTION	4
NARRATIVE STATEMENT – OVERVIEW OF 2024/25	5
INTRODUCTION	5
ABOUT THE DISTRICT	6
OUR BUSINESS PLAN 2024 – 2025	7
<i>Our 2024 - 2025 performance</i>	<i>8</i>
<i>Housing that meets your needs</i>	<i>10</i>
<i>Supporting Environmental Sustainability</i>	<i>11</i>
<i>An enterprising economy with strong and vibrant local centres</i>	<i>12</i>
<i>Healthy, resilient, and engaged communities</i>	<i>13</i>
RISK MANAGEMENT	14
FINANCIAL OVERVIEW	14
<i>Financial Performance</i>	<i>14</i>
<i>Resources</i>	<i>14</i>
<i>Pension Liabilities</i>	<i>15</i>
<i>Contingencies</i>	<i>15</i>
<i>Council Funding 2024/25</i>	<i>16</i>
<i>Revenue Financial Outturn Position</i>	<i>17</i>
<i>Financial Position</i>	<i>18</i>
CAPITAL PROGRAMME	19
<i>Capital investment plans for 2024/25</i>	<i>19</i>
<i>Town Centre House</i>	<i>19</i>
<i>Castle Quay Offices</i>	<i>19</i>
<i>Basis of Preparation and Presentation</i>	<i>20</i>
<i>Financial Outlook</i>	<i>20</i>
THE FINANCIAL STATEMENTS	21
STATEMENT OF RESPONSIBILITIES FOR THE STATEMENT OF ACCOUNTS	23
<i>The Council's Responsibilities</i>	<i>23</i>
<i>Section 151 Officer's Certificate:</i>	<i>23</i>
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CHERWELL DISTRICT COUNCIL	24
EXPENDITURE AND FUNDING ANALYSIS	25
COMPREHENSIVE INCOME AND EXPENDITURE STATEMENT	27
MOVEMENT IN RESERVES STATEMENT	28
BALANCE SHEET	29
CASH FLOW STATEMENT	30
NOTES	31
<i>Note 1 – Accounting Policies</i>	<i>31</i>
<i>Note 2 – Accounting Standards Issued, Not Adopted</i>	<i>52</i>
<i>Note 3 – Critical Judgements in Applying Accounting Policies</i>	<i>52</i>
<i>Note 4 – Assumptions Made about the Future and Other Major Sources of Estimation Uncertainty</i>	<i>53</i>
<i>Note 5 - Material Items of Income and Expense and Prior Year Restatements</i>	<i>57</i>
<i>Note 6 – Events after the Balance Sheet Date</i>	<i>58</i>
<i>Note 7a – Note to the Expenditure and Funding Analysis</i>	<i>59</i>
<i>Note 7b – Segmental Analysis of Income and Expenditure</i>	<i>61</i>
<i>Note 8 - Adjustments between Accounting Basis and Funding Basis under Regulations 2024/25</i>	<i>62</i>
<i>Note 9 - Transfers to/from Earmarked Reserves</i>	<i>65</i>
<i>Note 10 - Other Operating Expenditure</i>	<i>66</i>

<i>Note 11 - Financing and Investment Income and Expenditure</i>	66
<i>Note 12 - Taxation and Non-Specific Grant Income</i>	66
<i>Note 13 – Expenditure and Income Analysed by Nature</i>	67
<i>Note 14 – Property, Plant and Equipment</i>	68
<i>Note 15 – Investment Properties</i>	72
<i>Note 16 – Intangible Assets</i>	76
<i>Note 17 – Financial Instruments</i>	77
<i>Note 18 – Inventories</i>	84
<i>Note 19a – Short Term Debtors</i>	84
<i>Note 19b Short Term Debtors for Local Taxation</i>	84
<i>Note 20 – Cash and Cash Equivalents</i>	85
<i>Note 21– Assets Held for Sale</i>	85
<i>Note 22 – Short Term Creditors</i>	86
<i>Note 23 – Provisions</i>	86
<i>Note 24 – Usable Reserves</i>	88
<i>Note 25 - Unusable Reserves</i>	90
<i>Note 26 - Members’ Allowances</i>	96
<i>Note 27 - Officers’ Remuneration</i>	97
<i>Note 28 - External Audit Costs</i>	101
<i>Note 29 – Grant Income</i>	102
<i>Note 30 – Related Parties</i>	106
<i>Note 31 – Capital Expenditure and Capital Financing</i>	109
<i>Note 32 – Leases</i>	110
<i>Note 33 - Impairment Losses</i>	114
<i>Note 34 - Termination Benefits</i>	114
<i>Note 35 - Defined Benefit Pension Scheme</i>	115
<i>Note 36 - Contingent Liabilities</i>	122
<i>Note 37 - Contingent Assets</i>	122
 COLLECTION FUND ACCOUNTS.....	 123
<i>Notes (1 – 4) to the Collection Fund</i>	124
 GROUP ACCOUNTS AND EXPLANATORY NOTES.....	 127
<i>Introduction</i>	127
<i>Group Comprehensive Income and Expenditure Statement</i>	130
<i>Group Movement in Reserves Statement</i>	131
<i>Group Balance Sheet</i>	133
<i>Group Cash Flow Statement</i>	134
<i>Notes to the Group Accounts</i>	135
 ANNUAL GOVERNANCE STATEMENT 2024/2025.....	 138
<i>INTRODUCTION</i>	140
<i>THE PURPOSE OF THE GOVERNANCE FRAMEWORK</i>	141
<i>THE KEY ELEMENTS OF THE GOVERNANCE FRAMEWORK AT CHERWELL DISTRICT COUNCIL</i>	141
<i>ANNUAL PLANNING PROCESS</i>	142
<i>DECISION MAKING</i>	142
<i>FINANCE</i>	143
<i>ARRANGEMENTS FOR GOVERNANCE</i>	143
<i>REVIEW OF EFFECTIVENESS</i>	147
<i>GOVERNANCE SELF ASSESSMENT</i>	152
<i>CONCLUSION</i>	152
<i>STATEMENT OF OPINION</i>	154
 GLOSSARY OF TERMS.....	 155

Introduction

Your district council is hard at work making north Oxfordshire a great place to live, work and play. Every year we offer you this snapshot of how key public services are running in your area, and of the progress we're making towards our long-term strategic goals for the district. We run services including waste collection, street cleansing services, housing, planning, and enforcement. It's no secret that councils everywhere are operating in challenging financial circumstances, impacted by inflation and the increased cost of living. But we are a prudent and well-run council and have maintained a high level of performance for north Oxfordshire residents, while navigating these challenges with a balanced budget.

Should you have any comments or wish to discuss this statement in further detail then please contact the finance team by email on finance@cherwell-dc.gov.uk.

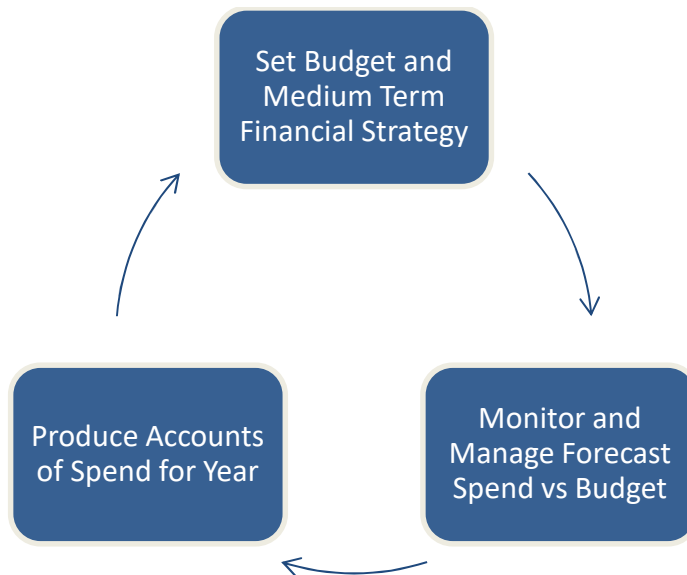
We hope you find the financial statements of interest and we look forward to hearing your views.

Gordon Stewart
Chief Executive
Cherwell District Council, PO Box 27, Banbury, Oxfordshire, OX15 4BH

Narrative Statement – Overview of 2024/25

Introduction

The preparation of the Statement of Accounts provides the opportunity to reflect on the past financial year and report on the current financial and non-financial position of the council. It is the culmination of the annual cycle.



All the while, payments are made to suppliers and housing benefits recipients; council tax and business rates are collected and distributed to our partners; fees and charges income is collected for our chargeable services; financial systems and controls are monitored to ensure they continue to operate effectively; treasury management ensures that public funds are invested securely and borrowing is undertaken appropriately to support our capital programme whilst working to minimise our borrowing costs.

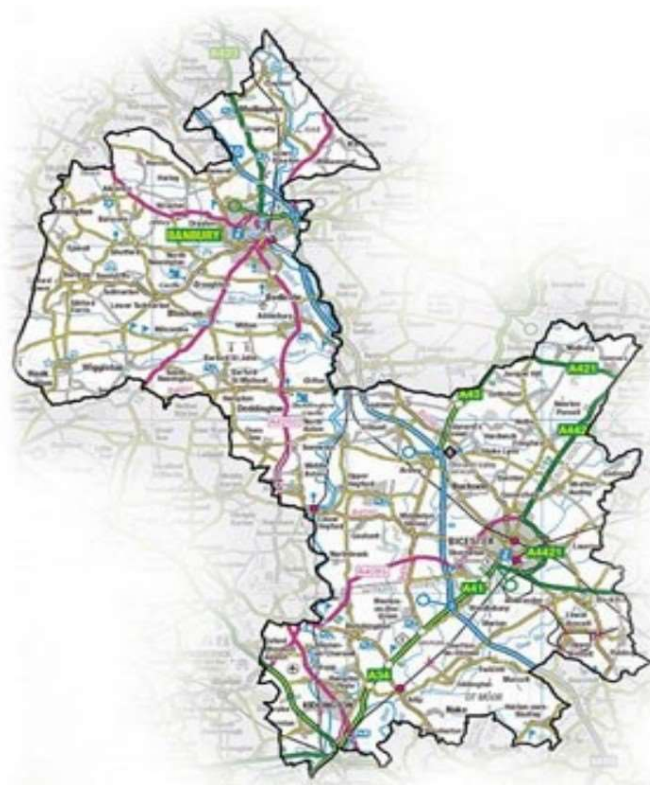
2024/25 proved to be a hugely challenging but successful year for Cherwell District Council during which we continued to deliver on our objectives and playing a vital role supporting residents and businesses.

The Narrative Report is to provide information on Cherwell District Council, its main objectives, strategies, and the principal risks it faces. It sets out information to help readers understand the council's financial position and performance during 2024/25.

Cherwell District Council provides services to residents, businesses, communities, and visitors across the whole area. We are responsible for a range of services including the following: Environmental Services, Planning and Building Control, Growth and Economy, Regulatory Services, Housing, Wellbeing and Healthy Place Shaping.

We participate in and lead key partnerships that work to deliver housing and growth, environmental benefits, safer communities and improved health and wellbeing for all Cherwell residents.

About the District



Cherwell District in North Oxfordshire is a predominantly rural area providing an excellent environment in which to live and work.

There are three urban centres – Banbury, Bicester, and Kidlington –with the remainder of the population living in 70 smaller settlements. Cherwell continues to change, with a population estimate from the Office for National Statistics released in October 2024 totaling 166,321 (mid-2023).

Between the last two censuses of 2011 and 2021 Cherwell's population has grown by 13.5%, higher than the average rate of growth across the South East (7.5%).

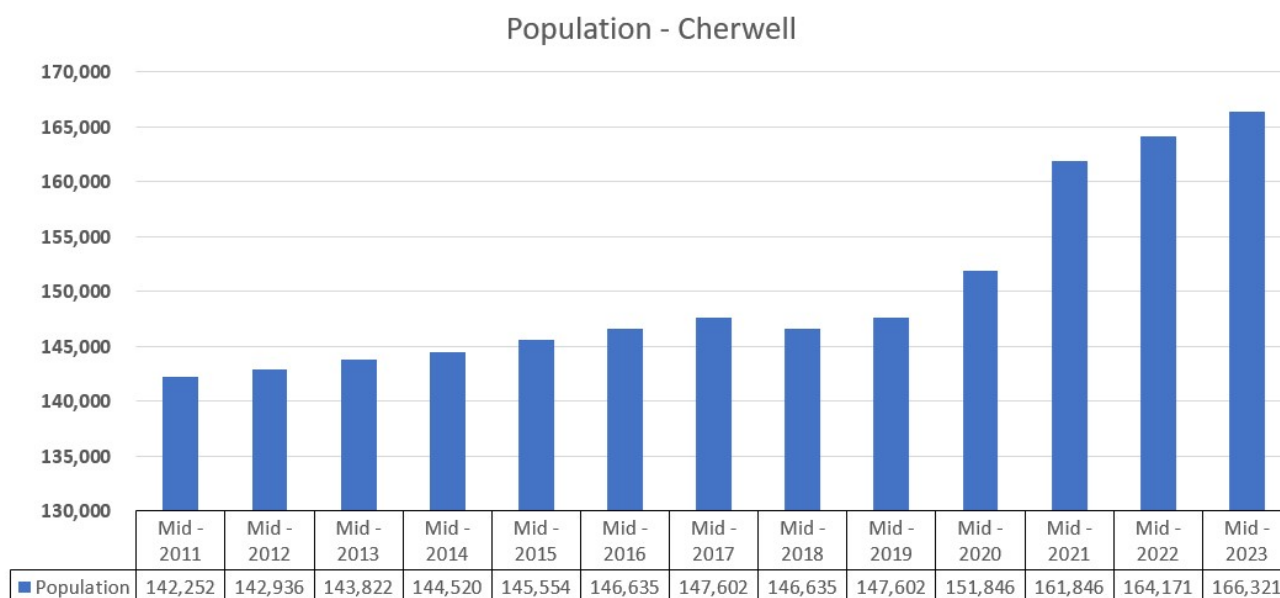


Figure 1- Time series bar chart showing the total population of Cherwell mid-2011 to mid- 2023. There are currently 72,156 houses that are subject to council tax (December 2024).

Our Business Plan 2024 – 2025

We are proud to celebrate our 50th year serving the Cherwell district. Established on April 1, 1974, Cherwell District Council was formed by merging four local districts under the Local Government Act 1972.

Our 2024/25 business plan includes the following four priorities:

Housing that meets your needs

Promote affordable, green housing and minimum rental standards.

Prevent homelessness with partners. Support vulnerable residents. Prepare the Local Plan.



Supporting environmental sustainability

Achieve carbon net zero by 2030. Promote the green economy. Reduce waste and improve air quality with partners.



An enterprising economy with strong and vibrant local centres

Support business growth. Partner for skills and innovation. Promote district as a visitor destination and attract investment. Ensure business compliance and best practices.



Healthy, resilient, and engaged communities

Encourage active lifestyles and wellbeing. Develop leisure services. Support community and diversity. Address health inequality. Reduce crime and antisocial behaviour.



Our 2024 - 2025 performance

Every year, we look to serve you better. This includes emptying your bins, managing your planning applications, handling housing benefit requests, keeping your communities clean and tidy, and delivering crucial day-to-day services.

This report highlights some notable accomplishments from the past year that are on top of our regular work.

We assess progress based on our four key business plan priorities, measured through 19 performance goals. In 2024/25, 11 of the 19 Business Plan measures achieved their year-end target or reported within tolerance, with 5 reported as slightly behind target, and 3 reported as very behind their end of year target.

The eight measures that missed their 2024-25 target are:

“Number of Homeless Households living in Temporary Accommodation”

The number of households in temporary accommodation has been consistently high and above target throughout the year. This has increased again through Q4, as it did similarly in Q4 of 2023-24. The service has been increasing the numbers of self-contained accommodation to reduce the number of hotel placements that are made to accommodate this growing client group. The waiting list for permanent housing has increased 10% in the last year, and most of these households are in housing need, so the numbers across the service suggest a significant and growing demand for housing.

“Percentage of Major Applications overturned at appeal”

The national target is to ensure that less than 10% of major planning application decisions are overturned at appeal by the Planning Inspectorate. During 24/25 10.71% of decisions were overturned (6 out of 56 decisions). National monitoring takes place over a prescribed two-year period and allows an additional period for appeal decisions to follow. Over the period April 2022 to March 2024, and allowing for appeal decisions to December 2024, 10.4% of decisions on major applications were overturned at appeal (12 out of 115 decisions). Officers are engaging with the Planning Advisory Service about a review of decision-making to support improvement. Had one application fewer been overturned, the Council would have been under the 10% threshold.

“Net Additional Housing Completions to meet Cherwell needs”

Provisional housing completions for the year were 783 against a target of 1,142. Final figures have not yet been verified. However, this is the second consecutive year when housing completions have been significantly below the requirements of the Cherwell Local Plan 2011-2031. Housing completions have not yet commenced on the sites contributing to Oxford's needs. Housing completions are dependent on the wider housing market and economic conditions affect housebuilders. Although the district has over 8,000 homes with outline or full planning permission, there are also local factors affecting delivery such as infrastructure provision at Bicester in particular. The rate of delivery affects the district's five-year housing land supply position. The Council is preparing a Housing Delivery Action Plan with the aim of doing all it can to support delivery.

“Percentage of Building Control full plans assessed within 5 weeks (or longer with applicant's agreement)”

The end of year percentage for full plan applications determined within five weeks (or otherwise agreed period) is 90.43%. Although the 95% target has not been met, the Building Control service is taking management measures to achieve a higher percentage. There have been no instances where a development has proceeded without approval.

“Percentage Waste Recycled & Composted”

Recycling rate will end the year down 1% due to the reduction in garden waste of 1,000 tonnes. This was due to the poor weather in the summertime.

“Percentage Reduction in fuel consumption”

In the reporting Year 2024/25 there has been no change in the fleet profile from previous year but a slight reduction in fuel usage.

“Percentage of Climate Action plan delivering to target”

At the end of 2024/25 the position of the Climate Action plan is of the 126 Climate Actions, 103 were Ongoing, 13 On-hold, and 10 Completed. RAG ratings showed 56 actions in Green, 54 in Amber, and 16 in Red.

Work on the Local Area Energy Planning (LAEP) is progressing in partnership with OCC, ARUP, and neighbouring authorities. Phase 1 began with a mobilisation meeting in January, and we're advancing the baseline report and stakeholder engagement plan.

The Climate Action Working Group concluded its work this municipal year, recommending seven priority actions, which were taken to the Overview & Scrutiny Committee. A briefing on the Solar Strategy study was held with councillors, and the final report will be available early next quarter (April'25).

We hosted a Climate Community event with around 30 attendees from 14 community groups and organizations. Draft reports for the district's carbon baseline, and a fleet study were received, reviewed, and shared with the consultants for further refinements. Draft report for business and industrial emissions was received and is under review.

“Reduction in total Greenhouse gas emissions for the year”

During 2023/24 Cherwell District Council (CDC) total emissions increased by 1.2% (49 tonnes CO₂e), from 4,071 tonnes CO₂e in 2022/23 to 4,119 tonnes CO₂e in 2023/24. Comparison for 2024/25 is not yet available. The main reason for the increment in emissions in 2023/24 is related to decarbonisation equipment installed in 2022/23 not realising reductions in gas demand, particularly in the leisure property portfolio. Emissions increased in areas namely Corporate Electricity, Leisure Electricity, Leisure Gas, Business Travel, Water emissions. One third of emissions increase is directly related to a 5% increase in the carbon intensity of the UK electricity grid. Also, For the first time, CDC is reporting emissions from water supply, water treatment and waste disposal.

Housing that meets your needs

Below are some of the past year's achievements for this strategic priority.



We successfully prevented homelessness in 213 cases

Delivered 267 affordable homes, 29% more than the target for the year



Improved 162 homes through enforcement to ensure homeowners and landlords provide safe places for people to live

Processed new Housing Benefic Claims and council tax reductions in 11 days, seven days quicker than our target average for the year



Supporting Environmental Sustainability

Below are some of the past year's achievements for this strategic priority.



Together with our Wild Oxfordshire partners, the Local Nature Recovery Strategy plan was created to summarise top biodiversity priorities and identify specific locations that could be important to biodiversity in the future.

Recycled over 5,200 tonnes of food waste, which was repurposed as bio-fertilisers for farmers and green electricity to power local homes and businesses.



Recycled 51% of waste collected, 7% more than England's average.

We marked the start of tree planting season in November, building on the 800 trees already planted. Thanks to local volunteers and groups, we set to double that number by planting another 800 new street trees



An enterprising economy with strong and vibrant local centres

Below are some of the past year's achievements for this strategic priority.



We launched the Rural England Prosperity Fund Business Grant Scheme, offering grants between £5,000 and £20,000 to support capital investments for businesses in our villages, including Kidlington.



We reached a major milestone at Castle Quay by completing the letting of all waterfront units. These high-quality attractions are helping Banbury grow, thrive and become an even more vibrant destination for residents and visitors alike.



We offered 80 course places to residents across Cherwell, giving people a chance to explore or grow careers in construction. Whether just starting out or already in the industry, participants gained valuable skills



We launched proposals for regenerating Bicester Market Town Centre and invited residents to share their ideas. Together, we're exploring ways to improve parking, traffic flow, and pedestrian friendly space to ensure Bicester meets the needs of our community now and in the future.

Healthy, resilient, and engaged communities

Below are some of the past year's achievements for this strategic priority.



Our Move Together programme benefited over 3,252 participants improving their physical and mental health.

We committed £64,000 to support 13 local projects helping residents with the cost of living. This funding is backing initiatives like food vouchers, warm spaces, energy-saving kits, and free period products to support those most in need.



We enabled Go Jauntily featuring dozens of digitised walks, from Kidlington to Cropredy, making it easy to get out and explore.

Attracted 3,659 residents to our You Move programme to enjoy free and reduced-price physical activities.



Risk management

During 2024/25 we continued to develop and strengthen our risk management activities. This helped us to ensure that we continue to identify and address any uncertainties relating to the achievement of our priorities.

The most significant risks facing the council, Leadership Risks, are reviewed and reported to the Executive in our quarterly Finance, Performance and Risk Monitoring Reports, also, reviewed in more depth quarterly by the Accounts, Audit and Risk Committee.

Leadership risks are those that could impact on the performance of the council as a whole, and on its ability to deliver its strategic priorities. The council has maintained a focus on its financial resilience during the year, reporting this as the highest risk facing the council, although our council keeps delivering a balanced budget, when reviewing and managing this risk the finance team takes into consideration the current financial national climate, the predicted gap in local authorities' budgets, and the cost of living crisis, and its impact, which keeps the score on the higher end of the scale.

Directorates and Services within the council also maintain operational risk registers to monitor the impact and delivery of individual services, projects, or areas of business. Operational risks which become more severe can be escalated to the Leadership level for additional management.

Financial Overview

Financial Performance

The council sets a revenue budget, medium-term financial strategy (MTFS) and capital programme in the February preceding the start of the financial year. These are underpinned by a Financial Strategy, Capital and Investment Strategy, Treasury Management Strategy and a review and assessment of the adequacy of earmarked reserves.

Construction of the budget and budget proposals are subject to challenge by the Corporate Leadership Team and the Assistant Director of Finance. The Budget Planning Committee scrutinises the budget proposals at its meetings before the Executive propose the budget, MTFS and capital programme to council in February. The council approves the budget at its Annual Budget meeting each February.

Contingencies were built into the budget to address potential ongoing impacts and financial uncertainties, in particular around market risk and inflation. Including these contingencies allowed the council to set a balanced budget whilst providing the security of knowing that additional funding was available if unforeseen financial impacts occurred for a significant period across the year.

Throughout the year, regular financial management reports were presented to the Executive and quarterly for the Budget Planning Committee to scrutinise.

Resources

The council collects council tax and business rates on behalf of itself and other bodies including Central Government, Oxfordshire County Council and Thames Valley Police and Crime Commissioner.

The council is required to distribute the business rates and council tax according to how it set its budget in the February before the beginning of the financial year. Business rates of

£112.9m and council tax of £138.8m was budgeted and distributed in 2024/25 in the following shares.

Business Rates split £112.9m			Council Tax £138.8m		
Cherwell District Council	Oxfordshire County Council	Central Government	Cherwell District Council	Oxfordshire County Council	Thames Valley Police and Crime Commissioner
£45.1m	£13.3m	£56.4m	£15.4m	£107.5m	£15.9m

From the council's share of business rates the Government then charges a tariff, which is redistributed to other Local Authorities based on their need to spend. For the year ending 31 March 2025, the council expected to retain a net £16m of business rates related income after all the allocations are taken into consideration.

The council collected £112.6m business rates and £142m council tax compared to the £112.9m and £138.8m it budgeted to collect and distribute respectively. The difference between collection and budget will be factored into future years budgets for the council and its preceptors.

Pension Liabilities

The amounts payable by the council in future years are partly offset by the value of the assets invested in the pension fund. The value of the defined benefit pension net liability at 31 March 2025 is £27.9m; this is an increase in the liability of £5.2m from the 31 March 2024 net liability position of £22.7m. The £27.9m liability consists of a net surplus of £8.8m for the council's share of the fund, adjusted downwards by £36.7m for the effect of the asset ceiling – for more detail on the pension liability see note 35.

Contingencies

The council has to set aside a provision for appeals which might arise against business rates valuations.

On 1 April 2024 the total provision for business rate appeals was £14.3m of which the council's 40 per cent share was £5.7m. During the financial year £5.1m was charged to the provision for successful appeals in 2024/25 which have been previously provided for, of which the council's 40 percent share is £2m.

After reflecting the amounts charged to the provision in 2024/25, the council carried out an assessment of the future risk of appeal losses. Following this, the 2024/25 overall provision for business rates appeals decreased to £14m of which the council's 40 per cent share is £5.6m.

- Appeals provision 31 March 2024: £5.7m
- Appeals provision 31 March 2025: £5.6m

Council Funding 2024/25

The council's core funding from central government has been reducing and funding generated as a result of economic growth is increasing. The table below shows where the council funding has come from. The council has benefited from being a member of the Oxfordshire Business Rates Pool, which accounts for the majority of the variance to budget.

(The figures in brackets represent income received by the council).

2024/25 Revenue Budget Funding	Budget £m	Actual £m	Variance £m
Government Grants	(0.328)	(0.328)	(0.000)
Council Tax	(9.318)	(9.316)	0.002
Business Rates related income	(15.966)	(16.152)	(0.186)
New Homes Bonus	(1.375)	(1.375)	(0.000)
Total Funding	(26.987)	(27.171)	(0.184)

Revenue Financial Outturn Position

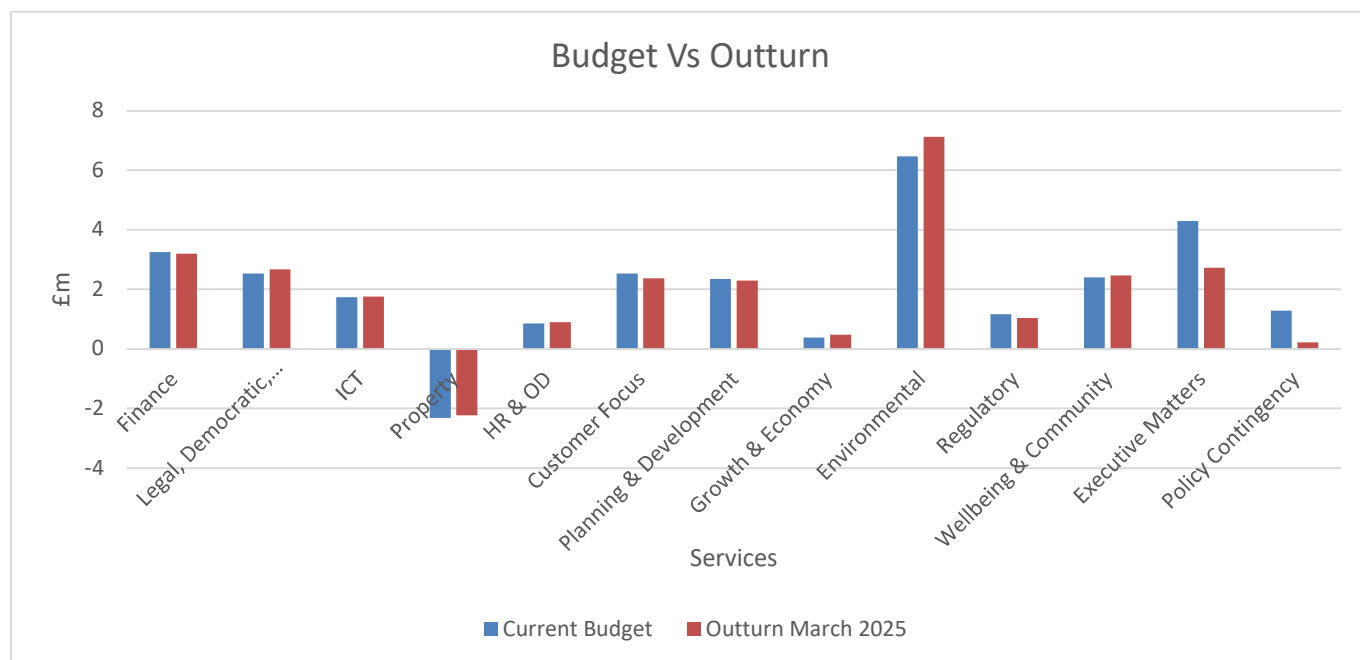
The council set a balanced budget in February 2024 for the 2024/25 financial year which anticipated the council retaining sufficient reserves to cover unexpected financial impacts on the council, with a number of specific reserves to help cover the council's commercial activities.

Regular monitoring reports were considered by the council's Executive and the council has delivered the budgeted balanced position after taking into account the variances on both the Cost of Services before transfers to reserves (underspend of £2.003m) and Total Funding (overachieved by £0.184m).

The table below summarises the 2024/25 financial outturn position across the council:

Financial Outturn	Budget £m	Actual £m	Variance £m
Communities	12.739	13.389	0.650
Resources & Transformation	8.571	8.651	0.080
Total Directorates	21.310	22.040	0.730
Executive Matters	4.400	2.725	(1.675)
Policy Contingency	1.277	0.219	(1.058)
Total Cost of Services	26.987	24.984	(2.003)
Funding	(26.987)	(27.171)	(0.184)
Total Net Cost of Services before transfers to reserves	0.000	(2.187)	(2.187)
Transfers to reserves	0.000	2.020	2.020
Total Net Cost of Services	0.000	0.000	(0.167)

In summary, the council delivered an overall balanced position against a net budget of £26.987m.



Some of the key factors for this include prudent levels of borrowing taken out in a timely manner and higher rates of interest than anticipated, a dividend received from the council's subsidiary company, an amortised revenue benefit from a discount received from the early redemption of a loan to the Public Works Loans Board and unallocated contingency budgets which have been transferred to reserves.

Financial Position

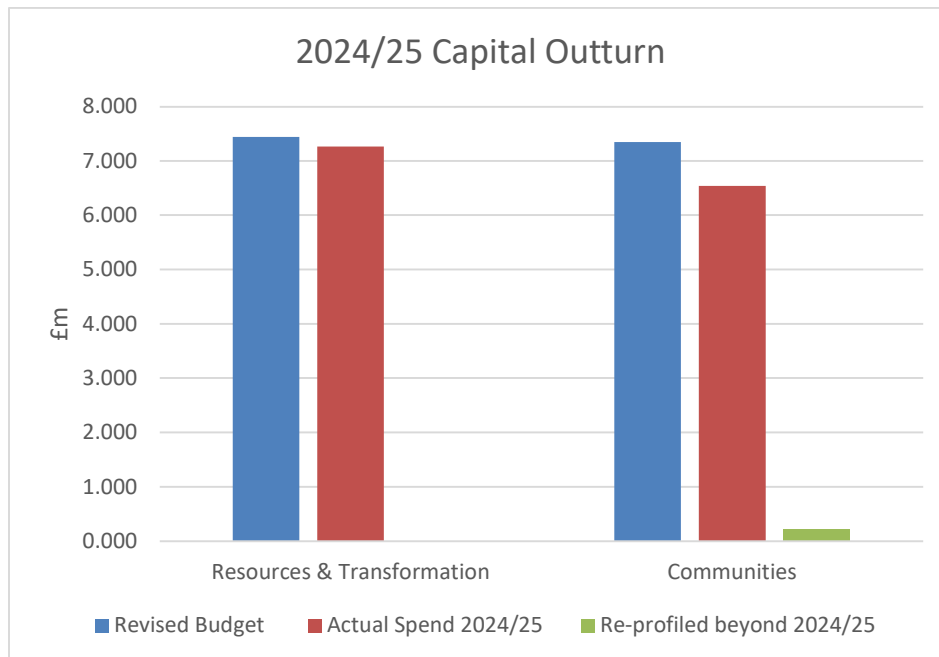
The council maintains a sound financial position in the current financial climate.

31st March 2024		
Non current assets (Property and Investments)	Long term liabilities (pension and provisions)	Funded by: Usable Reserves
£289m		£43m
	+	=
Net current assets (debtors, creditors and cash)	(£186m)	
(£43m)		+
		Unusable Reserves £16m
Net Assets £59m		

31st March 2025		
Non current assets (Property and Investments)	Long term liabilities (pension and provisions)	Funded by: Usable Reserves
£282m		£47m
	+	=
Net current assets (debtors, creditors and cash)	(£184m)	
(£50m)		+
		Unusable Reserves £2m
Net Assets £49m		

Capital Programme

The council has a capital programme which supports its long-term strategy of delivering a thriving and vibrant environment across the district as well as recognising the importance of investing in our assets to protect our core statutory functions.



Capital investment plans for 2024/25

The information below describes our major schemes and projects and the outcomes that we will achieve.

Town Centre House

The council has invested £7m in purchasing the freehold and returning Town Centre House to use following the discovery of reinforced autoclaved aerated concrete (RAAC) in the roof. Local Authority Housing Fund grants have been used to purchase the property from the leaseholder, giving the council full control of the future use of the property, to improve fire safety and to reconfigure the building to allow for flexibility of use. Refurbishment completed in February 2025, with tenants beginning to move into the 36 units of between 1 and four bedrooms in March 2025.

Castle Quay Offices

During 2024/25 the council converted the former BHS and Gap shop units at Castle Quay into modern offices, with the council moving in on 31 March 2025.

The new office marks a significant step in the council's climate action goals, with the building providing energy cost savings and a lower carbon footprint, thanks to its A rated Energy Performance Certificates. The council headquarters now sit at the heart of our community, making them easily accessible to the residents we serve.

Basis of Preparation and Presentation

The council produces a Statement of Accounts to provide transparency about the council's finances, to give assurance to stakeholders that public money has been properly accounted for and that the financial standing of the council is on a secure basis. The accounts (including notes to the accounts) for 2024/25 are set out on pages 20 to 136.

The accounts bring together all the council's financial statements for the year 2024/25 and show its financial position as at 31 March 2025. The statements reflect both revenue and capital elements for the council.

The Statement of Accounts must provide a 'true and fair' view of the council's financial position at 31 March 2025 and of its income and expenditure for the 2024/25 financial year. When preparing the accounts consideration is given to the materiality of information. Disclosure of information is made where omitting it could be misleading or inhibit the true and fair view.

The strong and prudent level of reserves are sufficient to ensure that the council is able to continue to meet the cost of the provision of services over the medium term. Therefore, the accounts are prepared on a 'going-concern' basis.

Financial Outlook

Cherwell District Council set a balanced budget in February 2025 for the 2025/26 financial year. In setting the 2025/26 budget, the council considered the ongoing financial impacts of the pay and inflation and considered if other budget pressures would be identified.

A policy contingency budget of £2.6m has been developed which includes contingencies of £1.1m for market risk, £1.0m for inflation and £0.5m general contingency.

The level of business rates income and council tax base were reviewed resulting in increases of income against previous plans (from the MTFS in February 2024) due to housing growth and a reduction in the number of businesses eligible to pay business rates not materialising at the rates anticipated. The council estimated it would hold £30.1m of earmarked reserves when setting the budget. In line with the Section 151 officer's risk assessments the level of general balances has been increased from £6.0m to £7.9m.

The Government has given a clear indication that it intends to introduce a business rates reset from 1 April 2026 and is also considering how it wishes to distribute funding across local government from 1 April 2026. The 2025 Spending Review was announced on 11 June 2025 and covers the years 2026/27 – 2028/29. This gives an indication of sector-wide spending levels in future years. However, there is no indication of detailed local government funding levels for 2026/27 and beyond.

The Financial Statements

The Statement of Accounts sets out the council's income levels and spending for the year and its financial position at 31 March 2025. The accounts include core and supplementary statements along with notes providing additional insight.

The format and context of the financial statements is set out in the CIPFA Code of Practice on Local Authority Accounting in the United Kingdom and is underpinned by International Financial Reporting Standards.

The Core Statements can be described as:

Expenditure and Funding Analysis	<p>The objective of the Expenditure and Funding Analysis is to demonstrate to council taxpayers how the funding available to the authority (i.e. government grants, council tax and business rates) for the year has been used in providing services in comparison with those resources consumed or earned by authorities in accordance with generally accepted accounting practices.</p> <p>It also shows the statutory adjustments between the funding basis that is used for the Outturn for the year and the accounting basis that is shown in the Comprehensive Income and Expenditure Statement.</p>
Comprehensive Income and Expenditure Statement	<p>Shows the accounting cost in the year ending 31 March 2025 of providing services in accordance with generally accepted accounting practices rather than the amount to be funded from taxation. Authorities raise taxation to cover expenditure in accordance with statutory requirements; this may be different from the accounting cost. The taxation position is shown in both the Expenditure and Funding Analysis and the Movement in Reserves Statement.</p>
Movement in Reserves Statement	<p>Shows the movement between 1 April 2024 and 31 March 2025 on the different reserves held by the council, analysed into 'useable reserves' (i.e. those that can be applied to fund expenditure or reduce local taxation) and other 'unusable reserves' (for example the Revaluation Reserve which holds unrealised gains and losses or the Capital Adjustment Account which holds adjustments between the accounting basis and funding basis under regulations). This statement shows how the movements in year of the council's reserves are broken down between gains and losses incurred in accordance with generally accepted accounting practices and the statutory adjustments required to return to the amounts chargeable to council tax for the year. The Net Increase/Decrease line shows the statutory General Fund Balance in the year following those adjustments.</p>
Balance Sheet	<p>The balance sheet shows the values as at 31 March 2025 of the assets and liabilities recognised by the council. The net assets of the council (assets less liabilities) are matched by the reserves held by the council, analysed between 'useable' and 'unusable' reserves.</p>
Cash Flow Statement	<p>This summarises the changes in cash and cash equivalents during 2024/25. The statement shows how the council generates and uses cash and cash equivalents by classifying cash flows as operating, investing and financing activities. The amount of net cash flows arising</p>

	<p>from operating activities is a key indicator of the extent to which the operations of the council are funded by way of taxation and grant income or from the recipients of services provided by the council. Investing activities represent the extent to which cash flows have been made for resources which are intended to contribute to the council's future service delivery. Cash flows arising from financing activities are useful in predicting claims on future cash flows by providers of capital (i.e. borrowing) to the council.</p>
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The Supplementary Financial Statements are:

Notes to the Accounts – these provide additional insight into the accounting policies and accounting transactions during the year.

Collection Fund Accounts – this shows a summary of the collection of council tax and business rates during the year as well as any redistribution of that money to other local authorities and central government.

Group Accounts – these set out the consolidated position for the council and its subsidiary companies, namely the Graven Hill and Crown House companies.

The Annual Governance Statement – this provides an overview of the governance arrangements and assessment of internal controls the council has in place.

Statement of Responsibilities for the Statement of Accounts

The Council's Responsibilities

The Council is required to:

- make arrangements for the proper administration of its financial affairs and to secure that one of its officers has the responsibility for the administration of those affairs. In this Council, that officer is the Assistant Director of Finance (Section 151 Officer);
- manage its affairs to secure economic, efficient and effective use of resources and safeguard its assets; and
- approve the Statement of Accounts.

The Section 151 Officer is responsible for the preparation of the Council's Statement of Accounts, in accordance with proper practices, as set out in the CIPFA (Chartered Institute of Public Finance and Accountancy) Code of Practice on Local Authority Accounting in the United Kingdom (the Code of Practice).

In preparing this Statement of Accounts, the Section 151 Officer has:

- selected suitable accounting policies and then applied them consistently
- made judgements and estimates that were reasonable and prudent
- complied with the Local Authority Code

The Section 151 Officer has also:

- kept proper accounting records which were up to date; and
- taken reasonable steps for the prevention and detection of fraud and other irregularities.

Section 151 Officer's Certificate:

I certify that the draft Statement of Accounts gives a true and fair view of the financial position of the Council at the reporting date and of its expenditure and income for the year ended 31 March 2025.

Michael Furness

Assistant Director of Finance and Section 151 Officer

Date: 27/06/2025

Chairman of Accounts, Audit and Risk Committee Certificate:

I certify that the Statement has been discussed with and endorsed by the Chair of the Accounts, Audit and Risk Committee

Councillor Simon Lytton

Chairman of Accounts, Audit and Risk Committee

Date:

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CHERWELL DISTRICT COUNCIL

This page is left intentionally blank - the independent auditors report will be included in final version of the accounts when the audit has been completed.

DRAFT

Expenditure and Funding Analysis

The objective of the Expenditure and Funding Analysis is to demonstrate to council tax payers how the funding available to the authority (i.e. government grants, council tax and business rates) for the year has been used in providing services in comparison with those resources consumed or earned by authorities in accordance with generally accepted accounting practices.

The Expenditure and Funding Analysis also shows how this expenditure is allocated for decision making purposes between the council's directorates. Income and expenditure accounted for under generally accepted accounting practices is presented more fully in the Comprehensive Income and Expenditure Statement.

Year Ending 31 Mar 25					
Services	Net expenditure for internal reporting £'000	Adjustment for use of / (transfer to) Earmarked Reserves included in internal reporting £'000	Net Expenditure Chargeable to the General Fund Balance £'000	Adjustments between accounting and funding basis (Note 7a) £'000	Net Expenditure in the Comprehensive Income and Expenditure Statement £'000
Communities	13,389	1,137	14,526	8,759	23,285
Resources & Transformation	8,650	1,040	9,690	11,624	21,314
Net Cost of Services	22,039	2,178	24,217	20,382	44,599
Other Income and Expenditure	(22,207)	(6,217)	(28,424)	(9,210)	(37,634)
(Surplus) or Deficit on Provision of Services	(167)	(4,040)	(4,208)	11,172	6,965
Opening General Fund and Earmarked Reserve Balance*			(37,028)		
Plus / less (Surplus) or Deficit on the General Fund Balance for the Year (Statutory basis)			(4,208)		
Closing General Fund and Earmarked Reserve Balance*			(41,236)		

*For a split of the General Fund and Earmarked Reserve Balance see the Movement in Reserves Statement

Year Ending 31 Mar 24

Services	Net expenditure for internal reporting £'000	Adjustment for use of / (transfer to) Earmarked Reserves included in internal reporting £'000	Net Expenditure Chargeable to the General Fund Balance £'000	Adjustments between accounting and funding basis (Note 7a) £'000	Net Expenditure in the Comprehensive Income and Expenditure Statement £'000
Communities	12,284	1,401	13,685	6,158	19,843
Resources & Transformation	9,141	318	9,459	2,184	11,643
Net Cost of Services	21,425	1,719	23,144	8,342	31,485
Other Income and Expenditure	(21,425)	(8,925)	(30,350)	(5,695)	(36,046)
(Surplus) or Deficit on Provision of Services	0	(7,206)	(7,206)	2,646	(4,560)
Opening General Fund and Earmarked Reserve Balance*			(29,823)		
Plus / less (Surplus) or Deficit on the General Fund Balance for the Year (Statutory basis)			(7,206)		
Closing General Fund and Earmarked Reserve Balance*			(37,028)		

*For a split of the General Fund and Earmarked Reserve Balance see the Movement in Reserves Statement

Comprehensive Income and Expenditure Statement

Year Ending 31 Mar 24				Directorates	Year Ending 31 Mar 25		
Expenditure	Income	Net			Expenditure	Income	Net
£'000	£'000	£'000	Notes		£'000	£'000	£'000
38,893	(19,050)	19,843		Communities	42,391	(19,106)	23,285
44,856	(33,213)	11,643		Resources & Transformation	55,154	(33,839)	21,314
83,749	(52,263)	31,485		Cost of Services	97,544	(52,945)	44,599
6,042	(109)	5,933	10	Other Operating Expenditure	6,356	(128)	6,227
6,026	(7,454)	(1,428)	11	Financing and Investment (Income) and Expenditure	5,617	(6,889)	(1,272)
0	(40,551)	(40,551)	12	Taxation and Non-Specific Grant (Income)	0	(42,589)	(42,589)
95,816	(100,377)	(4,560)		(Surplus) or Deficit on Provision of Services	109,517	(102,552)	6,965
		462	14, 25	(Surplus) or deficit on revaluation of Property, Plant and Equipment			278
		(5,115)	35	Remeasurement of the net defined benefit liability / (asset)			3,584
		(4,653)		Other Comprehensive (Income) and Expenditure			3,862
		(9,213)		Total Comprehensive (Income) and Expenditure			10,827

Movement in Reserves Statement

	General Fund Balance	Earmarked General Fund Reserves	Capital Receipts Reserve	Capital Grants Un-Applied Account	Total Usable Reserves	Unusable Reserves	Total Reserves
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Opening Balance at 31 March 2024	(6,152)	(30,876)	(606)	(5,688)	(43,322)	(16,158)	(59,480)
Movement in reserves during 2024/25							
(Surplus) or deficit on the provision of services	6,965	0	0	0	6,965	0	6,965
Other Comprehensive (Income) / Expenditure	0	0	0	0	0	3,862	3,862
Total Comprehensive (Income) and Expenditure	6,965	0	0	0	6,965	3,862	10,827
Adjustments between accounting basis and funding basis under regulations - Note 08	(11,172)	0	606	367	(10,200)	10,200	0
Net (Increase) or Decrease before Transfers to Earmarked Reserves	(4,208)	0	606	367	(3,235)	14,062	10,827
Transfers (to) / from Earmarked Reserves - Note 09	2,340	(2,340)	0	0	0	0	0
(Increase) or Decrease in 2024/25	(1,868)	(2,340)	606	367	(3,235)	14,062	10,827
Closing Balance at 31 March 2025	(8,021)	(33,216)	0	(5,321)	(46,557)	(2,097)	(48,654)
	General Fund Balance	Earmarked General Fund Reserves	Capital Receipts Reserve	Capital Grants Un-Applied Account	Total Usable Reserves	Unusable Reserves	Total Reserves
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Opening Balance at 31 March 2023	(6,152)	(23,670)	0	(5,849)	(35,671)	(14,596)	(50,267)
Movement in reserves during 2023/24							
(Surplus) or deficit on the provision of services	(4,560)	0	0	0	(4,560)	0	(4,560)
Other Comprehensive (Income) / Expenditure	0	0	0	0	0	(4,653)	(4,653)
Total Comprehensive (Income) and Expenditure	(4,560)	0	0	0	(4,560)	(4,653)	(9,213)
Adjustments between accounting basis and funding basis under regulations - Note 08	(2,646)	0	(606)	162	(3,090)	3,090	0
Net (Increase) or Decrease before Transfers to Earmarked Reserves	(7,206)	0	(606)	162	(7,650)	(1,563)	(9,213)
Transfers (to) / from Earmarked Reserves - Note 09	7,206	(7,206)	0	0	0	0	0
(Increase) or Decrease in 2023/24	0	(7,206)	(606)	162	(7,650)	(1,563)	(9,213)
Closing Balance at 31 March 2024	(6,152)	(30,876)	(606)	(5,688)	(43,322)	(16,158)	(59,480)

Balance Sheet

31-Mar-24			31-Mar-25
£'000	Notes		£'000
173,866	14	Property, Plant and Equipment	168,824
4,274	15	Investment Property	4,545
1,750	16	Intangible Assets	1,309
35,649	17	Long Term Investments	35,649
73,236	17	Long Term Debtors	71,727
288,774		Long Term Assets	282,054
13,087	17	Short-term Investments	0
263	18	Inventories	234
12,982	19	Short Term Debtors	12,603
8,955	20	Cash and Cash Equivalents	5,225
199	21	Assets Held for Sale	0
35,486		Current Assets	18,062
(36,937)	17	Short-Term Borrowing	(27,095)
(29,745)	22	Short-Term Creditors	(29,955)
(4,193)	23	Provisions	(3,567)
(3,141)	29	Grants Receipts in Advance - Revenue	(3,093)
(3,428)	29	Grants Receipts in Advance - Capital	(3,651)
(1,408)	20	Cash and Cash Equivalents	(408)
(78,852)		Current Liabilities	(67,768)
(1,770)	23	Provisions	(2,198)
(145,000)	17	Long Term Borrowing	(139,000)
(22,700)	35	Pension Liabilities	(27,933)
(14)	17	Long Term Creditors	(59)
(5,655)	29	Grants Receipts in Advance - Revenue	(5,682)
(10,789)	29	Grants Receipts in Advance - Capital	(8,821)
(185,928)		Long Term Liabilities	(183,694)
59,480		Net Assets/(Liability)	48,654
(43,322)	24	Usable Reserves	(46,557)
(16,158)	25	Unusable Reserves	(2,097)
(59,480)		Total Reserves	(48,654)

I certify that the statement of accounts gives a true and fair view of the financial position of the authority at 31 March 2025 and its income and expenditure for the year to 31 March 2025.

Michael Furness

Assistant Director of Finance and Section 151 Officer

Date: 27/06/2025

Cash Flow Statement

The Cash Flow Statement shows the changes in cash and cash equivalents of the authority during the reporting period.

31-Mar-24 £'000	Cash Flows from Operating Activities	Note(s)	31-Mar-25 £'000
(4,560)	Net (Surplus)/Deficit on Provision of Services		6,965
(5,102)	Depreciation & Impairment	14	(5,438)
(3,794)	Changes in Market Value of Property, Plant, Equipment	14, 32	(9,852)
(549)	Amortisation of Intangible Assets	16	(527)
(367)	Changes in Fair Value of Investment Properties	15	272
(89)	Disposal of Assets	14, 15 & 16	(1,055)
(130)	Impairment of assets	14	0
(94)	Changes in Inventory	18	(29)
(4,579)	Changes in Short term Debtors	19	(379)
17,305	Changes in Short term Creditors	22	(210)
2,139	Changes in Provisions	23	198
8,609	Changes in Net Pension Liability	25	(5,233)
(5,115)	Remeasurement of Net Defined Benefit Liability	35	3,584
1,553	Changes in long term creditors	17	(45)
2,827	Changes in long term debtors	17	(1,509)
6,108	Capital Grants Recognised	29	7,026
606	Proceeds on Disposal of Property, Plant & Equipment	24	891
14,768	Net Cash Flows from Operating Activities		(5,342)
Cash Flows from Investing Activities			
8,992	Purchase of Property, Plant & Equipment	14, 31, 32	11,382
0	Purchase and Enhancement of Investment Property	15	0
334	Purchase of Intangible Assets	16	86
(606)	Proceeds from the Disposal of Property, Plant and Equipment	24	(891)
(22,014)	Net Changes in Short-term and Long-term Investments	17	(13,087)
(13,294)	Net Cash Flows from Investing Activities		(2,509)
Cash Flows from Financing Activities			
(1,824)	Changes in Grants and Contributions received in advance	29	1,766
(6,108)	Capital Grants and Contributions Recognised	29	(7,026)
6,964	Cash Receipts of Short-term and Long-term Borrowing	17	15,842
(968)	Net Cash Flows from Financing Activities		10,582
505	Net (Increase)/Decrease in Cash and Cash Equivalents in the Period		2,731
8,052	Cash and Cash Equivalents at the Beginning of the Period		7,547
7,547	Cash and Cash Equivalents at the End of the Period	20	4,816
Items included in net cash flow from operating activities include:			
(7,160)	Interest Receivable and similar income	17	(6,619)
4,738	Interest Payable (including Finance lease interest)	17	4,625
(2,422)			(1,955)

Notes

Note 1 – Accounting Policies

General principles

The Statement of Accounts summarises the council's transactions for the 2024/25 financial year and its position at the year-end of 31st March 2025. The council is required to prepare an annual Statement of Accounts by the Accounts and Audit (England) Regulations 2015, which those Regulations require to be prepared in accordance with proper accounting practices.

These practices under Section 21 of the Local Government Act 2003 primarily comprise the Code of Practice on Local Authority Accounting in the United Kingdom 2024/25 and the Service Reporting Code of Practice 2024/25, supported by International Financial Reporting Standards (IFRS) and statutory guidance issued under section 12 of the 2003 Act.

The accounting convention adopted in the Statement of Accounts is principally historical cost, modified by the revaluation of certain categories of non-current assets and financial instruments.

1.1 Going Concern

The accounts are prepared on a going concern basis; that is, on the assumption that the functions of the council will continue in operational existence for the foreseeable future from the date that the accounts are authorised for issue.

The council has carried out a detailed assessment of economic pressures on its financial position and performance during 2024/25 as part of the budget setting process. This included consideration of the following:

- Additional expenditure on a service-by-service basis, e.g., extra inflationary and service demand pressures.

- The impact of the above on the council's cash flow and treasury management, including availability of liquid cash, impact on investment returns, and availability of external borrowing if required.

- The estimated overall impact on the council's General Fund

As set out in the 2025/26 Budget and Medium-Term Financial Strategy up to 2029/30 approved by Council in February 2025, the council has set aside a contingency to cover potential inflation of £1.0m. The council also set a contingency budget for market risk and general contingency throughout the medium term.

The council's Medium-Term Financial Strategy identifies that the council needs to identify savings of £4.9m in 2026/27. This is primarily due to a forecast reduction in resources from business rates and central government grants, combined with forecast increased costs due to inflation.

In addition to continuing to lobby policy makers, highlighting where the council has been delivering growth and driving benefits to others, the council has developed a strategy to meet the challenges highlighted in the MTFS if funding reductions are implemented. Whilst the council will develop plans for scenarios that include a full

business rates reset phased over three years, it will continue to lobby the Government for a rolling reset to be introduced. It will put forward the case that councils such as Cherwell that have embraced the Government's Business Rates Retention reward scheme should not be disadvantaged following its success in delivering business growth and associated benefits to service delivery. Implementation of savings plans developed will not take place until it is clear that the savings must be achieved. Approaches the council will adopt to identify savings will include:

Transformation

The council worked in collaboration with external consultants to provide capacity to supplement the council's approach to identifying transformative options to service delivery that would allow the council to maintain service levels but operate at reduced costs. This process has identified a significant number of opportunities for the council to evaluate further and develop over the MTFS period. The opportunities are made up of a combination of transformation service efficiencies, increased income and indicative potential changes in service levels provided by the council. Some of these proposals were included in the 2025/26 budget where they were fully developed. However, the remainder of the proposals need to be fully worked up, but initial work has estimated that the efficiencies and income proposals could be worth £5.670m in total.

All of these proposals need to be worked up further to be fully refined and it is likely that there will be some implementation costs associated with some of these proposals to support the development of new ways of working, including adopting new technologies where appropriate. This process is currently underway. Once the council has a more refined understanding of the expected savings that these proposals can develop specific business cases and identify the associated implementation costs. Implementation costs will be able to be funded from reserves following approval of a suitable business case. Currently the projected 2025/26 opening balance of the Projects Reserve is £5.5m. This could be made available towards implementation if required.

Furthermore, the council will continue to look for future transformation efficiencies through future rounds of the transformation and budget process. The council will continue to look for significant transformation opportunities across its services whilst also looking for more modest savings opportunities that can be implemented in the short term. As and when the significant savings opportunities are fully worked up, they will be brought into the MTFS.

Transformation will continue to be applied across all services of the council. This will ensure that in the future they are provided in a joined-up way that maximises the delivery of the council's priorities within the resources available to the council.

Prioritisation and Service Levels

As part of the 2025/26 budget and transformation process, the council has reviewed its services to consider what levels of service could be provided in the future from statutory minimum through to current levels of service and enhanced. Each of these service levels was also costed. Each level of service can be scored to consider what level of contribution can be made towards the council's priorities.

This process allows the council to consider what level of service can be provided at different costs whilst maximising delivery of the council's priorities. As part of the 2026/27 – 2030/31 budget and transformation process this can be further enhanced by breaking each service down into more specific activity units and so being able to generate far more specific options for service level delivery and understanding total spend against the council's priorities.

Similarly in setting the 2025/26 budget, all capital schemes have been mapped to the priority that they link most closely to. The transformation and budget process for 2026/27 – 2030/31 will then be developed to maximise the ability to deliver the priorities of the council within the level of resources available to it. An initial review has given an indicative amount of £4.5m that could be saved by adopting the prioritisation approach.

Savings Targets

Whilst the council will look to deliver savings through transformation, efficiencies and prioritisation wherever possible, the council should retain the option of issuing savings targets. If necessary, then services may be issued with a target number of savings to deliver from their budget which they have control over. So, for example where there are budgets which hold corporate costs in a service area, a savings target should not be applied to this.

Whilst identifying £4.9m savings in 2026/27 will be a challenge, the council has demonstrated that it is capable of identifying and delivering significant savings in recent years, with a total of £10.4m of savings identified across the 2021/22 to 2025/26 budgets. The Executive will receive monthly updates on the financial position throughout 2025/26, including progress against savings delivery. Progress against savings delivery is managed by the Budget Oversight Group and senior management.

In setting the 2025/26 budget, the council has determined that £7.8m of general balances is a prudent level in order to manage identified risks, in line with the Assistant Director of Finance (S151 Officer)'s risk assessment. A further £28m of other earmarked reserves could also be made available if absolutely necessary. The council continues to review its reserves position regularly as per its Reserves Policy.

The council's cashflow forecast to the end of March 2026 demonstrates that the council has access to sufficient cash over the medium-term to support planned council and Group activities. This assumes maximum planned borrowing of £180m in the period and includes flexibility for additional borrowing of up to £20m whilst remaining within the council's operational boundary should income be less than forecast or expenditure more than forecast in the period.

It is therefore noted that there is significant headroom within the General Fund to absorb the estimated financial impact of economic pressures in the short to medium-term. Furthermore, the CIPFA Code of Practice on Local Authority Accounting in England requires that local authorities prepare their accounts on a going concern basis, as they can only be discontinued under statutory prescription. For these reasons, the council does not consider that there is material uncertainty in respect of its ability to continue as a going concern for the foreseeable future.

1.2 Accruals of Income and Expenditure

Activity is accounted for in the year that it takes place, not simply when cash payments are made or received. In particular:

Revenue from contracts with service recipients, whether for services or the provision of goods, is recognised when (or as) the goods or services are transferred to the service recipient in accordance with the performance obligations in the contract.

Supplies are recorded as expenditure when they are consumed – where there is a gap between the date supplies are received and their consumption; they are carried as inventories on the Balance Sheet.

Expenses in relation to services received (including services provided by employees) are recorded as expenditure when the services are received rather than when payments are made.

An exception to this policy is housing benefit transactions which are accounted for on a cash basis, that is, when the payment is made.

Interest receivable on investments is accounted for respectively as income on the basis of the effective interest rate for the relevant financial instrument rather than the cash flows fixed or determined by the contract.

Where revenue and expenditure have been recognised but cash has not been received or paid, a debtor or creditor for the relevant amount is recorded on the Balance Sheet. Where debts may not be settled, the balance of debtors is written down and a charge made to revenue for the income that might not be collected.

The de minimis level for manual accruals has been maintained at £20,000, which is reviewed annually. This removes small transactions at the end of the financial year that do not materially affect the accounts. Purchase orders raised automatically through the financial information system are processed with no de minimis level.

For business rates, the levy or safety net payments owed to or from Central Government for the financial year are reported in the year they relate to on an accruals basis. Cherwell is the lead authority for the North Oxfordshire Pool and has accounted for the amounts owing to the Pool for levy payments and owed to the other pool members for the gain from the pool on an accruals basis.

1.3 Cash and Cash Equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in three months or less from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

In the Cash Flow Statement, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the council's cash management.

1.4 Changes in accounting policy no longer need to be material to result in a Prior Period Adjustment.

Prior period adjustments may arise as a result of a change in accounting policies or to correct a material error. Changes in accounting estimates are accounted for prospectively, i.e., in the current and future years affected by the change and do not give rise to a prior period adjustment.

Changes in accounting policies are only made when required by proper accounting practices or the change provides more reliable or relevant information about the effect of transactions, other events and conditions on the council's financial position or financial performance. Where a change is made, it is applied retrospectively (unless stated otherwise) by adjusting opening balances and comparative amounts for the prior period as if the new policy had always been applied. Accounting policies that relate to statutory accounting requirements are accounted for in the same manner as other accounting policies.

Material errors discovered in prior period figures are corrected retrospectively by amending opening balances and comparative amounts for the prior period.

Charges to Revenue for Non-Current Assets

Services, support services and trading accounts are debited with the following amounts to record the cost of holding fixed assets during the year:

Depreciation attributable to the assets used by the relevant service

Revaluation and impairment losses on assets used by the service where there are no accumulated gains in the Revaluation Reserve against which the losses can be written off

Amortisation of intangible fixed assets attributable to the service.

The council is not required to raise council tax to fund depreciation, revaluation and impairment losses or amortisations. However, it is required to make an annual contribution from revenue towards the reduction in its overall borrowing requirement equal to an amount calculated on a prudent basis determined by the council in accordance with statutory guidance. Depreciation, revaluation and impairment losses and amortisations are replaced by the contribution in the General Fund Balance Minimum Revenue Payment (MRP) by way of an adjusting transaction with the Capital Adjustment Account in the Movement in Reserves Statement for the difference between the two.

1.5 Collection Fund Income and Expenditure Account

The council has a statutory requirement to operate a Collection Fund as a separate account to the General Fund. The purpose of the Collection Fund is to isolate the income and expenditure relating to Council Tax and National Non-Domestic Rates.

1.5.1 Council Tax and Non-Domestic Rates

Billing authorities act as agents, collecting council tax and non-domestic rates (NDR) on behalf of the major preceptors (including government for NDR) and, as principals, collecting council tax and NDR for themselves. Billing authorities are required by statute to maintain a separate fund (i.e., the Collection Fund) for the collection and distribution of amounts due in respect of council tax and NDR.

Under the legislative framework for the Collection Fund, billing authorities, major preceptors and central government share proportionately the risks and rewards that the amount of council tax and NDR collected could be less or more than predicted.

Collection Fund surpluses/deficits declared by the Billing Authority in relation to Council Tax are apportioned to the relevant precepting bodies in the subsequent financial year. For Cherwell District Council, the major Council Tax precepting bodies are Oxfordshire County Council and Thames Valley Police and Crime Commissioner. For Cherwell District Council, the NDR precepting bodies are Central Government (50% share) Cherwell District Council (40% share) and Oxfordshire County Council (10% share).

Cherwell District Council participates in a Business Rates pool with Oxfordshire County Council and West Oxfordshire District Council to minimise the levy payment due on growth in NDR income and thereby maximise the retention of locally generated business rates.

1.5.2 Accounting for Council Tax and NDR

The council tax and NDR income included in the Comprehensive Income and Expenditure Statement is the authority's share of accrued income for the year. However, regulations determine the amount of council tax and NDR that must be included in the authority's General Fund. Therefore, the difference between the income included in the Comprehensive Income and Expenditure Statement and the amount required by regulation to be credited to the General Fund is taken to the Collection Fund Adjustment Account and included as a reconciling item in the Movement in Reserves Statement.

The Balance Sheet includes the authority's share of the end of year balances in respect of council tax and NDR relating to arrears, impairment allowances for doubtful debts, overpayments, prepayments, and provision for appeals.

Where debtor balances for the above are identified as impaired because of a likelihood arising from a past event that payments due under the statutory arrangements will not be made (fixed or determinable payments), the asset is written down and a charge made to the Financing and Investment Income and Expenditure line in the Comprehensive Income Expenditure Statement or CIES. The impairment loss is measured as the difference between the carrying amount and the revised future cash flows.

1.6 Exceptional Items

When items of income and expense are material, their nature and amount is disclosed separately, either on the face of the Comprehensive Income and Expenditure Statement or in the notes to the accounts, depending on how significant the items are to an understanding of the council's financial performance.

The council has no Exceptional Items in 2024/25.

1.7 Employee Benefits

1.7.1 Benefits Payable during Employment

Short-term employee benefits are those due to be settled within 12 months of the year-end. They include such benefits as wages and salaries, paid annual leave and paid sick leave for current employees and are recognised as an expense for services in the year in which employees render service to the council. An accrual is made for the cost of holiday entitlements (or any form of leave - e.g., time off in lieu, flex-leave) earned by employees but not taken before the year-end which employees can carry forward into the next financial year. The accrual is charged to the service account, but then reversed out through the Movement in Reserves Statement so that holiday benefits accrual has no impact on Council Tax and holiday benefits are charged to revenue in the financial year in which the holiday absence occurs.

1.7.2 Termination Benefit

Termination benefits are amounts payable as a result of a decision by the authority to terminate an officer's employment before the normal retirement date or an officer's decision to accept voluntary redundancy in exchange for those benefits and are charged on an accruals basis to the appropriate

service segment or, where applicable, to a corporate service segment at the earlier of when the authority can no longer withdraw the offer of those benefits or when the authority recognises costs for a restructuring.

Where termination benefits involve the enhancement of pensions, statutory provisions require the General Fund Balance to be charged with the amount payable by the authority to the pension fund or pensioner in the year, not the amount calculated according to the relevant accounting standards. In the Movement in Reserves Statement, appropriations are required to and from the Pensions Reserve to remove the notional debits and credits for pension enhancement termination benefits and replace them with debits for the cash paid to the pension fund and pensioners and any such amounts payable but unpaid at the year-end.

1.7.3 Post-Employment Benefits

Employees of the council are members of the Local Government Pension Scheme, administered by Oxfordshire County Council, unless they choose to opt out of the scheme. The scheme provides defined benefits to members (retirement lump sums and pensions), earned as employees worked for the council.

The Local Government Pension Scheme is accounted for as a defined benefit scheme.

The pension fund liability is calculated every three years by the fund's actuary, with annual updates in the intervening years. Methods and assumptions consistent with International Accounting Standard (IAS) 19 are used in the calculations. Assumptions underpinning the valuations are agreed with the actuary and are summarised in Note 35. The estimate of the liability is therefore subject to significant variances based on changes to the assumptions used.

The liabilities of the Oxfordshire County Council pension scheme attributable to the council are included in the Balance Sheet on an actuarial basis using the projected unit method – i.e., an assessment of future payments that will be made in relation to retirement benefits earned to date by employees, based on assumptions about mortality rates, employee turnover rates, etc., and projections of projected earnings of current employees.

Liabilities are discounted to their value at current prices, using a discount rate based on the indicative rate of return on a high-quality corporate bond. The discount rates are based on the annualised yield on the iBoxx over 15-year AA rated corporate bond index.

The iBoxx bond market indices are benchmarks for professional use and comprise liquid investment grade bond issues. They enable investors to analyse and select benchmarks that reflect their investment profile.

The assets of the Oxfordshire County Council pension fund attributable to the council are included in the Balance Sheet at their fair value and include quoted securities at current bid price and property at market value.

The change in the net pension's liability is analysed into the following components:

1.7.4 Service cost comprising:

Current service cost – the increase in liabilities as a result of years of service earned this year – allocated in the Comprehensive Income and Expenditure Statement to the services for which the employees worked

Past service cost – the increase in liabilities arising from current year decisions whose effect relates to years of service earned in earlier years – debited to the Surplus or Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement as part of Non-Distributed Costs

Net interest on the net defined benefit liability (asset) i.e., net interest expense for the council – the change during the period in the net defined benefit liability (asset) that arises from the passage of time charged to the Financing and Investment Income and Expenditure line of the Comprehensive Income and Expenditure Statement. This is calculated by applying the discount rate used to measure the defined benefit obligation at the beginning of the period to the net defined benefit liability (asset) at the beginning of the period – taking into account any changes in the net defined benefit liability (asset) during the period as a result of contribution and benefit payments.

1.7.5 Re-measurements comprising:

The return on assets – excluding amounts included in net interest on the net defined benefit liability (asset) – charged to the Pensions Reserve as Other Comprehensive Income and Expenditure.

Actuarial gains and losses – changes in the net pension's liability that arise because events have not coincided with assumptions made at the last actuarial valuation or because the actuaries have updated their assumptions – charged to the Pensions Reserve as Other Comprehensive Income and Expenditure.

Contributions paid to the Oxfordshire pension fund – cash paid as employer's contributions to the pension fund in settlement of liabilities; not accounted for as an expense.

In relation to retirement benefits, statutory provisions require the General Fund balance to be charged with the amount payable by the council to the pension fund or directly to pensioners in the year, not the amount calculated according to the relevant accounting standards.

In the Movement in Reserves Statement, this means that there are appropriations to and from the Pensions Reserve to remove the notional debits and credits for retirement benefits and replace them with debits for the cash paid to the pension fund and pensioners and any such amounts payable but unpaid at the year-end.

The negative balance that arises on the Pensions Reserve thereby measures the beneficial impact to the General Fund of being required to account for retirement benefits on the basis of cash flows rather than as benefits are earned by employees.

1.7.6 Discretionary Benefits

The council also has restricted powers to make discretionary awards of retirement benefits in the event of early retirements. Any liabilities estimated to arise as a result of an award to any member of staff are accrued in the year of the decision to make the award and accounted for using the same policies as are applied to the Local Government Pension Scheme.

1.8 Events after the Reporting Period

Events after the balance sheet date are those events, both favourable and unfavourable, that occur between the end of the reporting period and the date when the Statement of Accounts is authorised for issue.

Two types of events can be identified:

Those that provide evidence of conditions that existed at the end of the reporting period – the Statement of Accounts is adjusted to reflect such events; and

Those that are indicative of conditions that arose after the reporting period – the Statement of Accounts is not adjusted to reflect such events, but where a category of events would have a material effect, disclosure is made in the notes of the nature of the events and their estimated financial effect.

Events taking place after the date of authorisation for issue are not reflected in the Statement of Accounts.

1.9 Financial Instruments

Financial instruments are recognised on the Balance Sheet when the council becomes a party to the contractual provisions of a financial instrument.

1.9.1 Financial Liabilities

Financial liabilities are recognised on the Balance Sheet when the council becomes a party to the contractual provisions of a financial instrument and are initially measured at fair value and are carried at their amortised cost. Annual charges to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement for interest payable are based on the carrying amount of the liability, multiplied by the effective rate of interest for the instrument. The effective interest rate is the rate that exactly discounts estimated future cash payments over the life of the instrument to the amount at which it was originally recognised.

For most of the borrowings that the authority has, this means that the amount presented in the Balance Sheet is the outstanding principal repayable (plus accrued interest); and interest charged to the Comprehensive Income and Expenditure Statement is the amount payable for the year according to the loan agreement.

Gains and losses on the repurchase or early settlement of borrowing are credited and debited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement in the year of repurchase/settlement. However, where repurchase has taken place as part of a restructuring of the loan portfolio that involves the modification or exchange of existing instruments, the premium or discount is respectively deducted from or added to the amortised cost of the new or modified loan and the write-down to the Comprehensive Income and Expenditure Statement is spread over the life of the loan by an adjustment to the effective interest rate.

Where premiums and discounts have been charged to the Comprehensive Income and Expenditure Statement, regulations allow the impact on the General Fund Balance to be spread over future years. The authority has a policy of spreading the gain or loss over the term that was remaining on the loan against which the premium was payable or discount receivable when it was repaid. The reconciliation of amounts charged to the Comprehensive Income and Expenditure Statement to the net charge required against the General Fund Balance is managed by a transfer to or from the Financial Instruments Adjustment Account in the Movement in Reserves Statement.

The fair values of loans are estimated as the price the lender would receive to sell the loans to another market participant on the balance sheet date, based on observed market rates for similar transactions.

1.9.2 Financial Assets

Financial assets are classified into two types:

Loans and receivables – assets that have fixed or determinable payments but are not quoted in an active market; and

Available-for-sale assets – assets that have a quoted market price and/or do not have fixed or determinable payments.

The council has financial assets comprising of long-term and short-term investments, long-term debtors, short-term debtors (excluding statutory debts such as Council Tax, Non-Domestic Rates, rent allowances, precepts, etc.) and cash & cash equivalents. These are assets that have fixed or determinable payments but are not quoted in an active market. They are recognised on the Balance Sheet when the council becomes a party to the contractual provisions of a financial instrument and are initially measured at fair value. They are subsequently measured at their amortised cost.

Annual credits to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement for interest receivable are based on the carrying amount of the asset multiplied by the effective rate of interest for the instrument. For most of the loans that the council has made, this means that the amount presented in the Balance Sheet is the outstanding principal receivable (plus accrued interest) and interest credited to the Comprehensive Income and Expenditure Statement is the amount receivable for the year in the loan agreement.

Where assets are identified as impaired because of a likelihood arising from a past event that payments due under the contract will not be made, the asset is written down and a charge made to the relevant service (for receivables specific to that service) or the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement. The impairment loss is measured as the difference between the carrying amount and the present value of the revised future cash flows discounted at the asset's original effective interest rate.

Any gains and losses that arise on the derecognition of an asset are credited or debited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement.

1.9.3 Available-for-Sale Assets

The council has available for sale financial assets in the form of, for example, Certificates of Deposit. Available-for-sale assets are recognised on the Balance Sheet when the Authority becomes a party to the contractual provisions of a financial instrument and are initially measured and carried at fair value. Where the asset has fixed or determinable payments, annual credits to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement for interest receivable are based on the amortised cost of the asset multiplied by the effective rate of interest for the instrument. Where there are no fixed or determinable payments, income (e.g., dividends) is credited to the Comprehensive Income and Expenditure Statement when it becomes receivable by the Authority.

Assets are maintained in the Balance Sheet at fair value. Values are based on the following techniques:

Instruments with quoted market prices – the market price

Other instruments with fixed and determinable payments – discounted cash flow analysis

Equity shares with no quoted market prices – independent appraisal of company valuations

The inputs to the measurement techniques are categorised in accordance with the following three levels:

Level 1 inputs – quoted prices (unadjusted) in active markets for identical assets that the authority can access at the measurement date.

Level 2 inputs – inputs other than quoted prices included within Level 1 that are observable for the asset, either directly or indirectly.

Level 3 inputs – unobservable inputs for the asset.

Changes in fair value are balanced by an entry in the Available-for-Sale Reserve and the gain/loss is recognised in the Surplus or Deficit on Revaluation of Available-for-Sale Financial Assets. The exception is where impairment losses have been incurred – these are debited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement, along with any net gain or loss for the asset accumulated in the Available-for-Sale Reserve.

Where assets are identified as impaired because of a likelihood arising from a past event that payments due under the contract will not be made (fixed or determinable payments) or fair value falls below cost, the asset is written down and a charge made to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement. If the asset has fixed or determinable payments, the impairment loss is measured as the difference between the carrying amount and the present value of the revised future cash flows discounted at the asset's original effective interest rate. Otherwise, the impairment loss is measured as any shortfall of fair value against the acquisition cost of the instrument (net of any principal repayment and amortisation).

Any gains and losses that arise on the derecognition of the asset are credited or debited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement, along with any accumulated gains or losses previously recognised in the Available-for-Sale Reserve.

Where fair value cannot be measured reliably, the instrument is carried at cost (less any impairment losses).

1.10 Government Grants and Contributions

Whether paid on account, by instalments or in arrears, government grants and third-party contributions and donations are recognised as due to the council when there is reasonable assurance that:

The council will comply with the conditions attached to the payments; and

The grants or contributions will be received.

Amounts recognised as due to the council are not credited to the Comprehensive Income and Expenditure Statement until conditions attached to the grant or contribution have been satisfied. Conditions are stipulations that specify that the future economic benefits or service potential embodied in the asset acquired using the grant or contribution are required to be consumed by the recipient as specified, or future economic benefits or service potential must be returned to the transferor.

Monies advanced as grants and contributions for which conditions have not been satisfied are carried in the Balance Sheet as creditors. When conditions are satisfied, the grant or contribution is credited to the relevant service line (attributable revenue grants and contributions) or Taxation and Non-Specific Grant Income (non-ring-fenced revenue grants and all capital grants) in the Comprehensive Income and Expenditure Statement.

Where capital grants are credited to the Comprehensive Income and Expenditure Statement, they are reversed out of the General Fund Balance in the Movement in Reserves Statement. Where the grant has yet to be used to finance capital expenditure, it is posted to the Capital Grants Unapplied reserve. Where it has been applied, it is posted to the Capital Adjustment Account. Amounts in the

Capital Grants Unapplied reserve are transferred to the Capital Adjustment Account once they have been applied to fund capital expenditure.

1.11 Intangible Assets

Expenditure on non-monetary assets that do not have physical substance but are controlled by the council as a result of past events (e.g., software licenses) is capitalised when it is expected that future economic benefits or service potential will flow from the intangible asset to the council.

Intangible assets are measured initially at cost. Amounts are only revalued where the fair value of the assets held by the council can be determined by reference to an active market. In practice, no intangible asset held by the council meets this criterion, and they are therefore carried at amortised cost. The depreciable amount of an intangible asset is amortised over its useful life to the relevant service area in the Comprehensive Income and Expenditure Statement. An asset is tested for impairment whenever there is an indication that the asset might be impaired. Any gain or loss arising on the disposal or abandonment of an intangible asset is posted to the Other Operating Expenditure line in the Comprehensive Income and Expenditure Statement.

Where expenditure on intangible assets qualifies as capital expenditure for statutory purposes, amortisation, impairment losses and disposal gains and losses are not permitted to have an impact on the General Fund Balance. The gains and losses are therefore reversed out of the General Fund Balance in the Movement in Reserves Statement and posted to the Capital Adjustment Account and (for any sale proceeds greater than £10,000) the Capital Receipts Reserve.

1.12 Interests in Companies and Other Entities

The council has material interests in companies and other entities that have the nature of subsidiaries, and require it to prepare group accounts. In the authority's own single-entity accounts, the interests in companies and other entities are recorded as financial assets at cost, less any provision for losses. The Council has interests in the following companies:

- Graven Hill Village Holding Company Limited
- Graven Hill Village Development Company Limited
- Graven Hill Village Management Company Limited
- Graven Hill Village Management Company Block E Limited
- Crown House Banbury Limited
- Crown Apartments Banbury Limited
- Veritau Public Sector Limited

Group Accounts have been prepared in accordance with the Code of Practice on Local Authority Accounting, using uniform accounting policies for like transactions and other events in similar circumstances.

1.13 Inventories and Long-Term Contracts

Inventories are included in the Balance Sheet at the lower of cost and net realisable value.

Long term contracts are accounted for by charging the Surplus or Deficit on the Provision of Services with the consideration allocated to the performance obligations satisfied based on the goods or services transferred to the service recipient during the financial year.

1.14 Investment Property

Investment properties are those that are used solely to earn rentals and/or for capital appreciation. The definition is not met if the property is used in any way to facilitate the delivery of services or production of goods or is held for sale.

Investment properties are measured initially at cost and subsequently at fair value, based on the amount at which the asset could be exchanged between knowledgeable parties at arm's-length. As a non-financial asset, investment properties are measured at highest and best use. Properties are not depreciated but are revalued annually according to market conditions at the year-end. Gains and losses on revaluation are posted to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement. The same treatment is applied to gains and losses on disposal.

Rentals received in relation to investment properties are credited to the Financing and Investment Income line and result in a gain for the General Fund Balance. However, revaluation and disposal gains and losses are not permitted by statutory arrangements to have an impact on the General Fund Balance. The gains and losses are therefore reversed out of the General Fund Balance in the Movement in Reserves Statement and posted to the Capital Adjustment Account and (for any sale proceeds greater than £10,000) the Capital Receipts Reserve.

1.15 Leases

1.15.1 The Council as Lessee

The authority classifies contracts as leases based on their substance. Contracts and parts of contracts, including those described as contracts for services, are analysed to determine whether they convey the right to control the use of an identified asset, through rights both to obtain substantially all the economic benefits or service potential from that asset and to direct its use. The Code of Practice on Local Authority Accounting expands the scope of IFRS 16 Leases to include arrangements with nil consideration, peppercorn or nominal payments.

Initial measurement

Leases are recognised as right-of-use assets with a corresponding liability at the date from which the leased asset is available for use (or the IFRS 16 transition date, 1st April 2024, if later). The leases are typically for fixed periods in excess of one year but may have extension options.

The authority initially recognises lease liabilities measured at the present value of lease payments, discounting by applying the authority's incremental borrowing rate wherever the interest rate implicit in the lease cannot be determined.

The right-of-use asset is measured at the amount of the lease liability, adjusted for any prepayments made, plus any direct costs incurred to dismantle and remove the underlying asset or restore the underlying asset on the site on which it is located, less any lease incentives received. However, for peppercorn, nominal payments or nil consideration leases, the asset is measured at fair value.

Subsequent measurement

The right-of-use asset is subsequently measured using the fair value model. The authority considers the cost model to be a reasonable proxy except for assets held under non-commercial leases, or leases where rent reviews are either more infrequent than every five years or do not reflect market conditions. For these leases, the asset is carried at a revalued amount.

The right-of-use asset is depreciated straight-line over the shorter period of the remaining lease term and useful life of the underlying asset.

The lease liability is subsequently measured at amortised cost, using the effective interest method. The liability is remeasured when there is a change in future lease payments or the authority changes its assessment of whether it will exercise a purchase, extension or termination option.

When such a remeasurement occurs, a corresponding adjustment is made to the carrying amount of the right-of-use asset, with any further adjustment required from remeasurement being recorded in the income statement.

Low value and short lease exemption

As permitted by the Code of Practice on Local Authority Accounting, the authority excludes leases for low value items that cost less than £10,000 when new, provided they are not highly dependent on or integrated with other items. It also excludes leases with a term shorter than 12 months.

Lease Expenditure

Expenditure in the Comprehensive Income and Expenditure Statement includes interest, straight line depreciation, any asset impairments and changes in variable lease payments not included in the measurement of the liability during the period in which the triggering event occurred. Lease payments are debited against the liability. Rentals for leases of low-value items or shorter than 12 months are expensed.

The council is not required to charge depreciation or revaluation and impairment losses arising on leased assets against the general fund. Instead, a prudent annual contribution is made from revenue funds as part of the minimum revenue provision in accordance with statutory requirements.

1.15.2 The Council as Lessor

Leases are classified as finance leases where the terms of the lease transfer substantially all the risks and rewards incidental to ownership of the property, plant or equipment from the lessor to the lessee. All other leases are classified as operating leases.

1.15.2.1 Finance Leases

Where the council grants a finance lease over a property or an item of plant or equipment, the relevant asset is written out of the Balance Sheet as a disposal. At the commencement of the lease, the carrying amount of the asset in the Balance Sheet (whether Property, Plant and Equipment or Assets Held for Sale) is written off to the Other Operating Expenditure line in the Comprehensive Income and Expenditure Statement as part of the gain or loss on disposal. A gain, representing the council's net investment in the lease, is credited to the same line in the Comprehensive Income and Expenditure Statement also as part of the gain or loss on disposal (i.e., netted off against the carrying value of the asset at the time of disposal), matched by a lease (long-term debtor) asset in the Balance Sheet.

Lease rentals receivable are apportioned between:

- A charge for the acquisition of the interest in the property – applied to write down the lease debtor (together with any premiums received); and

- Finance income (credited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement).

The gain credited to the Comprehensive Income and Expenditure Statement on disposal is not permitted by statute to increase the General Fund Balance and is required to be treated as a capital receipt. Where a premium has been received, this is posted out of the General Fund Balance to the Capital Receipts Reserve in the Movement in Reserves Statement. Where the amount due in relation to the lease asset is to be settled by the payment of rentals in future financial years, this is posted out of the General Fund Balance to the Deferred Capital Receipts Reserve in the Movement

in Reserves Statement. When the future rentals are received, the element for the capital receipt for the disposal of the asset is used to write down the lease debtor. At this point, the deferred capital receipts are transferred to the Capital Receipts Reserve.

The written-off value of disposals is not a charge against council tax, as the cost of noncurrent assets is fully provided for under separate arrangements for capital financing. Amounts are therefore appropriated to the Capital Adjustment Account from the General Fund Balance in the Movement in Reserves Statement.

1.15.2.2 Operating Leases

Where the council grants an operating lease over a property or an item of plant or equipment, the asset is retained in the Balance Sheet. Rental income is credited to the Other Operating Expenditure line in the Comprehensive Income and Expenditure Statement.

Credits are made on a straight-line basis over the life of the lease, even if this does not match the pattern of payments (e.g., there is a premium paid at the commencement of the lease). Initial direct costs incurred in negotiating and arranging the lease are added to the carrying amount of the relevant asset and charged as an expense over the lease term on the same basis as rental income.

1.16 Fair Value

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. When applying the definition of fair value, non-financial assets and, non-current assets held for sale shall be measured at highest and best use.

1.17 Property, Plant & Equipment

Assets that have physical substance and are held for use in the production or supply of goods or services, for rental to others, or for administrative purposes and that are expected to be used during more than one financial year are classified as Property, Plant and Equipment.

1.17.1 Recognition

Expenditure on the acquisition, creation or enhancement of Property, Plant and Equipment is capitalised on an accrual's basis, provided that it is probable that the future economic benefits or service potential associated with the item will flow to the council and the cost of the item can be measured reliably. Expenditure that maintains but does not add to an asset's potential to deliver future economic benefits or service potential (i.e., repairs and maintenance) is charged as an expense when it is incurred.

The council has a de minimis limit of £10,000 for capital expenditure purposes which results in the capitalisation of expenditure above that limit as an asset in the balance sheet. Expenditure below this limit may be capitalised in a single financial year provided total expenditure on the project exceeds £10,000. Expenditure incurred on items that are capital in nature that are below this de minimis are charged to revenue unless strictly necessary to comply with funding or legal requirements, e.g. capital grant conditions.

1.17.2 Measurement

Assets are initially measured at cost, comprising:

the purchase price

any costs attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management

the initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located if the cost is above the £5,000 de minimis threshold.

The council does not capitalise borrowing costs incurred whilst assets are under construction.

The cost of assets acquired other than by purchase is deemed to be its fair value, unless the acquisition does not have commercial substance (i.e., it will not lead to a variation in the cash flows of the council). In the latter case, where an asset is acquired via an exchange, the cost of the acquisition is the carrying amount of the asset given up by the council.

Donated assets are measured initially at fair value. The difference between fair value and any consideration paid is credited to the Taxation and Non-specific Grant Income line of the Comprehensive Income and Expenditure Statement, unless the donation has been made conditionally. Until conditions are satisfied, the gain is held in the Donated Assets Account.

Where gains are credited to the Comprehensive Income and Expenditure Statement, they are reversed out of the General Fund Balance to the Capital Adjustment Account in the Movement in Reserves Statement.

Assets are then carried in the Balance Sheet using the following measurement bases:

Vehicles, plant and equipment and infrastructure assets are held at depreciated historical cost.

Community assets and assets under construction are held at historical cost.

Dwellings – Current value, determined using the basis of Existing Use Value for Social Housing (EUV–SH).

Other land and buildings and operational assets where there is an active market – Current value determined as the amount that would be paid for the asset in its existing use (EUV).

Operational assets, such as community and sports centres, where there is no market-based evidence of current value because of the specialist nature of the asset and/or the asset is rarely sold (i.e., EUV cannot be determined)- depreciated replacement cost (DRC) using the ‘instant build’ approach as an estimate of current value.

Surplus assets – the current value measurement base is fair value, estimated at highest and best use from a market participant’s perspective. Fair value based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date

All other assets – current value, determined as the amount that would be paid for the asset in its existing use (existing use value – EUV).

Where non-property assets that have short useful lives or low values (or both), depreciated historical cost basis is used as a proxy for fair value.

Assets included in the Balance Sheet at current value are revalued regularly to ensure that their carrying amount is not materially different from their current value at the year-end, but as a minimum every five years. Increases in valuations are matched by credits taken to the Revaluation Reserve to recognise unrealised gains. Exceptionally, gains might be credited to the Comprehensive Income and Expenditure Statement where they arise from the reversal of a loss previously charged to a service.

The council's property valuations are carried out by Montagu Evans and Colliers. The bases of valuations are undertaken in accordance with the Statement of Asset Valuation Practice and Guidance Notes, published by the Royal Institute of Chartered Surveyors (RICS).

Where decreases in value are identified, they are accounted for by:

Where there is a balance of revaluation gains for the asset in the Revaluation Reserve, the carrying amount of the asset is written down against that balance (up to the amount of the accumulated gains); and

Where there is no balance in the Revaluation Reserve or an insufficient balance, the carrying amount of the asset is written down against the relevant service line(s) in the Comprehensive Income and Expenditure Statement.

The Revaluation Reserve contains revaluation gains recognised since 1 April 2007 only, the date of its formal implementation. Gains arising before that date have been consolidated into the Capital Adjustment Account.

1.17.3 Impairment

Assets are assessed at each year-end as to whether there is any indication that they may be impaired. Where indications exist and any possible differences are estimated to be material, the recoverable amount of the asset is estimated and, where this is less than the carrying amount of the asset, an impairment loss is recognised for the shortfall.

Where impairment losses are identified, they are accounted for by:

Where there is a balance of revaluation gains for the asset in the Revaluation Reserve, the carrying amount of the asset is written down against that balance (up to the amount of the accumulated gains).

Where there is no balance in the Revaluation Reserve or an insufficient balance, the carrying amount of the asset is written down against the relevant service line(s) in the Comprehensive Income and Expenditure Statement.

Where an impairment loss is reversed subsequently, the reversal is credited to the relevant service line(s) in the Comprehensive Income and Expenditure Statement, up to the amount of the original loss, adjusted for depreciation that would have been charged if the loss had not been recognised.

1.17.4 Depreciation

Depreciation is provided for on all Property, Plant and Equipment assets by the systematic allocation of their depreciable amounts over their useful lives. An exception is made for assets without a determinable finite useful life (i.e., freehold land and certain Community Assets) and assets that are not yet available for use (i.e., assets under construction).

Depreciation is calculated on the following bases:

Dwellings and other buildings – straight-line allocation over the useful life of the property as estimated by the valuer

Vehicles, plant, furniture and equipment – straight-line allocation over the useful life of the asset, as advised by a suitably qualified officer and/or Responsible Officer for that asset; and

Infrastructure – straight-line allocation over the useful life of the asset, as advised by a suitably qualified officer, and/or Responsible Officer and/or valuer for that asset.

Newly acquired assets and capital enhancements are depreciated from the year after acquisition.

Useful life of an asset is shown below for the relevant categories:

Infrastructure	10 to 40 years
Buildings	10 to 60 years
Vehicles	5 to 10 years
Computer Equipment / systems	3, 5 or 10 years
Other	3 to 30 years

Where an item of Property, Plant and Equipment has major components whose cost is significant in relation to the total cost of the item, the components are depreciated separately. All assets with a gross value over £50,000 are considered for componentisation.

If on consideration a component is assessed to be greater than 20% of the total cost of the asset, it is componentised, and the separate components depreciated using appropriate useful lives. Components that are individually less than 20% of the total cost of the asset are not treated as separate components for accounting purposes. They are valued and depreciated as part of the building structure.

The following two components have been identified for items of property:

Land

Structure of Building

Each component is considered to depreciate on a straight-line basis (except those such as land which are identified as exceptions above). The useful life of a component will vary according to the type of property in which it is located and the amount of use to which it is put. The useful life of a component will be determined by the valuer when a component part is identified.

Where a component is replaced or restored, the carrying amount of the old component shall be derecognised to avoid double counting and the new component reflected at the cost or new carrying value.

Revaluation gains are also depreciated, with an amount equal to the difference between current value depreciation charged on assets and the depreciation that would have been chargeable based on their historical cost being transferred each year from the Revaluation Reserve to the Capital Adjustment Account.

1.18 Disposals and Non-current Assets Held for Sale

When it becomes probable that the carrying amount of an asset will be recovered principally through a sale transaction rather than through its continuing use, it is reclassified as an Asset Held for Sale. The asset is revalued immediately before reclassification and then carried at the lower of this amount and fair value less costs to sell. Where there is a subsequent decrease to fair value less costs to sell, the loss is posted to the Other Operating Expenditure line in the Comprehensive Income and Expenditure Statement. Gains in fair value are recognised only up to the amount of any losses recognised previously in the Surplus or Deficit on Provision of Services. Depreciation is not charged on Assets Held for Sale.

If assets no longer meet the criteria to be classified as Assets Held for Sale, they are reclassified back to non-current assets and valued at the lower of their carrying amount before they were classified as held for sale; adjusted for depreciation, or revaluations that would have been

recognised had they not been classified as Held for Sale, and their recoverable amount at the date of the decision not to sell.

Assets that are to be abandoned or scrapped are not reclassified as Assets Held for Sale and are kept under their original category.

When an asset is disposed of or decommissioned, the carrying amount of the asset in the Balance Sheet (whether Property, Plant and Equipment or Assets Held for Sale) is written off to the Other Operating Expenditure line in the Comprehensive Income and Expenditure Statement as part of the gain or loss on disposal. Receipts from disposals (if any) are credited to the same line in the Comprehensive Income and Expenditure Statement also as part of the gain or loss on disposal (i.e., netted off against the carrying value of the asset at the time of disposal).

Any revaluation gains accumulated for the asset in the Revaluation Reserve are transferred to the Capital Adjustment Account.

Amounts received for a disposal in excess of £10,000 are categorised as capital receipts. The balance of receipts is required to be credited to the Capital Receipts Reserve and can then only be used for new capital investment or to fund previous capital investments by being applied to the Capital Financing Requirement. Receipts are appropriated to the Reserve from the General Fund Balance in the Movement in Reserves Statement. The net book value of disposals is not a charge against council tax, as the cost of fixed assets is fully provided for under separate arrangements for capital financing. Amounts are appropriated to the Capital Adjustment Account from the General Fund Balance in the Movement in Reserves Statement.

The written-off value of disposals is not a charge against council tax, as the cost of non-current assets is fully provided for under separate arrangements for capital financing. Amounts are appropriated to the Capital Adjustment Account from the General Fund Balance in the Movement in Reserves Statement.

1.19 Fair Value Measurement

The authority measures some of its non-financial assets such as surplus assets, investment properties, assets held for sale and some of its financial instruments, such as equity shareholdings, at fair value at each reporting date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The fair value measurement assumes that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or

- In the absence of a principal market, in the most advantageous market for the asset or liability.

The authority measures the fair value of an asset or liability using the assumptions that market participants would use when pricing the asset or liability, assuming market participants act in their economic best interest.

When measuring the fair value of a non-financial asset, the authority takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The authority uses valuation techniques that are appropriate in the circumstances and for which sufficient data is available, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Inputs to the valuation techniques in respect of assets and liabilities for which fair value is measured or disclosed in the authority's financial statements are categorised within the fair value hierarchy, as follows:

Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities that the authority can access at the measurement date

Level 2 – inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly

Level 3 – unobservable inputs for the asset or liability

1.20 Minimum Revenue Provision

The council is not required to use Council Tax to fund depreciation, revaluation and impairment losses or amortisation on non-current assets. However, it is required to make an annual contribution from revenue towards provision for the reduction in its overall borrowing requirement, calculated on a prudent basis as determined by the council in accordance with statutory guidance.

Depreciation, revaluation and impairment losses and amortisations are therefore replaced by the Minimum Revenue Provision in the General Fund Balance by way of an adjusting transaction with the Capital Adjustment Account in the Movement in Reserves Statement.

1.21 Provisions, Contingent Liabilities and Contingent Assets

1.21.1 Provisions

Provisions are made where an event has taken place that gives the council a legal or constructive obligation that probably requires settlement by a transfer of economic benefits or service potential, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged to the Comprehensive Income and Expenditure Statement in the year that the council becomes aware of the obligation and are measured at the best estimate at the balance sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance Sheet. Estimated settlements are reviewed at the end of each financial year. Where it becomes less than probable that a transfer of economic benefits will now be required (or a lower settlement than anticipated is made), the provision is reversed and credited back to the relevant service.

Where some or all of the payment required to settle a provision is expected to be recovered from another party (e.g., from an insurance claim) this is only recognised as income for the relevant service if it is virtually certain that reimbursement will be received if the council settles the obligation.

1.21.2 Contingent Assets

A contingent asset arises where an event has taken place that gives the authority a possible asset whose existence will only be confirmed by the occurrence or otherwise of uncertain future events not wholly within the control of the authority.

Contingent assets are not recognised in the Balance Sheet but disclosed in a note to the accounts where it is probable that there will be an inflow of economic benefits or service potential.

1.21.3 Contingent Liabilities

A contingent liability arises where an event has taken place that gives the council a possible obligation whose existence will only be confirmed by the occurrence or otherwise of uncertain future events not wholly within the control of the council. Contingent liabilities also arise in circumstances where a provision would otherwise be made but either it is not probable that an outflow of resources will be required, or the amount of the obligation cannot be measured reliably. Contingent liabilities are not recognised in the Balance Sheet but disclosed in a note to the accounts.

1.22 Reserves

The council sets aside specific amounts as reserves for future policy purposes or to cover contingencies. Reserves are created by appropriating amounts out of the General Fund Balance in the Movement in Reserves Statement. When expenditure to be financed from a reserve is incurred, it is charged to the appropriate service in that year to count against the Surplus or Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement. The reserve is then appropriated back into the General Fund Balance in the Movement in Reserves Statement so that there is no net charge against council tax for the expenditure. Certain reserves are kept for the purpose of managing the accounting processes for non-current assets, financial instruments, retirement and employee benefits and do not represent usable resources for the council – these reserves are explained in the Unusable reserves note – note 25 of the financial statements.

1.23 Revenue Expenditure Funded from Capital under Statute (REFCUS)

Expenditure incurred during the year that may be capitalised under statutory provisions but that does not result in the creation of a non-current asset has been charged as expenditure to the relevant service in the Comprehensive Income and Expenditure Statement in the year. Where the council has determined to meet the cost of this expenditure from existing capital resources or by borrowing, a transfer in the Movement in Reserves Statement from the General Fund Balance to the Capital Adjustment Account then reverses out the amounts charged so that there is no impact on the level of council tax.

1.24 VAT

VAT payable is included as an expense only to the extent that it is not recoverable from Her Majesty's Revenue and Customs. VAT receivable is excluded from income. The amount of VAT irrecoverable is negligible.

1.25 Rounding

In preparing the Statement of Accounts all numbers, including totals, have been rounded independently to avoid unacceptable rounding errors. This may mean that some tables do not cross cast.

Note 2 – Accounting Standards Issued, Not Adopted

Under the Code of Practice on Local Authority Accounting in the United Kingdom 2024/25 (the Code) the Council is required to disclose and set out the impact of accounting code changes required by new accounting standards that have been issued but not yet adopted by the code.

The following are the accounting policies that have been issued but have not been adopted by the Council as at the Balance Sheet date:

- IAS 21 The Effects of Changes in Foreign Exchange Rate (Lack of Exchangeability) issued in August 2023. The amendments to IAS 21 clarify how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking, as well as require the disclosure of information that enables users of financial statements to understand the impact of a currency not being exchangeable..
- IFRS 17 Insurance Contracts issued in May 2017. IFRS 17 replaces IFRS 4 and sets out principles for recognition, measurement, presentation and disclosure of insurance contracts.

None of these amendments are expected to have a significant impact on the council's accounts in future years.

Note 3 – Critical Judgements in Applying Accounting Policies

In applying the accounting policies set out in Note 1, the authority has had to make certain judgements about complex transactions or those involving uncertainty about future events. The critical judgements made in the Statement of Accounts are as follows.

Lease Accounting

- Judgement is required in the initial classification of leases where the council is a lessor as either operating leases or finance leases. The accounting policy for leases is set out in Note 1.

Provision for Outstanding Business Rates Appeals

On 1 April 2013, Local Authorities assumed the liability for refunding ratepayers who have successfully appealed against the Business Rates rateable value of their properties. The provision is charged to the Collection Fund.

- The current VOA rating list is based on the business rates revaluation which took effect from 1 April 2023. Minor updates were made to the top-up and tariff equalisation mechanism in the business rates retention to better remove the impact of the revaluation on local authority income. Initial adjustments to tariff and top-ups were made in 2023-24 with subsequent adjustments in 2024-25 and 2025-26.
- As part of the 2023 valuation, the VOA made an assumption about the future losses from appeals on the new rating list. An allowance of 3.9% is built into the business rates multiplier and this method is used to calculate potential future losses.

Note 4 – Assumptions Made about the Future and Other Major Sources of Estimation Uncertainty

The Statement of Accounts contains estimated figures that are based on assumptions made by the authority about the future or that are otherwise uncertain. Estimates are made taking into account historical experience, current trends and other relevant factors. However, because balances cannot be determined with certainty, actual results could be materially different from the assumptions and estimates.

Valuations– Property, Plant and Equipment

Uncertainties	Effect if Actual Results Differ from Assumptions
<p>Valuations by nature are estimations of an asset's value as at the balance sheet date. The council operates a 5 – year rolling schedule, in line with the CIPFA code, for assets held under the valuation model.</p> <p>Asset valuations are undertaken by professional valuers using appropriate valuation methodologies based on the type of asset.</p> <p>The Depreciated Replacement Cost (DRC) methodology applies to assets for which no active market exists, such as leisure and community centres, and represents a source of uncertainty for the Council's valuations. Changes in market and economic factors from year-to-year could result in differences between the book value and actual value using the DRC approach.</p>	<p>Where the Council identifies significant changes in the Build Cost Indices and/or locational factors from prior years, a review is undertaken to compare the DRC calculated value, based on the up-to-date indices, to the book value held by the council.</p> <p>For assets that are not scheduled to be valued in year, and where an aggregate material variance is identified, the book value is adjusted using the updated indices as provided by the valuers, to avoid material misstatement.</p> <p>For 2024/25 the indices did not identify a material variance and so no adjustment has been made.</p>

Depreciation of Property, Plant and Equipment & Amortisation of Intangible Assets

Uncertainties	Effect if Actual Results Differ from Assumptions
<p>The Council assigns useful lives and residual values to property, plant and equipment based on periodic studies of actual asset lives and the intended use for those assets.</p> <p>Changes in circumstances such as technological advances, prospective economic utilisation and physical condition of the assets concerned could result in the actual useful lives or residual values differing from initial estimates.</p>	<p>Where the Council determines that the useful life of property, plant and equipment should be shortened or residual value reduced, it depreciates the net book value in excess of the residual value over the revised remaining useful life, thereby increasing depreciation expense. Any change in an asset's life or residual value is reflected in the Council's accounts when the change in estimate is determined.</p> <p>The carrying value of depreciable assets in the balance sheet is £169m. This amount comprises of Land & Buildings, Plant, Vehicles & Equipment, Infrastructure Assets and Intangible Assets.</p>

Fair Value Measurements

Uncertainties	Effect if Actual Results Differ from Assumptions
<p>When the fair values of financial assets and financial liabilities cannot be measured based on quoted prices in active markets (i.e. Level 1 inputs), their fair value is measured using valuation techniques (e.g. quoted prices for similar assets or liabilities in active markets or the discounted cash flow (DCF) model). Where possible, the inputs to these valuation techniques are based on observable data, but where this is not possible judgement is required in establishing fair values. These judgements typically include considerations such as uncertainty and risk. However, changes in the assumptions used could affect the fair value of the authority's assets and liabilities.</p> <p>Where Level 1 inputs are not available, the authority employs relevant experts to identify the most appropriate valuation techniques to determine fair value (for example for investment properties, the authority's chief valuation officer and external valuer). Information about the valuation techniques and inputs used in determining the fair value of the authority's assets and liabilities is disclosed in notes 14 and 15 below.</p>	<p>The authority uses the discounted cash flow (DCF) model to measure the fair value of some of its properties and financial assets.</p> <p>The significant unobservable inputs used in the fair value measurement include management assumptions regarding rent growth, vacancy levels (for investment properties) and discount rates – adjusted for regional factors (for both properties and some financial assets).</p> <p>Significant changes in any of the unobservable inputs would result in a significantly lower or higher fair value measurement for the properties and financial assets, however this would not impact on the general fund as any movement would be taken to the revaluation reserve or capital adjustment account which are unusable reserves.</p>

Impairment allowance for doubtful debt

Uncertainties	Effect if Actual Results Differ from Assumptions
<p>The Impairment allowance for doubtful debt reflects the Council's estimates of losses arising from the failure or inability of the Council's customers to make required payments.</p> <p>The allowance is based on the ageing of customer accounts, customer credit worthiness and the Council's historical write-off experience. One off debts for significant amounts have also been included if we have reasonable grounds to assume that we are unlikely to receive payment.</p>	<p>If actual write-offs are 1% higher/lower than expected this would result in a additional/reduced write-offs of £0.033m</p> <p>Changes to the allowance may be required if the financial condition of the Council's customers improves or deteriorates.</p> <p>An improvement in financial condition may result in lower actual write-offs.</p>

Provision for Business Rates Appeals

Uncertainties	Effect if Actual Results Differ from Assumptions
<p>The possible refund from a business rate appeal can vary depending on factors such as; the type of appeal and type of property, together with its geographical location and the probability of appeal success.</p>	<p>Following an assessment of the outstanding business rates appeals at 31 March 2025, a total provision of £14.281m was made for potential future appeal refunds. Cherwell's 40 per cent share of this provision is £5.712m.</p> <p>If the provision for appeals changed by 1% the resulting increase/decrease would be £0.143m shared across central government (50 per cent), the county council (10 per cent) and Cherwell (40 per cent).</p>

Pensions

Uncertainties	Effect if Actual Results Differ from Assumptions
<p>The Council provides one defined benefit pension scheme for its employees. The asset (or liability) recognised in the statement of financial position in respect of defined benefit pension plans represents the fair value of plan assets less the present value of the defined benefit obligations at the reporting date.</p> <p>The expected cost of providing these defined benefit pensions will depend on an assessment of such factors as:</p> <ul style="list-style-type: none"> • the life expectancy of the Officers; • the length of service; • the rate of salary progression; • the rate of return earned on assets in the future; • the rate used to discount future pension liabilities; and • future inflation rates. 	<p>The assumptions used by the Council are set out in note 35 and are estimates chosen from a range of possible actuarial assumptions which may not necessarily be borne out in practice but have been comparable to the median estimates in this regard used by other Councils.</p> <p>Changes to these assumptions could materially affect the size of the defined benefit scheme's liabilities and assets. A sensitivity analysis is included within note 35.</p>

Note 5 - Material Items of Income and Expense and Prior Year Restatements

Pensions

The actuary carried out a valuation as at 31 March 2025. This has resulted in pension assets increasing from £151m at 31 March 2024 to £153m at 31 March 2025. Liabilities have decreased from £166m at 31 March 2024 to £144m at 31 March 2025. In addition the adjustment to reflect the asset ceiling has increased from £8m to £37m (see note 35 for more detail). In total this has resulted in an increase in the net liability of £5m.

Prior year Restatements

During 2024/25 the council amended its directorate structure to remove the Chief Executive directorate and share the services within this directorate between the Communities and Resources directorates. In addition, the Resources directorate was renamed Resources & Transformation. The Customer Focus and HR & OD services are now part of the Resources & Transformation directorate, and the Wellbeing & Housing service is now part of the Communities directorate.

Within the 2024/25 financial statements all comparative figures have been restated under the new directorate structure. The effects of this restatement on the primary statements are shown in the tables below (note that only the lines which have changed are shown):

Comprehensive Income and Expenditure Statement	As previously stated £'000	Change £'000	Restated amount £'000
Expenditure			
Chief Executive	19,553	(19,553)	0
Communities	23,801	15,092	38,893
Resources & Transformation	40,395	4,461	44,856
Income			
Chief Executive	(10,373)	10,373	0
Communities	(9,329)	(9,722)	(19,050)
Resources & Transformation	(32,562)	(651)	(33,213)
Net			
Chief Executive	9,180	(9,180)	0
Communities	14,473	5,370	19,843
Resources & Transformation	7,833	3,810	11,643

Expenditure and Funding Analysis	As previously stated £'000	Change £'000	Restated amount £'000
Net Expenditure for internal reporting			
Chief Executive	5,462	(5,462)	0
Communities	10,147	2,137	12,284
Resources & Transformation	5,816	3,325	9,141
Adjustment for use of / (transfer to) Earmarked Reserves included in internal reporting			
Chief Executive	962	(962)	0
Communities	734	667	1,401
Resources & Transformation	23	295	318
Net Expenditure Chargeable to the General Fund Balance			
Chief Executive	6,424	(6,424)	0
Communities	10,881	2,804	13,685
Resources & Transformation	5,839	3,620	9,459
Adjustments between accounting and funding basis (Note 7a)			
Chief Executive	2,756	(2,756)	0
Communities	3,592	2,566	6,158
Resources & Transformation	1,994	190	2,184
Net Expenditure in the Comprehensive Income and Expenditure Statement			
Chief Executive	9,180	(9,180)	0
Communities	14,473	5,370	19,843
Resources & Transformation	7,833	3,810	11,643

Note 6 – Events after the Balance Sheet Date

There are no events after the balance sheet date.

Note 7a – Note to the Expenditure and Funding Analysis

Year Ending 31 Mar 25					
	Net Capital Statutory Adjustments £'000	Net Pensions Statutory Adjustments £'000	Other Statutory Adjustments £'000	Other Differences £'000	Total Adjustments £'000
Communities	8,164	420	0	174	8,759
Resources & Transformation	9,230	125	19	2,250	11,624
Net Cost of Services	17,394	545	19	2,424	20,382
Other Income and Expenditure	(10,392)	1,104	2,502	(2,424)	(9,210)
Difference between the Statutory Charge and the Surplus or Deficit in the Comprehensive Income and Expenditure Statement	7,002	1,649	2,521	0	11,172
Year Ending 31 Mar 24					
	Net Capital Statutory Adjustments £'000	Net Pensions Statutory Adjustments £'000	Other Statutory Adjustments £'000	Other Differences £'000	Total Adjustments £'000
Communities	5,477	613	0	67	6,158
Resources & Transformation	4,550	(5,615)	191	3,058	2,184
Net Cost of Services	10,028	(5,002)	191	3,125	8,342
Other Income and Expenditure	(7,239)	1,508	3,161	(3,125)	(5,695)
Difference between the Statutory Charge and the Surplus or Deficit in the Comprehensive Income and Expenditure Statement	2,788	(3,494)	3,352	0	2,646

Net Capital Statutory Adjustments

This column adds in depreciation, impairment, REFCUS and revaluation gains and losses in the service line.

For other operating expenditure, it adjusts for capital disposals with a transfer of income on disposal of assets and the amounts written off for those assets.

For financing and investment income and expenditure, it adjusts for the statutory charges for capital financing and investment i.e. Minimum Revenue Provision and other revenue contributions are deducted from other income and expenditure as these are not chargeable under generally accepted accounting practices.

For taxation and non-specific grant income and expenditure, capital grants are adjusted for income not chargeable under generally accepted accounting practices. Revenue grants are adjusted from those receivables in the year to those receivables without conditions or for which conditions were satisfied throughout the year. The taxation and non-specific grant income and expenditure line is credited with capital grants receivable in the year without conditions or for which conditions were satisfied in the year.

Net Pensions Statutory Adjustments

This column adjusts for the net change for the renewal of pension contributions and the addition of IAS19 Employee Benefits pension related expenditure and income.

For services, this represents the removal of the employer pension contributions made by the authority as allowed by statute and the replacement with current service costs and past service costs.

For financing and investment income and expenditure, this adjusts for the net interest on the defined benefit liability is charged to the Comprehensive Income and Expenditure Statement.

Other Statutory Adjustments

Other statutory adjustments between amounts charged/(received) to the Comprehensive Income and Expenditure Statement and amounts payable / (receivable) to be recognised under statute. For financing and investment (income) and expenditure the other differences column recognises adjustments to General Fund for the timing differences for premiums and discounts and financial instruments.

The charge under taxation and non-specific grant income and expenditure represents the difference between what is chargeable under statutory regulations for Council Tax and Non-Domestic Rates that was projected to be received at the start of the year and the income recognised under generally accepted accounting practices in the Code. This is a timing difference, as any difference will be brought forward in future Surpluses or Deficits on the Collection Fund.

Other Non-statutory Adjustments

Other non-statutory adjustments represent amounts debited/credited to service segments which need to be adjusted against the 'Other income and expenditure from the Expenditure

and Funding Analysis' line to comply with the presentational requirements in the Comprehensive Income and Expenditure Statement:

For financing and investment income and expenditure the other statutory adjustments column recognises adjustments to service segments, e.g. for interest income and expenditure and changes in the fair values of investment properties.

For taxation and non-specific grant income and expenditure the other non-statutory adjustments column recognises adjustments to service segments, e.g. for un-ringfenced government grants.

Note 7b – Segmental Analysis of Income and Expenditure

31-Mar-25	Revenues from External Customers £'000	Revenues from Other Segments £'000	Interest Revenue £'000	Interest Expense £'000	Depreciation and Amortisation £'000
Communities	(11,679)	(8,409)	0	0	3,659
Resources & Transformation	(11,656)	(22,184)	0	0	2,306
Non Distributed Services	(270)	(26,806)	(6,119)	4,625	0
Total Managed by Segments	(23,605)	(57,399)	(6,119)	4,625	5,965

31-Mar-24	Revenues from External Customers £'000	Revenues from Other Segments £'000	Interest Revenue £'000	Interest Expense £'000	Depreciation and Amortisation £'000
Communities	(10,710)	(9,205)	0	0	3,414
Resources & Transformation	(10,190)	(23,024)	0	0	2,237
Non-Distributed Services	(294)	(25,593)	(6,660)	4,738	0
Total Managed by Segments	(21,194)	(57,822)	(6,660)	4,738	5,652

Note 8 - Adjustments between Accounting Basis and Funding Basis under Regulations 2024/25

This note details the adjustments that are made to the total comprehensive income and expenditure recognised by the authority in the year in accordance with proper accounting practice to arrive at the resources that are specified by statutory provisions as being available to the authority to meet future capital and revenue expenditure. The following sets out a description of the reserves that the adjustments are made against.

General Fund Balance

The General Fund is the statutory fund into which all the receipts of an authority are required to be paid and out of which all liabilities of the authority are to be met, except to the extent that statutory rules might provide otherwise. These rules can also specify the financial year in which liabilities and payments should impact on the General Fund Balance, which is not necessarily in accordance with proper accounting practice. The General Fund Balance therefore summarises the resources that the council is statutorily empowered to spend on its services or on capital investment (or the deficit of resources that the council is required to recover) at the end of the financial year.

Capital Receipts Reserve

The Capital Receipts Reserve holds the proceeds from the disposal of land or other assets, which are restricted by statute from being used other than to fund new capital expenditure or to be set aside to finance historical capital expenditure. The balance on the reserve shows the resources that have yet to be applied for these purposes at the year-end.

Capital Grants Unapplied

The Capital Grants Unapplied Account (Reserve) holds the grants and contributions received towards capital projects for which the council has met the conditions that would otherwise require repayment of the monies, but which have yet to be applied to meet expenditure. The balance is restricted by grant terms as to the capital expenditure against which it can be applied and/or the financial year in which this can take place.

Note 8 Continued

2024/25	General Fund Balance £'000	Capital Receipts Reserve £'000	Capital Grants Unapplied £'000	Movement in Unusable Reserves £'000
Adjustments to the Revenue Resources				
Amounts by which income and expenditure included in the Comprehensive Income and Expenditure Statement are different from revenue for the year calculated in accordance with statutory requirements:				
Pension cost (transferred to or (from) the Pensions Reserve)	(1,649)	0	0	1,649
Council tax and NDR (transfers to or (from) the Collection Fund Adjustment Account)	(2,457)	0	0	2,457
Holiday pay (transferred to the Accumulated Absences reserve)	(19)	0	0	19
Movement in Expected Credit Losses (transferred to the capital adjustment account)	(45)	0	0	45
Reversal of entries included in the (Surplus) or Deficit on the Provision of Services in relation to capital expenditure (these items are charged to the Capital Adjustment Account)	(19,430)	0	0	19,430
Total Adjustments to Revenue Resources	(23,600)	0	0	23,600
Adjustments between Revenue and Capital Resources				
Transfer of non-current asset sale proceeds from revenue to the Capital Receipts Reserve	1,184	(891)	0	(293)
Statutory Provision for the repayment of debt (transfer to the Capital Adjustment Account)	4,111	0	0	(4,111)
Revenue contribution to Capital	107	0	0	(107)
Total Adjustments between Revenue and Capital Resources	5,402	(891)	0	(4,511)
Adjustments to Capital Resources				
Use of the Capital Receipts Reserve to finance capital expenditure	0	1,597	0	(1,597)
Write down of Capital loans repaid to the Council	0	(101)	0	101
Application of capital grants to finance capital expenditure	6,776	0	367	(7,143)
Donated assets fair value less consideration included in the (Surplus) or Deficit on the Provision of Services transferred to the Capital Adjustment Account	250	0	0	(250)
Total Adjustments to Capital Resources	7,026	1,496	367	(8,889)
Total Adjustments	(11,172)	606	367	10,200

Note 8 Continued...

2023/24	General Fund Balance £'000	Capital Receipts Reserve £'000	Capital Grants Unapplied £'000	Movement in Unusable Reserves £'000
Adjustments to the Revenue Resources				
Amounts by which income and expenditure included in the Comprehensive Income and Expenditure Statement are different from revenue for the year calculated in accordance with statutory requirements:				
Pension cost (transferred to or (from) the Pensions Reserve)	3,494	0	0	(3,494)
Council tax and NDR (transfers to or (from) the Collection Fund Adjustment Account)	(3,850)	0	0	3,850
Holiday pay (transferred to the Accumulated Absences reserve)	(188)	0	0	188
Movement in Expected Credit Losses (transferred to the capital adjustment account)	687	0	0	(687)
Reversal of entries included in the (Surplus) or Deficit on the Provision of Services in relation to capital expenditure (these items are charged to the Capital Adjustment Account)	(13,503)	0	0	13,503
Total Adjustments to Revenue Resources	(13,361)	0	0	13,361
Adjustments between Revenue and Capital Resources				
Transfer of non-current asset sale proceeds from revenue to the Capital Receipts Reserve	198	(606)	0	408
Statutory Provision for the repayment of debt (transfer to the Capital Adjustment Account)	4,410	0	0	(4,410)
Revenue contribution to Capital	0	0	0	0
Total Adjustments between Revenue and Capital Resources	4,607	(606)	0	(4,001)
Adjustments to Capital Resources				
Use of the Capital Receipts Reserve to finance capital expenditure	0	15,079	0	(15,079)
Write down of Capital loans repaid to the Council	0	(15,079)	0	15,079
Application of capital grants to finance capital expenditure	5,069	0	162	(5,230)
Donated assets fair value less consideration included in the (Surplus) or Deficit on the Provision of Services transferred to the Capital Adjustment Account	1,039	0	0	(1,039)
Total Adjustments to Capital Resources	6,108	0	162	(6,269)
Total Adjustments	(2,646)	(606)	162	3,090

Note 9 - Transfers to/from Earmarked Reserves

This note sets out the amounts set aside from the General Fund balances in earmarked reserves to provide financing for future expenditure plans and the amounts posted back from earmarked reserves to meet General Fund expenditure.

Earmarked Reserves	Balance at 31 March 2023	Net transfers (to)/from Earmarked Reserves in 2023/24	Balance at 31 March 2024	Net transfers (to)/from Earmarked Reserves in 2024/25	Balance at 31 March 2025
	£'000	£'000	£'000	£'000	£'000
General Earmarked Reserves					
Pensions Deficit	(2,152)	252	(1,900)	252	(1,648)
Transformation Reserve	(2,000)	295	(1,705)	809	(896)
Dilapidations, Garage Project and Canalside	(560)	165	(395)	(24)	(419)
Capital Reserve	(39)	(2,027)	(2,066)	2,066	0
Projects	(4,073)	47	(4,027)	(1,583)	(5,610)
Transformation Implementation Reserve	(2,000)	(2,974)	(4,974)	0	(4,974)
Market Risk Reserve	(4,996)	(3,303)	(8,300)	(596)	(8,896)
M&S Surrender Premium	(1,902)	1,902	0	0	0
Business Rates Equalisation	0	(586)	(586)	(1,819)	(2,405)
Interest rate equalisation	0	(2,400)	(2,400)	(1,592)	(3,992)
Planning Control	(296)	87	(209)	(363)	(572)
Legal Projects reserve	0	0	0	(500)	(500)
Other General Earmarked reserve	(1,880)	116	(1,763)	378	(1,386)
Revenue Grant Earmarked Reserves					
S31 Reserve	(586)	586	0	0	0
Homelessness Prevention	(889)	65	(824)	622	(202)
Bicester Garden Town	(1,059)	404	(655)	278	(377)
Other Revenue Grant Earmarked reserves	(1,238)	165	(1,073)	(267)	(1,340)
Total Earmarked Reserves	(23,670)	(7,206)	(30,876)	(2,340)	(33,216)

Note 10 - Other Operating Expenditure

31-Mar-24 £'000	Other Operating Expenditure	31-Mar-25 £'000
6,042	Precepts to other authorities and charging bodies	6,356
(109)	(Gains)/losses on the Disposal of Non-Current Assets	(128)
5,933	Total Other Operating Expenditure	6,227

Note 11 - Financing and Investment Income and Expenditure

A breakdown of the items within the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement is as follows:

31-Mar-24 £'000	Financing and Investment Income & Expenditure	31-Mar-25 £'000
4,738	Interest payable and similar charges	4,625
1,505	Net interest on the net defined benefit liability (asset)	1,102
(7,160)	Interest receivable and similar income	(6,619)
215	Income and expenditure in relation to investment properties and changes in their fair value	(424)
(726)	Other investment income and expenditure	44
(1,428)	Total	(1,272)

Note 12 - Taxation and Non-Specific Grant Income

A breakdown of the items in the Taxation and Non-Specific Grant Income line within the Comprehensive Income and Expenditure Statement is:

31-Mar-24 £'000	Taxation and Non-Specific Grant Income	31-Mar-25 £'000
(14,958)	Council tax income	(15,783)
(8,921)	Business rates income	(6,261)
(13,584)	Non-ringfenced government grants	(14,770)
(3,087)	Capital grants and contributions	(5,774)
(40,551)	Total	(42,589)

Note 13 – Expenditure and Income Analysed by Nature

The Council's expenditure and income is analysed as follows:

31-Mar-24 £'000	Nature of Expenditure or Income	31-Mar-25 £'000
	Expenditure	
25,854	Employee benefits expenses	32,714
53,532	Other expenditure	59,858
4,738	Interest payments	4,625
6,042	Precepts and levies	6,356
5,651	Depreciation and amortisation	5,965
0	Gain or loss on disposal of non-current assets	0
95,816	Total Expenditure	109,517
	Income	
(21,848)	Fees, charges and other service income	(23,722)
(7,160)	Interest and investment income	(6,619)
(23,879)	Income from local taxation	(22,045)
(47,380)	Government grants and contributions	(50,037)
(109)	Gain or loss on disposal of non-current assets	(128)
(100,377)	Total Income	(102,552)
(4,560)	(Surplus) or Deficit for Year	6,965

Note 14 – Property, Plant and Equipment

Movements to 31-Mar-25								
	Land and Buildings	Right of use Assets	Vehicles Plant & Equipment	Infrastructure	Community	Surplus	Assets Under Construction	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Cost or Valuation								
Balance brought forward	157,810	0	22,014	5,566	305	17	9,797	195,508
Adjustments re IFRS 16 implementation (see note 32)	(9,469)	8,486	0	0	0	0	0	(983)
At 1 April 2024 (post implementation)	148,340	8,486	22,014	5,566	305	17	9,797	194,525
Additions	847	0	1,029	0	19	0	9,111	11,007
Mcc Dep & Imp WO to GCA	(3,162)	0	0	0	0	(108)	0	(3,270)
Revaluation increases/(decreases) recognised in the Revaluation Reserve	657	0	0	0	0	52	0	709
Revaluation increases/(decreases) recognised in the Surplus/Deficit on the Provision of Services	(10,627)	0	0	0	0	905	0	(9,722)
Derecognition - Disposals	(750)	0	(11)	(2,250)	0	0	0	(3,012)
Assets reclassified (to)/from Assets Held for Sale	0	0	0	0	0	199	0	199
Assets reclassified (to)/from Investment Property	0	0	0	0	0	0	0	0
Other movements in Cost or Valuation	11,170	119	0	46	0	3,400	(14,735)	0
At 31 March 2025	146,476	8,605	23,032	3,361	324	4,464	4,173	190,436

Accumulated Depreciation & Impairment								
	Land and Buildings	Right of use Assets	Vehicles Plant & Equipment	Infrastructure	Community	Surplus	Assets Under Construction	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Balance Brought Forward	(4,601)	0	(12,703)	(3,450)	0	0	(888)	(21,642)
Adjustments re IFRS 16 implementation (see note 32)	255	0	0	0	0	0	0	255
At 1 April 2024 (post implementation)	(4,347)	0	(12,703)	(3,450)	0	0	(888)	(21,387)
Depreciation Charge	(3,434)	(558)	(1,286)	(174)	0	0	0	(5,452)
Acc. Depreciation WO to GCA	2,274	0	0	0	0	108	0	2,382
Acc. Impairment WO to GCA	888	0	0	0	0	0	0	888
Impairment (Losses)/Reversals recognised in the Revaluation Reserve	0	0	0	0	0	0	0	0
Impairment (Losses)/Reversals recognised in the Surplus/Deficit on the Provision of Services	0	0	0	0	0	0	0	0
Derecognition - Disposals	58	0	11	1,887	0	0	0	1,957
Other movements in Depreciation and Impairment	(770)	0	0	0	0	(119)	888	0
At 31 March 2025	(5,330)	(558)	(13,977)	(1,736)	0	(10)	0	(21,612)
Net Book Value								
At 31 March 2025	141,146	8,047	9,055	1,626	324	4,454	4,173	168,824
At 1 April 2024 (post IFRS16 implementation)	143,994	8,486	9,312	2,116	305	17	8,909	173,138
At 31 March 2024	143,994	9,214	9,312	2,116	305	17	8,909	173,866

Movements to 31-Mar-24							
	Land and Buildings	Vehicles Plant & Equipment	Infrastructure	Community	Surplus	Assets Under Construction	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Cost or Valuation							
Brought forward	162,180	21,442	5,566	185	17	2,906	192,295
Additions	1,217	651	0	35	0	7,089	8,992
Acc Dep & Imp WO to GCA	(1,911)	0	0	0	0	0	(1,911)
Revaluation increases/(decreases) recognised in the Revaluation Reserve	211	0	0	85	0	0	296
Revaluation increases/(decreases) recognised in the Surplus/Deficit on the Provision of Services	(3,794)	0	0	0	0	0	(3,794)
Derecognition - Disposals	(93)	(78)	0	0	0	0	(171)
Assets reclassified (to)/from Investment Property	0	0	0	0	0	(199)	(199)
Other movements in Cost or Valuation	0	0	0	0	0	0	0
At 31 March 2024	157,810	22,014	5,566	305	17	9,797	195,508

Accumulated Depreciation & Impairment							
	Land and Buildings	Vehicles Plant & Equipment	Infrastructure	Community	Surplus	Assets Under Construction	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Brought forward	(2,885)	(11,484)	(3,276)	0	0	0	(17,645)
Depreciation Charge	(3,631)	(1,297)	(174)	0	0	0	(5,102)
Acc. Depreciation WO to GCA	1,911	0	0	0	0	0	1,911
Acc. Impairment WO to GCA	0	0	0	0	0	0	0
Impairment (Losses)/Reversals recognised in the Revaluation Reserve	0	0	0	0	0	(758)	(758)
Impairment (Losses)/Reversals recognised in the Surplus/Deficit on the Provision of Services	0	0	0	0	0	(130)	(130)
Derecognition - Disposals	4	78	0	0	0	0	82
Assets reclassified (to)/from Investment Property	0	0	0	0	0	0	0
At 31 March 2024	(4,601)	(12,703)	(3,450)	0	0	(888)	(21,641)
Net Book Value							
At 31 March 2024	153,209	9,312	2,116	305	17	8,909	173,866
At 31 March 2023	159,295	9,958	2,290	185	17	2,906	174,650

Property, Plant and Equipment Revaluations

31-Mar-25	Other Land and Buildings	Right of use Assets	Vehicles, Plant & Equipment	Infrastructure Assets	Community Assets	Surplus Assets	Assets Under Construction	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Carried at historical cost	13,830	494	23,032	3,361	229	0	4,173	45,120
Valued at current value as at:								
31/03/2025	67,116	0	0	0	0	4,164	0	71,280
01/04/2024	0	8,112	0	0	0	0	0	8,112
31/03/2024	28,656	0	0	0	95	300	0	29,051
31/03/2023	36,554	0	0	0	0	0	0	36,554
31/03/2022	320	0	0	0	0	0	0	320
Total Cost or Valuation	146,476	8,605	23,032	3,361	324	4,464	4,173	190,436

Note 15 – Investment Properties

The following items of income and expenditure have been accounted for in the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement:

31-Mar-24 £'000	Investment Property Income and Expenditure	31-Mar-25 £'000
(163)	Rental income from investment property	(161)
11	Direct operating expenses from investment property	8
(152)	Net (gain)/loss	(153)

There are no restrictions on the Council's ability to realise the value inherent in its investment property or on the Council's right to the remittance of income and the proceeds of disposal.

Movement in the fair value of Investment Properties over the year

31-Mar-24 non- current £'000	Investment Property Movements in Year	31-Mar-25 non-current £'000
4,640	Opening Balance	4,274
0	Additions: Purchases	0
0	Enhancements	0
0	Disposals	0
(367)	Net gains/(losses) from fair value adjustments	272
0	Transfers to/(from) Property, Plant and Equipment	0
4,274	Closing Balance	4,545

Fair value hierarchy

Details of the Council's investment properties and surplus assets and information about the fair value hierarchy as at 31 March 2025 are as follows:

Recurring fair value measuring usage	Quoted Prices in active markets for identical assets (Level 1) £'000	Other significant observable inputs (Level 2) £'000	Significant unobservable inputs (Level 3) £'000	Fair value as at 31 March 2025 £'000
Investment Properties	0	4,545	0	4,545
Surplus Assets	0	306	4,148	4,454
Assets Held for Sale	0	0	0	0
Totals	0	4,851	4,148	8,999
Comprised of:				
Office Units	0	365	4,148	4,513
Commercial Units	0	4,180	0	4,180
Other	0	306	0	306
Totals	0	4,851	4,148	8,999

Details of the Council's investment properties and surplus assets and information about the fair value hierarchy as at 31 March 2024 are as follows:

Recurring fair value measuring usage	Quoted Prices in active markets for identical assets (Level 1) £'000	Other significant observable inputs (Level 2) £'000	Significant unobservable inputs (Level 3) £'000	Fair value as at 31 March 2024 £'000
Investment Properties	0	4,274	0	4,274
Surplus Assets	0	17	0	17
Assets Held for Sale	0	199	0	199
Totals	0	4,489	0	4,489
Comprised of:				
Office Units	0	378	0	378
Commercial Units	0	4,030	0	4,030
Other	0	82	0	82
Totals	0	4,489	0	4,489

Transfers between Levels of the Fair Value Hierarchy

A transfer between hierarchies occurred during the financial year on determining that an asset categorised as held for sale as at the balance sheet opening date, no longer met the recognition criteria under IFRS 5 adapted by the CIPFA code. The asset remained un-

operational as at the closing balance sheet date and was transferred to Surplus Assets, transitioning from Level 2 (income approach) to Level 3 (residual approach) in the hierarchy on revaluation.

Valuation Techniques used to Determine Level 2 and Level 3 Fair Values for Investment Properties:

Significant Observable Inputs – Level 2

The fair value for the commercial properties (let at market rents) has been based on the market approach using current market conditions and recent sales prices and other relevant information for similar assets in the local authority area. Market conditions are such that similar properties are actively purchased and sold and the level of observable inputs are significant, leading to the properties being categorised at Level 2 in the fair value hierarchy.

Significant Unobservable Inputs – Level 3

The office units located in the local authority area are measured using the residual approach. The residual approach is based on the completed gross development value, deducting development costs and developer return to arrive at the value of the property. The assets categorised as Level 3 in the fair value hierarchy use significant unobservable inputs to determine the fair value measurements (and there is no reasonably available information that indicates that market participants would use different assumptions).

Highest and Best Use of Investment Properties

In estimating the fair value of the authority's investment properties, the highest and best use of the properties is their current use.

Valuation Techniques

There has been no change in the valuation techniques used during the year for investment properties.

Valuation Process for Investment Properties and Surplus Assets

The fair value of the Council's investment properties and surplus assets is measured annually at each reporting date. All valuations are carried out externally by qualified valuers, in accordance with the methodologies and bases for estimation set out in the professional standards of the Royal Institution of Chartered Surveyors.

Note 16 – Intangible Assets

An **intangible asset** is an **asset** that is not physical in nature. Goodwill, brand recognition and intellectual property, such as patents, trademarks, and copyrights, are all **intangible assets**.

31-Mar-24	Intangible Assets	31-Mar-25
£000	Opening Balance	£000
6,801	Gross Carrying Amount	4,651
(4,836)	Accumulated Amortisation & Impairment	(2,901)
1,965	Net Carrying Amount	1,750
334	Additions	86
0	Disposals	0
(549)	Amortisation for the Period	(527)
1,750	Net Carrying Amount at End of Year	1,309
	Comprising:	
4,651	Gross Carrying Amount	4,737
(2,901)	Accumulated Amortisation & Impairment	(3,429)
1,750	Closing Balance	1,309

The Council accounts for its software as intangible assets, to the extent that the software is not an integral part of a particular IT system and accounted for as part of the hardware item of property, plant and equipment. The intangible assets include both purchased licenses and internally generated software. All software is given a finite useful life, based on assessments of the period that the software is expected to be of use to the Council. In line with the council's accounting policies, intangible assets are given an initial useful life of 3, 5 or 10 years.

Note 17 – Financial Instruments

Balance Sheet items

The Council is obliged to analyse any Financial Instruments that it holds (whether liabilities such as borrowings or assets such as investments) into certain categories.

The Investments and Debtors disclosed in the Balance Sheet, as set out below (adjusted to exclude statutory debtors), are all categorised as Loans and Receivables, and are carried in the Balance Sheet at amortised cost.

Financial Instruments – Liabilities

31-Mar-24 Short term	31-Mar-24 Long-term	Financial Instruments - Liabilities	31-Mar-25 Short-term	31-Mar-25 Long-term
£'000	£'000	Financial Liabilities	£'000	£'000
		Loans at amortised cost:		
(36,000)	(145,000)	- Principal sum borrowed	(26,000)	(139,000)
(937)	0	- Accrued interest	(1,095)	
(36,937)	(145,000)	Total Borrowing	(27,095)	(139,000)
		Liabilities at amortised cost:		
0	0	- Finance leases	(69)	(45)
0	(14)	- Other Liabilities	0	(14)
0	(14)	Total Other Liabilities	(69)	(59)
		Liabilities at amortised cost:		
(3,215)	0	- Trade payables	(5,296)	
(4,099)	0	- Other payables	(707)	
(7,314)	0	Included in Creditors	(6,003)	
		Cash and Cash Equivalents At amortised cost:		
(1,408)	0	Principal	(408)	
(1,408)	0	Total Cash and Cash Equivalents	(408)	
(45,659)	(145,014)	Total Financial Liabilities	(33,575)	(139,059)

The total short-term borrowing includes £645k (2024: £663k) accrued interest due within 12 months on long-term borrowing.

The creditors lines on the Balance Sheet include £23,883k (2024: £22,431k) short-term creditors that do not meet the definition of a financial instrument.

Financial Instruments – Assets

31-Mar-24		Financial Instruments - Assets	31-Mar-25	
Short Term	Long Term		Short Term	Long Term
£'000	£'000	Financial Assets	£'000	£'000
		At amortised cost:		
13,000	0	- Principal	0	0
87	0	- Accrued interest	0	0
		At fair value through profit & loss:		
0	35,649	- Fair value	0	35,649
13,087	35,649	Total Investments	0	35,649
		At amortised cost:		
0	0	- Principal	0	0
		At fair value through profit & loss:		
8,920	0	- Fair value	5,205	0
35	0	- Accrued interest	20	0
8,955	0	Total Cash and Cash Equivalents	5,225	0
		At amortised cost:		
1,755		- Trade receivables	2,219	
4,414		- Other receivables	2,816	
100	66,647	- Loans made for service purposes	107	67,093
0	1	- Accrued interest	0	1
0	(693)	- Loss allowance	0	(738)
6,269	65,956	Included in Debtors	5,142	66,356
28,311	101,605	Total Financial Assets	10,366	102,005

The debtors lines on the Balance Sheet include £7,461k (2024: £6,714k) short-term and £5,371k (2023: £7,280k) long-term debtors that do not meet the definition of a financial asset.

Offsetting Financial Assets and Liabilities

Financial assets and liabilities are set off against each other where the Council has a legally enforceable right to set off and it intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously. The table below shows those instruments that have been offset on the balance sheet.

31-Mar-24 £'000	Offsetting Financial Assets & Liabilities	31-Mar-25 £'000
289	Bank accounts in credit	809
(1,696)	Bank overdrafts	(1,217)
(1,408)	Net position of offset accounts	(408)
0	Other bank accounts	0
(1,408)	Net position on balance sheet	(408)

Financial Instruments - Gains and Losses

The gains and losses recognised in the Comprehensive Income and Expenditure Statement in relation to financial instruments consist of the following:

Financial Liabilities			Financial Assets			
	Amortised Cost	Fair Value through Profit & Loss	Amortised Cost	Fair Value through Profit & Loss	2024/25 Total	2023/24 Total
	£'000	£'000	£'000	£'000	£'000	£'000
Interest expense	4,612	0	0	0	4,612	4,723
Fees paid	12	0	0	0	12	15
Interest payable and similar charges	4,625	0	0	0	4,625	4,738
Interest income	0	0	(6,172)	(447)	(6,619)	(7,160)
Fees	0	0	0	0	0	0
Interest and investment income	0	0	(6,172)	(447)	(6,619)	(7,160)
Net impact on (surplus)/deficit on provision of services	4,625	0	(6,172)	(447)	(1,995)	(2,422)

Financial Instruments - Fair Value – Liabilities

Balance Sheet	Fair Value			Balance Sheet	Fair Value
31-Mar-24	31-Mar-24			31-Mar-25	31-Mar-25
£'000	£'000		Fair value Level	£'000	£'000
Financial liabilities held at amortised cost:					
(145,000)	(114,399)	Long-term loans	2	(139,000)	(107,146)
(36,937)	(36,543)	Short-term loans	2	(27,095)	(26,993)
0	0	Lease payables and PFI liabilities	2	(114)	(114)
(181,937)	(150,943)	Total		(166,209)	(134,254)
(8,735)		Liabilities for which fair value is not disclosed		(6,415)	
(190,672)	(150,943)	Total Financial Liabilities		(172,624)	(134,254)
Recorded on balance sheet as:					
(7,314)		Short-term creditors		(6,062)	
(36,937)		Short-term borrowing		(27,095)	
(14)		Long-term creditors		(59)	
(145,000)		Long-term borrowing		(139,000)	
(1,408)		Cash and Cash Equivalents		(408)	
(190,672)		Total Financial Liabilities		(172,624)	

The fair value of short-term financial liabilities held at amortised cost, including trade payables, is assumed to approximate to the carrying amount.

The fair value of financial liabilities held at amortised cost is lower than their balance sheet carrying amount because the authority's portfolio of loans includes a number of loans where the interest rate payable is lower than the current rates available for similar loans as at the Balance Sheet date.

Financial Instruments - Fair Value – Assets

Balance Sheet	Fair Value			Balance Sheet	Fair Value
31-Mar-24	31-Mar-24			31-Mar-25	31-Mar-25
£'000	£'000		Fair Value Level	£'000	£'000
Financial assets held at fair value:					
8,955	8,955	Money market funds	1	5,225	5,225
35,649	35,649	Shares in unlisted companies	3	35,649	35,649
Financial assets held at amortised cost:					
13,087	11,679	Bank deposits & repos	2	0	0
66,055	66,055	Loans to companies	3	67,206	67,206
123,746	122,339	Total		108,080	108,080
6,169		Assets for which fair value is not disclosed		5,035	
129,916	122,339	Total Financial Assets		113,115	
Recorded on balance sheet as:					
65,956		Long-term debtors		67,099	
35,649		Long-term investments		35,649	
6,269		Short-term debtors		5,142	
13,087		Short-term investments		0	
8,955		Cash and cash equivalents		5,225	
129,916		Total Financial Assets		113,115	

The fair value of short-term financial assets held at amortised cost, including trade receivables, is assumed to approximate to the carrying amount.

The fair value of financial assets held at amortised cost is lower than their balance sheet carrying amount because the interest rate on similar investments is now higher than that obtained when the investment was originally made.

Note 17.1 - Nature and Extent of Risks Arising from Financial Instruments

The Council's activities expose it to a variety of financial risks:

Credit Risk – the possibility that other parties might fail to pay amounts due to the Council

Liquidity Risk – the possibility that the Council might not have funds available to meet its commitments to make payments

Market Risk – the possibility that financial loss might arise for the Council as a result of changes in such measures as interest rates and stock market movements.

Credit Risk: Investments

The Council manages credit risk by ensuring that investments are only placed with organisations of high credit quality as set out in the Treasury Management Strategy. These include commercial entities with a minimum long-term credit rating of A-, the UK government and other local authorities. The Treasury Management Strategy also restricts lending to a prudent maximum amount for each institution.

The table below summarises the credit risk exposures of the Council's investment portfolio:

Long Term Credit Rating		
31-Mar-24 £'000	(Fitch)	31-Mar-25 £'000
0	AA	0
13,087	AA-	0
0	A+	0
13,087	Total	0

Credit risk is not applicable to shareholdings and pooled funds where the Council has no contractual right to receive any sum of money.

Credit Risk: Debtors

The Council generally allows 30 days credit for its trade debtors. Outstanding debt overdue for payment can be analysed by age as follows:

31-Mar-24	Credit Risk: Debtors	31-Mar-25
£'000	Duration outstanding	£'000
332	One months	402
251	Two months	40
67	Three months	138
1,115	More than three months	1,295
1,765	Total	1,875

Credit Risk: Loan Commitments and Financial Guarantees

In furtherance of the Council's service objectives, it has committed to lend money to the following organisations, should it be requested to do so:

Organisation	Total facility	Balance 31 March 2025
Graven Hill Village Development Co Ltd	£69.6m	£52.7m

The Council has also provided a financial guarantee of £1.4m for Graven Hill.

Liquidity Risk

The Council manages its liquidity position through the risk management processes set out in its annual Treasury Management Strategy and Prudential Indicators, as well as through the active management of the cash flow position. This seeks to ensure that cash is available when it is needed.

The Council has ready access to borrowing at favourable rates from the Public Works Loan Board, other local authorities, and at higher rates from banks and building societies to cover any short-term cash flow need. The Council is also required to provide a balanced budget through the Local Government Finance Act 1992, which ensures sufficient funds are raised to cover annual planned expenditure. There is therefore no significant risk that it will be unable to raise finance to meet its commitments.

The maturity analysis of current loans is as follows (principal amounts only shown i.e. excluding accrued interest which is due in less than 1 year):

31-Mar-24	Liquidity Risk	31-Mar-25
£'000	Time to maturity	£'000
(36,000)	Less than 1 year	(26,000)
(6,000)	1 – 2 years	(6,000)
(31,000)	2 – 5 years	(51,000)
(68,000)	5-10 years	(47,000)
(10,000)	10-20 years	(5,000)
(30,000)	20-30 years	(30,000)
(181,000)	Total	(165,000)

Market Risk: Interest Rates

The Council is exposed to risk in terms of its exposure to interest rate movements on its borrowings and investments.

Other than short term funds held for liquidity purpose e.g. money market funds and call accounts, the Council currently does not have any investments at variable rates.

Although the Council's borrowing is at relatively low interest rates currently, it is exposed to the risk that it will need to refinance some of its borrowing at higher interest rates in the future.

The Council has a number of strategies for managing interest rate risks. The Treasury Management team, in consultation with its advisors, has an active strategy for assessing

interest rate exposure that feeds into the setting of the annual budget and which is used to update the forecasted out-turn during the year. This allows for any adverse changes to be accommodated.

Market Risk – Other:

Price Risk - The Council holds shares in Graven Hill Village Holdings Ltd and Crown House Banbury Ltd, but these are not listed and are valued at cost price. The Council therefore has no exposure to loss arising from movement in the prices of shares.

Foreign Exchange Risk - The Council has no financial assets or liabilities denominated in foreign currencies and as a result has no exposure to loss arising from movements in exchange rates.

Note 18 – Inventories

The table below provides details on the level of inventories balances set out in the Balance sheet.

31-Mar-24 £'000	Inventories	31-Mar-25 £'000
357	Opening Balance	263
863	Purchases	821
(957)	Recognised as an expense in the year	(850)
263	Closing Balance	234

Note 19a – Short Term Debtors

An analysis of the debtor's balance is shown below

31-Mar-24 £'000	Short Term Debtors	31-Mar-25 £'000
1,755	Trade Receivables	2,219
3,209	Pre-Payments	3,167
8,018	Other Receivable Amounts	7,217
12,982	Total Debtors	12,603

Note 19b Short Term Debtors for Local Taxation

The past due but not impaired amount for local taxation (council tax and non- domestic rates) can be analysed by age as follows;

31-Mar-24 £'000	Short Term Debtors for Local Taxation	31-Mar-25 £'000
0	Less than three months	0
0	Three to six months	0
368	Six months to one year	415
472	More than one year	505
840	Total Debtors	919

Note 20 – Cash and Cash Equivalents

Cash and cash equivalents include cash at bank, short-term bank deposits and money market investments and are highly liquid.

The balance of Cash and Cash Equivalents is made up of the following elements:

31-Mar-24 £'000	Cash and Cash Equivalents	31-Mar-25 £'000
(1,408)	Bank Balances/(Overdraft)	(408)
8,955	Short Term Investments	5,225
7,548	Total Cash and Cash Equivalents	4,817

Note 21– Assets Held for Sale

31-Mar-24 £'000	Assets held for Sale	31-Mar-25 £'000
0	Balance at start of year	199
Assets transferred to / (from) Assets Held for Sale:		
199	Property Plant and Equipment	(199)
Assets Sold:		
0	Property Plant and Equipment	0
199	Balance at year end	0

Note 22 – Short Term Creditors

The table below provides detail on the level of creditors balances set out in the Balance Sheet.

31-Mar-24 £'000	Short Term Creditors	31-Mar-25 £'000
(3,215)	Trade Payables	(5,296)
(26,530)	Other Payable Amounts	(24,659)
(29,745)	Total Creditors	(29,955)

Note 23 – Provisions

The main provisions during 2024/25 are for NNDR appeals. The council is required to set up a provision for the potential cost of successful appeals with the Valuation Office.

Current Provisions

31-Mar-25	Health Walks Training Provision £'000	Graven Hill Deposit Guarantee £'000	NNDR Appeals Provision £'000	Total £'000
Opening Balance	0	0	(4,193)	(4,193)
Increase in provision during year	0	0	(145)	(145)
Utilised during the year	0	0	772	772
Transferred from Long term	0	0	0	0
Closing Balance	0	0	(3,567)	(3,567)
31-Mar-24 £'000	Health Walks Training Provision £'000	Graven Hill Deposit Guarantee £'000	NNDR Appeals Provision £'000	Total £'000
Opening Balance	(4)	(37)	(71)	(112)
Increase in provision during year	0	0	0	0
Utilised during the year	4	37	71	112
Transferred from Long term	0	0	(4,193)	(4,193)
Closing Balance	0	0	(4,193)	(4,193)

Long Term Provisions

31-Mar-25	NNDR Appeals £'000	Landlord Rent Guarantee £'000	Landlord Rent Ex-Charter £'000	Banbury Bowls Club £'000	58 Bridge Street - Repair & Renewals £'000	Total £'000
Opening Balance	(1,519)	(63)	(18)	(47)	(123)	(1,770)
Increase in provision during year	(1,802)	0	0	0	0	(1,802)
Utilised during year	1,295	13	18	47	0	1,374
Transferred to short term	0	0	0	0	0	0
Closing Balance	(2,026)	(50)	0	0	(123)	(2,198)
31-Mar-24	NNDR Appeals £'000	Landlord Rent Guarantee £'000	Landlord Rent Ex-Charter £'000	Banbury Bowls Club £'000	58 Bridge Street - Repair & Renewals £'000	Total £'000
Opening Balance	(7,748)	(75)	(18)	(47)	(103)	(7,991)
Increase in provision during year	(1,641)	0	0	0	(20)	(1,661)
Utilised during year	3,676	11	0	0	0	3,688
Transferred to short term	4,193	0	0	0	0	4,193
Closing Balance	(1,519)	(63)	(18)	(47)	(123)	(1,770)

Total Provisions

31-Mar-24 £'000	Provisions Summary	31-Mar-25 £'000
(8,103)	Opening Balance	(5,964)
(1,661)	Increase in provision during year	(1,947)
3,800	Utilised during year	2,146
(5,964)	Closing Balance	(5,765)

Note 24 – Usable Reserves

The Council has a number of usable reserves in the balance sheet, those that can be applied to fund future expenditure or reduce local taxation. The purpose of each useable reserve is detailed in the table below or cross referenced to supporting notes.

31-Mar-24 £'000	Usable Reserves Summary	31-Mar-25 £'000
(6,152)	General Fund	(8,021)
(30,876)	Earmarked Reserves	(33,216)
(606)	Capital Receipts Reserve	0
(5,688)	Capital Grants Unapplied Reserve	(5,321)
(43,322)	Total	(46,557)

General Fund Reserve

This reserve is held to mitigate the financial risks facing the Council. The prudent level of general fund reserves to be held are set annually as part of the Council's budget report.

31-Mar-24 £'000	General Fund Reserve	31-Mar-25 £'000
(6,152)	Opening Balance	(6,152)
0	Transfers to general reserves	(1,869)
0	Use of general reserves in year	0
(6,152)	Closing Balance	(8,021)

Earmarked Reserves

These are reserves that have been set aside for specific purposes. This could be for a particular project; for example, a ringfenced grant on which there remains an unspent balance at the year end or amounts which have been set aside for future use. They are analysed in detail in Note 9.

The large decrease in 2021/22 and 2022/23 relate primarily to Business Rates Section 31 grants which were received in 2020/21 but which have been used to finance the Business Rates Collection Fund deficit in 2021/22 and 2022/23.

31-Mar-24 £'000	Earmarked Reserves	31-Mar-25 £'000
(23,670)	Opening Balance	(30,876)
(9,603)	Transfers to reserves	(7,876)
2,396	Use of reserves in year	5,537
(30,876)	Closing Balance	(33,216)

Capital Receipts Reserve

These are capital receipts which have been received during the year and which have then been used to finance capital expenditure. The remaining balance is available for future capital financing.

31-Mar-24 £'000	Capital Receipts Reserve	31-Mar-25 £'000
0	Opening Balance	(606)
(606)	Receipts from disposal of an interest in a capital asset	(891)
(15,079)	Receipts from repayments of capital loans made by the council	(101)
15,079	Capital Receipts used for financing	1,597
(606)	Closing Balance	0

Capital Grants Unapplied

These are capital receipts which have been recognised in the Comprehensive Income and Expenditure Statement which are available for future capital financing.

31-Mar-24 £'000	Capital Grants Unapplied	31-Mar-25 £'000
(5,849)	Opening Balance	(5,688)
(324)	Capital grants recognised in year	(477)
486	Capital grants and contributions applied	844
(5,688)	Closing Balance	(5,321)

Note 25 - Unusable Reserves

The Council has several unusable reserves in the balance sheet, those that cannot be applied to fund future expenditure or reduce local taxation. They are required to be held for statutory reasons and are needed to comply with proper accounting practice.

The unusable reserves held by the Council are detailed in the table below. The purpose of each unusable reserve is detailed in the relevant section below.

31-Mar-24 £'000	Unusable Reserves Summary	31-Mar-25 £'000
(39,184)	Revaluation Reserve	(37,224)
1,446	Capital Adjustment Account	6,131
22,700	Pension Reserve	27,933
(114)	Deferred Capital Receipts Reserve	(407)
(1,464)	Collection Fund Adjustment Account	993
458	Accumulated Absences Account	476
(16,158)	Total	(2,097)

Revaluation Reserve

The Revaluation Reserve contains the gains made by the Authority arising from increases in the value of its Property, Plant and Equipment (and Intangible Assets). The balance is reduced when assets with accumulated gains are:

- revalued downwards or impaired and the gains are lost
- used in the provision of services and gains are consumed through depreciation, or
- disposed of and the gains are realised.

The Reserve contains only revaluation gains accumulated since 1 April 2007, the date that the Reserve was created. Accumulated gains arising before that date are consolidated into the balance on the Capital Adjustment Account.

31-Mar-24 £'000	Revaluation Reserve	31-Mar-25 £'000
(40,702)	Opening balance	(39,184)
(2,890)	Upward revaluation of assets	(2,902)
3,352	Downward revaluation of assets and impairment losses not charged to the Surplus or Deficit on the Provision of Services	2,207
0	Revaluation of Right of use assets	973
462	Surplus or deficit on revaluation of non-current assets not charged to the Surplus or Deficit on the Provision of Services	278
1,004	Difference between fair value depreciation and historical cost depreciation	1,264
51	Accumulated gains on assets sold or scrapped	418
0	Accumulated gains on Property transferred to Investment Property	0
1,056	Amount written off to the Capital Adjustment Account	1,683
(39,184)	Closing Balance	(37,224)

Capital Adjustment Account

The Capital Adjustment Account absorbs the timing differences arising from the different arrangements for accounting for the consumption of non-current assets and for financing the acquisition, construction or enhancement of those assets under statutory provisions.

The account is debited with the cost of acquisition, construction or enhancement as depreciation, impairment losses and amortisations are charged to the Comprehensive Income and Expenditure Statement (with reconciling postings from the Revaluation Reserve to convert fair value figures to a historical cost basis).

The Account is credited with the amounts set aside by the Council as finance for the costs of acquisition, construction and enhancement.

The account contains accumulated gains and losses on Investment Properties and also contains revaluation gains accumulated on Property, Plant and Equipment before 1 April 2007, the date that the Revaluation Reserve was created to hold such gains.

Note 14 provides details of the source of all the transactions posted to the Account, apart from those involving the Revaluation Reserve.

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The movements on the Capital Adjustment Account for the year are:

31-Mar-24	Capital Adjustment Account	31-Mar-25
£'000		£'000
364	Opening balance	1,446
5,232	Charges for depreciation and impairment of non-current assets	5,438
3,794	Revaluation losses on non-current assets	9,722
	Revaluations of right of use assets on adoption of IFRS16	130
549	Amortisation of intangible assets	527
3,472	Revenue expenditure funded from capital under statute	2,830
89	Amounts of non-current assets written off on disposal or sale as part of the gain/loss on disposal to the Comprehensive Income and Expenditure Statement	1,055
13,137	Reversal of Items relating to capital expenditure debited or credited to the Comprehensive Income and Expenditure Statement	19,702
(1,056)	Adjusting Amounts written out of the Revaluation Reserve	(1,683)
12,081	Net written out amount of the cost of non-current assets consumed in the year	18,019
(15,079)	Use of Capital Receipts Reserve to finance new capital expenditure	(1,597)
(5,230)	Capital Grants and Contributions credited to the Comprehensive Income and Expenditure Statement that have been applied to capital financing	(7,143)
(4,410)	Statutory provision for the financing of capital investment charged against the General Fund	(4,111)
(687)	Increase in expected credit losses provision for long-term loans receivable	45
0	Direct Revenue contributions	(107)
(25,406)	Capital financing applied in year:	(12,913)
15,079	Write down of Capital Loans repaid to the Council	101
367	Movements in the market value of Investment Properties debited or credited to the Comprehensive Income and Expenditure Statement	(272)
(1,039)	Donated assets fair value less consideration	(250)
1,446	Closing Balance	6,131

Pension Reserve

The Pensions Reserve absorbs the timing differences arising from the different arrangements for accounting for post-employment benefits and for funding benefits in accordance with statutory provisions. The Council accounts for post-employment benefits in the Comprehensive Income and Expenditure Statement as the benefits are earned by employees accruing years of service, updating the liabilities recognised to reflect inflation, changing assumptions and investment returns on any resources set aside to meet the costs. However, statutory arrangements require benefits earned to be financed as the Council makes employer's contributions to pension funds or eventually pays any pensions for which it is directly responsible.

A debit balance on the Pensions Reserve would usually show a shortfall in the benefits earned by past and current employees and the resources the Council has set aside to meet them. However, at 31st March 2025, as shown in note 35, the council has a surplus of assets compared to defined benefit obligations of £8.8m. The overall debit balance is due to the effect of the asset ceiling, which is an additional liability of £36.7m. This effect of the asset ceiling reflects that current employer contribution levels would lead to a surplus in the pension fund which the council would not be able to benefit from. It should be noted however that this asset ceiling calculation assumes that contribution levels will not change, but the contributions are reviewed and adjusted every 3 years. As such the council does not expect any additional liability in relation to asset ceiling adjustments to materialise, instead it is expected that past service contributions will reduce in the future in line with the funding strategy of the pension fund.

31-Mar-24 £'000	Pension Reserve	31-Mar-25 £'000
31,309	Opening Balance	22,700
(5,115)	Remeasurements of the net defined benefit (liability)/asset	3,584
5,633	Reversal of items relating to retirement benefits debited or credited to the Surplus or Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement	5,418
(9,127)	Employer's pensions contributions and direct payments to pensioners payable in the year	(3,769)
22,700	Closing Balance	27,933

Deferred Capital Receipts Reserve

The Deferred Capital Receipts Reserve holds the gains recognised on the disposal of non-current assets but for which cash settlement has yet to take place. Under statutory arrangements the council does not treat these gains as usable for financing new capital expenditure until they are backed by cash receipts. When the deferred cash settlement eventually takes place, amounts are transferred to the Capital Receipts Reserve.

31-Mar-24 £'000	Deferred Capital Receipts reserve	31-Mar-25 £'000
(522)	Opening Balance	(114)
(114)	Transfer of deferred sale proceeds credited as part of the gain/loss on disposal to the Comprehensive Income and Expenditure statement	(407)
522	Transfer to the capital receipts reserve upon receipt of cash	114
(114)	Closing Balance	(407)

Collection Fund Adjustment Account

The Collection Fund Adjustment Account manages the differences arising from the recognition of income from council tax and business rates in the Comprehensive Income and Expenditure Statement as it falls due compared with the statutory arrangements for paying across amounts to the General Fund from the Collection Fund.

31-Mar-24 £'000	Collection Fund Adjustment Account	Business Rates £'000	Business Rates – other £'000	Council Tax £'000	31-Mar-25 Total £'000
(5,314)	Opening Balance	(1,156)	2	(310)	(1,464)
3,818	Amount by which income credited to the CIES is different from income calculated for the year in accordance with statutory requirements	2,637		(112)	2,525
32	Other transfers to/(from) the General Fund in accordance with non-domestic rates regulations		(68)		(68)
(1,464)	Closing Balance	1,481	(66)	(422)	993

Accumulated Absences Account

The Accumulated Absences Account absorbs the differences that would otherwise arise on the General Fund Balance from accruing for compensated absences earned but not taken in the year e.g. annual leave entitlement carried forward at 31 March. Statutory arrangements require that the impact on the General Fund Balance is neutralised by transfers to or from the Account.

31-Mar-24 £'000	Accumulated Absences Account	31-Mar-25 £'000
270	Opening Balance	458
(270)	Settlement or cancellation of the accrual made at the end of the preceding year	(458)
458	Amounts accrued at the end of the year	476
458	Closing Balance	476

Note 26 - Members' Allowances

A detailed list of allowances paid to each member is available for examination on the Council's website under "Councillors – Members' Allowances"

The Local Councils (Members' Allowances) Regulations 2003 requires local Councils to publish the amounts paid to members under the members' allowances scheme. The allowances available in 2024/25 were as follows:

31-Mar-24 £'000		31-Mar-25 £'000
349	Allowances	353
4	Expenses	6
353	Total Members' Allowances	359

Note 27 - Officers' Remuneration

The Council is required, under regulation 7(2) of the Accounts and Audit Regulations 2003, to include in the notes to the accounts the number of employees in the accounting period whose remuneration was in excess of £50,000 excluding pension contributions.

This does not include senior staff all accounted for in the table on the following page where they are employees of Cherwell District Council.

31-Mar-24	Officers' Remuneration	31-Mar-25
Number of employees	Remuneration Band	Number of employees
21	£50,001 to £55,000	15
18	£55,001 to £60,000	27
6	£60,001 to £65,000	13
3	£65,001 to £70,000	5
2	£70,001 to £75,000	4
0	£75,001 to £80,000	1
0	£80,001 to £85,000	1
1	£85,001 to £90,000	0
0	£90,001 to £95,000	1
0	£110,001 to £115,000	1
1	£120,001 to £125,000	0
52	Total	68

The Remuneration paid to senior employees in Cherwell District Council 2024/25 is as follows:

Post Title	Salary (Including Fees & Allowances) £	Expense Allowances and Other Emoluments £	Compensations for Loss of Employment £	Total Remuneration Excluding Employers' Pension Contribution £	Employers' Pension Contribution £	Total Remuneration including Employers' Pension Contribution £
Chief Executive & Head of Paid Services - Gordon Stewart	156,000	0	0	156,000	24,804	180,804
Corporate Director of Resources & Transformation	111,239	0	0	111,239	17,687	128,925
Corporate Director of Communities	121,139	0	0	121,139	19,261	140,400
Assistant Director Customer Focus	88,569	0	0	88,569	14,082	102,651
Assistant Director Law and Governance & Monitoring Officer	101,533	0	0	101,533	16,144	117,677
Assistant Director Environmental Services	92,277	0	0	92,277	14,672	106,949
Assistant Director Planning and Development	92,277	0	0	92,277	14,672	106,959
Assistant Director Growth and Economy*	92,277	0	64,109	156,386	14,672	171,059
Assistant Director Finance & S151	104,005	0	0	104,005	16,537	120,542
Assistant Director Housing & Wellbeing	89,805	0	0	89,805	14,279	104,085
Assistant Director Human Resources & Operational Resources	79,921	0	0	79,921	12,707	92,628
Assistant Director Property	89,805	0	0	89,805	14,279	104,085
Head of Digital and Innovation	70,123	0	0	70,123	11,149	81,272
Head of Finance & Deputy S151	68,720	0	0	68,720	10,926	79,646
Head of Regulatory Services & Community Safety	67,660	0	0	67,660	10,758	78,418
Head of Legal & Deputy Monitoring Officer**	24,997	0	0	24,997	3,974	28,971
Total	1,450,347	0	64,109	1,514,456	230,605	1,745,061

*Assistant Director of Growth and Economy's employment ended in March 2025

**Head of Legal & Deputy Monitoring Officer was in post from November 2024

Note 27 Continued... **The Remuneration paid to senior employees in Cherwell District Council 2023/24 is as follows:**

Post Title	Salary (Including Fees & Allowances)	Expense Allowances and Other Emoluments	Compensation for Loss of Employment	Total Remuneration Excluding Pension Contribution	Pension Contribution	Total Remuneration including pension contribution	Contribution to Oxfordshire County Council	Cost to Cherwell District Council	Date in post 2023/24
Chief Executive - Yvonne Rees	143,524	4,675	41,922	190,120	20,499	210,619	-	210,619	<i>Until January 2024</i>
Chief Executive & Head of Paid Services - Gordon Stewart	34,677	-	-	34,677	5,514	40,191	-	40,191	<i>From January 2024</i>
Corporate Director of Resources	107,725	575	-	108,299	17,128	125,428	-	125,428	
Corporate Director of Communities	116,480	575	-	117,054	18,520	135,575	-	135,575	
Assistant Director Customer Focus	83,975	573	-	84,548	13,352	97,900	-	97,900	
Assistant Director Law and Governance & Monitoring Officer	96,441	4,055	-	100,495	15,334	115,829	-	115,829	
Assistant Director of Environmental Services	88,728	548	-	89,275	14,108	103,383	-	103,383	
Assistant Director of Planning and Development	88,728	318	-	89,046	14,108	103,153	-	103,153	
Assistant Director of Growth and Economy	88,728	-	-	88,728	14,108	102,835	-	102,835	
Assistant Director of Finance S151	98,817	463	-	99,279	15,712	114,991	-	114,991	
Assistant Director of Housing & Wellbeing	85,163	598	-	85,761	13,541	99,301	-	99,301	
Assistant Director Human Resources & Operational Resources	75,724	598	-	76,322	12,030	88,352	-	88,352	
Assistant Director Property	49,652	-	-	49,652	7,895	57,546	-	57,546	<i>From September 2023</i>
Head of Digital and Innovation	60,370	-	-	60,370	9,580	69,950	-	69,950	
Head of Finance & Deputy S151	65,218	-	-	65,218	10,370	75,588	-	75,588	

Post Title	Salary (Including Fees & Allowances)	Expense Allowances and Other Emoluments	Compensations for Loss of Employment	Total Remuneration Excluding Pension Contribution	Pension Contribution	Total Remuneration including pension contribution	Contribution to Oxfordshire County Council	Cost to Cherwell District Council	Date in post 2023/24
Assistant Director of Regulatory Services*	-	-	-	-	-	-	6,890	6,890	<i>Until May 2023</i>
Head of Regulatory Services & Community Safety	63,154	-	-	63,154	10,042	73,196	-	73,196	
Total	1,347,101	12,977	41,922	1,402,001	211,838	1,613,839	6,890	1,620,729	

Cherwell District Council had several joint posts under the Partnership Agreement with Oxfordshire County Council:

* Denotes Staff employed by Oxfordshire County Council and the District Council is charged a share of salary costs

Note 28 - External Audit Costs

The Authority has incurred the following costs in relation to the audit of the Statement of Accounts, certification of grant claims and statutory inspections and to non-audit services provided by the Authority's external auditors.

The final fees payable in relation to the 2022/23, 2023/24 and 2024/25 external audits are still subject to approval by the PSAA.

31-Mar-24 £'000s	Fees	31-Mar-25 £'000s
Fees payable with regard to external audit services carried out by the appointed auditor		
175	In relation to this financial year	191
(26)	In relation to previous financial years	31
179	Fees payable for the certification of grant claims and returns	161
328	Total	383

Note 29 – Grant Income

The Council credited the following grants, contributions and donations to the Comprehensive Income and Expenditure Statement in 2024/25;

Grant Income Credited to Taxation and non-specific Grant Income and Expenditure

31-Mar-24 £'000	Grant Income Credited to Taxation	31-Mar-25 £'000
Revenue Grants and Contributions		
(307)	Revenue Support Grant	(361)
(8,504)	Non-Domestic Rates (incl. Section 31 grant)	(9,141)
(1,625)	New Homes Bonus	(1,375)
(154)	Services Grant	(27)
(2,839)	Funding Guarantee Grant	(3,461)
(154)	Other Revenue Grants and Contributions	(406)
Capital Grants and Contributions		
(1,427)	Local Authority Household Fund	0
0	Eco Town Grant	(3,484)
(1,039)	Longford Park Asset Donation	0
(406)	S106 Capital Contributions	(1,192)
(216)	Other Capital Grants and Contributions	(1,099)
(16,671)	Total	(20,545)

Grant Income Credited to Services

31-Mar-24 £'000	Grant Income Credited to Services	31-Mar-25 £'000
(21,379)	Rent Allowances Subsidy Grant	(21,146)
(285)	Housing Benefit Administration Subsidy Grant	(270)
(243)	NDR Cost of Collection Grant	(243)
(778)	Homeless Support Grants	(798)
(567)	Section 106 Developer contributions	(748)
(232)	Discretionary Housing Payments	(281)
(1,348)	Disabled Facilities Grant*	(1,252)
(2,463)	Contributions from other Local Authorities	(2,375)
(741)	Home Office – Housing Refugees	(1,095)
(37)	Covid-19 related grants	0
(1,672)	Local Authority Housing fund Round 2*	0
(221)	UK Shared Prosperity Fund	(658)
(742)	Other Grants & Contributions	(628)
(30,709)	Total	(29,493)

*These are Capital grants, however as they are being used to fund Revenue Expenditure Funded by Capital Under Statute (REFCUS), under the CIPFA code the grants should be accounted for as a revenue grant in the CIES and credited to services.

The Council has received several grants, contributions and donations that have yet to be recognised as income as they have conditions attached to them that could require the monies or property to be returned to the giver if the conditions are not met. The balances at the year-end are as follows:

Grants Receipts in Advance (Revenue Grants) - Current Liabilities

31-Mar-24 £'000		31-Mar-25 £'000
(1,015)	Section 106 developer contributions	(546)
(30)	COVID-19 Grant - LRSG Closed Addendum	(30)
(2)	COVID-19 Grant - LRSG Open	(2)
(7)	Council Tax Rebate Grant	(7)
(481)	Afghan Refugee Accommodation Programme	(1,463)
(726)	Homes for Ukraine	(539)
(266)	Asylum Dispersal Grant	(306)
(613)	Other Grants and contributions	(200)
(3,141)	Total	(3,093)

Grants Receipts in Advance (Capital Grants) - Current Liabilities

31-Mar-24 £'000		31-Mar-25 £'000
(3,208)	Section 106 developer contributions	(3,261)
(220)	Other Grants and Contributions	(390)
(3,428)	Total	(3,651)

Grants Receipts in Advance (Revenue Grants) - Long Term Liabilities

31-Mar-24 £'000		31-Mar-25 £'000
(5,650)	Section 106 Developer Contributions - Capital	(5,677)
(5)	Community Build Banbury	(5)
(5,655)	Total	(5,682)

Grants Receipts in Advance (Capital Grants) - Long Term Liabilities

31-Mar-24 £'000		31-Mar-25 £'000
(7,305)	Section 106 Developer Contributions - Capital	(8,821)
(3,484)	Eco Town Grant	0
(10,789)	Total	(8,821)

Note 30 – Related Parties

The Council is required to disclose material transactions with related parties; bodies or individuals that have the potential to control or influence the Council or to be controlled or influenced by the Council. Disclosure of these transactions allows readers to assess the extent to which the Council might have been constrained in its ability to operate independently or might have limited another party's ability to operate independently or bargain freely with the Council.

Central Government

Central Government has significant influence over the general operations of the Council including:

- Providing the statutory framework within which the Council operates,
- Providing funding in the form of grants
- Prescribing the terms of many of the transactions that the Council has with other parties (e.g. council tax bills, non-domestic rates and housing benefits).

Other Public Bodies

Payments to other Public Bodies must be disclosed to provide assurance to readers of these statements that any material transaction between the organisation and those in a position to influence its decisions is properly accounted for.

- The Council collects and pays over precepts on behalf of Oxfordshire County Council, Thames Valley Police and Crime Commissioner and the Town and Parish Councils within the Council area. Precepts for the County Council and Police Authority are shown in the Collection Fund. Town and Parish precepts are shown in the Comprehensive Income and Expenditure Account.
- The Local Government Pension Scheme of which Cherwell DC is a member is administered by Oxfordshire County Council

Subsidiaries and Joint Operations

The Council has several subsidiaries, full details of which are included in the Group Accounts and explanatory notes.

Crown House Banbury Limited

A wholly owned Council subsidiary for the purpose of management of market rented accommodation. Councillor Rob Pattenden (appointed July 2024) and CDC Official Nicola Riley (appointed August 2021) are directors of the company.

The value of loans outstanding from the council to the company as at the balance sheet date total £13.497m (2022/23 £12.949m). The income recognised by the council in relation to Crown House Banbury limited for the year was £0.573m (2023/24 £0.624m), this related to interest on the loan and IT and project management services provided to the company.

Crown Apartments Banbury Limited

The company is a subsidiary of Crown House Banbury Ltd which manages the residential property. Councillor Rob Pattenden (appointed July 2024) and CDC Official Nicola Riley (appointed August 2021) are directors of the company.

There were no transactions between the Council and Crown Apartments Banbury Limited in 2024/25 or 2023/24.

Graven Hill Village Holdings Limited

The company is a holding company, of which the council holds 100 per cent of the shares in the company. Councillor Simon Holland was a director of the company from March 2023 to May 2024.

The value of loans outstanding from the council to the company as at the balance sheet date total £12.234m (2023/24 £12.234m). The income recognised by the council in relation to interest on the loan for the year was £1.468m (2023/24 £1.472m). In addition, the company paid a dividend of £0.5m (2023/24 £0.5m) to the council.

Graven Hill Village Development Company Limited

The company is a subsidiary of Graven Hill Village Holdings Ltd. The holding company holds 99 per cent of the shares and the council holds 1 per cent. The council has dominant control of the company by virtue of its control of the holding company. The principal activity of the company during the period was that of a property development company. Councillor Simon Holland was a director of the company from March 2023 to May 2024.

At the balance sheet date, the outstanding amount owed to the council by the company was £40.413m (2022/23 £40.427m). This primarily relates to loans and a revolving credit facility, with a small amount in relation to IT and other support recharged to the company. In addition the council holds £1.7m of S106 receipts in advance from the company on its balance sheet. The income recognised by the council in relation to Graven Hill Village Development Company Limited for the year was £2.460m (2023/24 £3.290m). This relates primarily to interest on the loans, with a small amount in relation to IT and other support recharged to the company.

Veritau Public Sector Limited

Veritau Public Sector Limited is a teckal company limited by guarantee without share capital. The company provides the council's internal audit and counter-fraud functions. The council joined as a member of this company in November 2024. The other member authorities are City of York council, North Yorkshire council, Redcar and Cleveland Borough council and Leicester City council. CDC Officer Michael Furness is a director of this company. In the year the council paid £0.074m to the company for membership and services (2023/24 nil).

Officers

- During 2023-24 Senior Officers of the Council made disclosures relating to their directorships of the Council's wholly owned and Joint owned companies as listed above. All transactions are fully compliant with the CIPFA Code and documented in the Group Accounts.

Members

Members of the Council have direct control over the Council's financial and operating policies.

- Members of the Council made disclosures relating to their directorships of the Council's wholly owned and Joint owned companies as listed above. All transactions are fully compliant with the CIPFA Code and documented in the Group Accounts.
- One member disclosed they are a director of Bicester Vision CIC, a local not for profit organisation supporting local businesses and projects for the benefit of the Bicester area. In 2024/25 the Council paid a grant of £10,000 (2023/24 £15,000) to Bicester Vision CIC as part of the Bicester Vision partnership.
- Contracts were entered into in full compliance with the Council's Standing Orders.
- All transactions are recorded in the Register of Members' Interests, open to public inspection at Bodicote House, Bodicote, Banbury, OX15 4AA.

Entities Controlled or Significantly Influenced by the Authority

During 2024/25 grant funding payments of £0.393m (2023/24 £0.383m) were made to the Banbury Museum Trust. This represents a significant part of the funding for this organisation.

In addition, the council leases the Banbury Museum land and building to the trust on a peppercorn basis.

Note 31 – Capital Expenditure and Capital Financing

The total amount of capital expenditure incurred in the year is shown in the table below (including the value of assets acquired under finance leases and PFI contracts), together with the resources that have been used to finance it. Where capital expenditure is to be financed in future years by charges to revenue as assets are used by the authority, the expenditure results in an increase in the Capital Financing Requirement (CFR), a measure of the capital expenditure incurred historically by the authority that has yet to be financed. The CFR is analysed below.

31-Mar-24 £'000	Capital Expenditure and Capital Financing	31-Mar-25 £'000
238,400	Opening Capital Financing Requirement	234,440
	IFRS16 - Right of Use Assets brought onto balance sheet	375
238,400	Opening Capital Financing Requirement - IFRS16 Implementation	234,815
	Capital Investment:	
8,992	Property Plant and Equipment	11,007
0	Investment Property	0
334	Intangible Assets	86
3,472	Revenue Expenditure Funded from Capital Under Statute	2,830
0	Long Term Investments	0
9,000	Debtors	0
21,798	Total Capital Spending	13,923
	Sources of Finance:	
(15,079)	Capital receipts	(1,597)
(5,230)	Government Grants and other contributions	(7,143)
(1,039)	Donated Assets fair value less consideration included in capital investment above	(250)
	Sums set aside from revenue:	
0	Direct revenue contributions	(107)
(4,410)	Minimum revenue Provision	(4,111)
(25,758)	Total Sources of Finance	(13,208)
234,440	Closing Capital Financing Requirement	235,530
31-Mar-24 £'000		31-Mar-25 £'000
450	Increase in underlying need to borrow (unsupported by government financial assistance)	4,825
(4,410)	Statutory provision for repayment of debt (minimum Revenue Provision)	(4,111)
(3,960)	Increase/(decrease) in Capital Financing Requirement	715

Note 32 – Leases

32.1 Authority as Lessee

The council from 1st April 2024 has adopted IFRS 16 per the mandatory requirements of the CIPFA code. This has been done in line with the transitional provisions in the CIPFA code. The main impact of the requirements of IFRS 16 is that, for arrangements previously accounted for as operating leases, a right-of-use asset and a lease liability (where rent payments are due under the lease) are now included on the balance sheet.

In assessing whether the council has the right-of-use, the council has applied recognition exemptions for short-term leases, i.e. contracts with a term of 12 months or less, and low value assets with a value or cost individually lower than £10,000 (with cost a proxy for asset value where value is not readily determinable). The council recognises the lease payments associated with these leases as an expense on a straight-line bases over the lease term.

IFRS16 has been applied retrospectively, but with the cumulative effect recognised at 1 April 2024. This means that right-of-use assets and lease liabilities have been calculated as if IFRS16 had always applied but recognised in 2024/25 and not by adjusting prior year figures. The council has also applied practical expedients under 4.2.2.94 of the CIPFA code whereby contracts entered prior to the initial date of application are not required to be revisited to determine whether the contract contains a lease under IFRS 16.

Right-of-use assets are generally held on balance sheet at Fair Value. For leases longer than one year but that are sufficiently short-term (i.e. less than 5 years remaining on the lease with rent review provisions), the cost model has been applied where deemed materially appropriate.

The council has no material leases with corresponding lease liabilities but has brought £0.375m of right-of-use assets on balance sheet in addition to those already held in Land and Buildings. As at the closing balance sheet date, approximately £7.8m of assets held on the balance sheet are leased to the council at a peppercorn rent. Lease liabilities totaled £0.114m as at 31st March 2025, compared to £0.123m of future minimum payments under operating leases as at 31st March 2024.

The below table is a reconciliation of the adjustments required to bring right-of-use assets on balance sheet and remeasure existing assets on balance sheet to reflect the requirements of the accounting standard.

Adjustments on implementation of IFRS 16	Land & Buildings £'000
Cost or Valuation	
Right-of-use assets already on balance sheet as at 1st April 2024	9,469
IFRS 16 Implementation adjustments:	
Accumulated Depreciation w/o to GCA on revaluation of right of use as at 1 st April 2024	(255)
Revaluation adjustments for right-of-use basis recognised in the revaluation reserve	(973)
Revaluation adjustments for right-of-use basis recognised in the surplus/deficit on provision of services	(130)
Right-of-use assets brought onto balance sheet at 1 st April 2024	375
Total adjustments under IFRS16 implementation on 1st April 2024	(983)
Gross Carrying amount at 1st April 2024 – post IFRS16 implementation	8,486
Accumulated Depreciation	
Right-of-use assets already on balance sheets as at 1st April 2024	(255)
IFRS 16 implementation adjustments:	
Accumulated Depreciation w/o to GCA on revaluation of right of use as at 1 st April 2024	255
Accumulated depreciation at 1st April 2024 – post IFRS16 implementation	0
Net book value at 1st April 2024 – pre IFRS16 implementation	9,214
Net book value at 1st April 2024 – post IFRS16 implementation	8,486

The table below shows the change in net book value of right-of-use assets held under leases by the authority in the 2024/25 financial year. For more detail of the gross movements, see note 14.

	Land and Buildings £'000
Balance at 1st April 2024	8,486
Additions	0
Lease remeasurements	119
Revaluations	0
Depreciation and Amortisation	(558)
Disposal	0
Balance at 31st March 2025	8,047

Maturity analysis of lease liabilities

The lease liabilities are due to be settled over the following time bands (measured at the undiscounted amounts of expected cash payments)

31-Mar-24 £'000		31-Mar-25 £'000
73	Less than one year	73
45	One to five years	47
3	More than five years	0
121	Total undiscounted liabilities	121

The below table shows the weighted average interest rate applied to discounted lease liabilities on balance sheet and the interest expense associated with the liabilities

1-Apr-24 £'000		31-Mar-25 £'000
124	Discounted lease liabilities	114
1.93%	Weighted average interest rate	3.82%
6	Interest charge	6

32.2 Authority as Lessor

The authority leases out property and equipment under operating leases for the following purposes:

- For the provision of community services, such as sports facilities, community centres and culture
- For economic development purposes to provide suitable affordable accommodation for local businesses
- For the provision of affordable and shared ownership housing to provide affordable residential accommodation to local residents

Transactions under leases

The authority generated the following income from leases during the year

2023/24 £'000		2024/25 £'000
0	Finance lease	0
(7,791)	Operating leases	(7,569)
(7,791)	Total lease income	(7,569)

Maturity analysis of lease receivables

The lease receivables are due to be collected over the following time bands (measured at the undiscounted amounts of expected cash receipts):

31st March 2024			31st March 2025	
Finance leases £'000	Operating leases £'000		Finance leases £'000	Operating leases £'000
0	5,027	Less than one year	0	4,392
0	4,187	One to two years	0	4,082
0	3,836	Two to three years	0	3,780
0	3,554	Three to four years	0	3,485
0	3,235	Four to five years	0	3,187
0	69,875	More than five years	0	67,447
0	89,714	Total undiscounted	0	86,373

Note 33 - Impairment Losses

The Code requires disclosure by class of assets of the amounts for impairment losses and impairment reversals charged to the Surplus or Deficit on the Provision of Services and to Other Comprehensive Income and Expenditure.

During the year under review a number of assets have been professionally valued by external valuers as part of the Council's five-year rolling programme of asset valuations. A review is also carried out by the Council to determine whether there are any indications of impairments or revaluation losses with regard to assets not subject to revaluations in the current year.

During 2023/24 the council recognised an impairment loss of £888k in relation to Town Centre House. This asset was held leasehold on a finance lease until it was purchased by the council during 2023/24. Following advice from CIPFA technical experts, the difference between the amount paid for the asset and the outstanding lease liability was added to the net book value of the asset on the balance sheet. However, an impairment indicator was identified due to the recent freehold purchase cost being lower than carrying value of the asset. An impairment loss was therefore recognised to correctly reflect the historic cost of the asset in-line with the reporting requirements for Assets Under Construction under the CIPFA code.

There have been no impairments in 2024/25.

Note 34 - Termination Benefits

The authority terminated the contracts of four employees which resulted in termination benefits of £133k in 2024/25. The Figure in the financial year of 2023/24 was £83k.

Exit package cost band (including special payments)	Number of compulsory redundancies		Number of other departures agreed		Total number of exit packages by cost band		Total cost of exit packages in each band	
	2024/25	2023/24	2024/25	2023/24	2024/25	2023/24	2024/25	2023/24
£0-£20,000	2	2	2	0	4	2	£15,536	£11,888
£20,001-£60,000	2	1	1	1	3	2	£117,199	£71,535
Total	4	3	3	1	7	4	£132,736	£83,423

Note 35 - Defined Benefit Pension Scheme

35.1 Participation in Pension Schemes

As part of the terms and conditions of employment of its officers, the Authority makes contributions towards the cost of post-employment benefits. Although these benefits will not actually be payable until employees retire, the Authority has a commitment to make the payments (for those benefits) and to disclose them at the time that employees earn their future entitlement.

The Cherwell District Council pension scheme is operated under the regulatory framework for the Local Government Pension Scheme and the governance of the scheme is the responsibility of Oxfordshire County Council. Policy is determined in accordance with the Pensions Fund Regulations.

The principal risks to the authority of the scheme are the longevity assumptions, statutory changes to the scheme, and structural changes to the scheme (i.e. large-scale withdrawals from the scheme), changes to inflation, bond yields and the performance of the equity investments held by the scheme. These are mitigated to a certain extent by the statutory requirements to charge to the General Fund the amounts required by statute as described in the accounting policies note.

35.2 Transactions Relating to Post-employment Benefits

We recognise the cost of retirement benefits in the reported cost of services when they are earned by employees, rather than when the benefits are eventually paid as pensions. However, the charge we are required to make against council tax is based on the cash payable in the year, so the real cost of post-employment/retirement benefits is reversed out of the General Fund via the Movement in Reserves Statement.

The following transactions have been made in the Comprehensive Income and Expenditure Statement and the General Fund Balance via the Movement in Reserves Statement during the year;

31-Mar-24		31-Mar-25
£'000	Comprehensive (Income) and Expenditure Statement	£'000
Cost of Services:		
3,906	Current Service Cost	3,891
91	Past Service Cost/(Gain) – Including Curtailments	279
131	Administration Expense	146
Financing and Investment (Income) and Expenditure:		
1,505	Net Interest Expense	1,102
5,633	Total Post Employment Benefit Charged to the (Surplus) or Deficit on the Provision of Services	5,418
Other Comprehensive (Income) and Expenditure:		
(9,401)	Return on Plan Assets (excluding amounts included in net interest expense)	3,263
(924)	Actuarial (Gains) & Losses Arising on Changes in Demographic Assumptions	(290)
(7,726)	Actuarial (Gains) & Losses Arising on Changes in Financial Assumptions	(26,326)
5,286	Experience (Gain)/loss on defined benefit obligation	(1,783)
0	Other actuarial (Gains) & Losses on assets	0
7,650	Remeasurement of the effect of asset ceiling	28,720
(5,115)	Post-Employment Benefit Charged to the Comprehensive Income and Expenditure Statement	3,584
Movement in Reserves Statement		
(5,633)	Reversal of net charges made to the Surplus or Deficit for the Provision of Services for Post-employment Benefits in accordance with the Code	(5,418)
9,127	Employer's Contributions Payable to the Pension Scheme	3,769
3,494	Total	(1,649)

35.3 Pension Assets and Liabilities Recognised in the Balance Sheet

The amount included in the Balance Sheet arising from the Council's obligation in respect of its defined benefit plan is as follows:

31-Mar-24 £'000	Pension Assets and Liabilities Recognised in the Balance Sheet	31-Mar-25 £'000
(166,369)	Present value of the defined benefit obligation	(144,424)
151,319	Fair value of plan assets	153,228
(7,650)	Effect of the Asset ceiling	(36,737)
(22,700)	Net liability arising from defined benefit obligation	(27,933)

Effect of Asset ceiling

The council is required to prepare its accounts in line with the International Accounting Standard (IAS) 19 – Employee Benefits. Under IAS19, the council is required to recognise an additional liability where agreed past service contributions would give rise to a future surplus and not be available after they are paid (i.e. available as a refund or reduction in future contributions). This liability is referred to as the 'Asset Ceiling'.

The council pays past service contributions as part of the funding strategy for the Oxfordshire Pension Fund. The principle being that these contributions help to ensure that any pension obligations in relation to past service (i.e. not accrued in the current financial year) are appropriately funded.

Where these past service contributions are expected to lead to a net pension asset within the funding 'time horizon' (currently 20 years), IAS19 requires an adjustment in the council's balance sheet to reflect the amount which would not be available back to the council through a refund or reduction in future contributions.

The calculation required for IAS19 assumes that the current level of past service contributions is continued over the funding time horizon. However, the pension fund reviews these contributions every 3 years, with the next review covering the 2026/27 to 2028/29 period. As such the council does not expect any additional liability in relation to asset ceiling adjustments to materialise, instead it is expected that past service contributions will reduce in the future in line with the funding strategy of the pension fund.

35.4 Assets and Liabilities in relation to Retirement Benefits

31-Mar-24 £'000		31-Mar-25 £'000
Reconciliation of Present Value of Scheme Liabilities		
(163,942)	Liabilities as of the Beginning of the Period	(166,369)
(4,037)	Current Service Cost	(4,037)
(7,741)	Interest Cost	(7,945)
(1,287)	Contributions by Scheme Participants	(1,451)
7,726	Change in financial assumptions	26,326
924	Change in demographic assumptions	290
(5,286)	Experience (Losses)/Gains on defined benefit obligation	1,783
0	Losses on Curtailments	0
7,365	Benefits Paid	7,258
(91)	Past Service Costs	(279)
(166,369)	Liabilities as of the End of the Period	(144,424)
Reconciliation of Fair Value of Scheme Assets		
132,633	Assets as of the Beginning of the Period	151,319
6,236	Interest on Assets	7,210
9,401	Return on assets less interest	(3,263)
0	Other Experience (Losses)/Gains	0
9,127	Employer Contributions	3,769
1,287	Contributions by Scheme Participants	1,451
(7,365)	Benefits Paid	(7,258)
151,319	Assets as of the End of the Period	153,228
Reconciliation of Effect of Asset Ceiling		
0	Balance at the beginning of the period	(7,650)
0	Interest on the Effect of Asset Ceiling	(367)
(7,650)	Actuarial remeasurement of the Asset Ceiling	(28,720)
(7,650)	Balance at the end of the period	(36,737)

Impact on the Council's cash Flow

The liabilities show the underlying commitments that the authority has in the long run to pay post-employment (retirement) benefits. The total liability of £144m has a substantial impact on the net worth of the authority as recorded in the Balance Sheet, resulting in a negative overall balance relating to pensions of £27.9m (see also Note 25: Pension Reserve).

However, statutory arrangements for funding the deficit mean that the financial position of the authority remains healthy:

the deficit on the local government scheme will be made good by increased contributions over the remaining working life of employees (i.e. before payments fall due), as assessed by the scheme actuary,

finance is only required to be raised to cover discretionary benefits when the pensions are actually paid.

The total contributions expected to be made to the Local Government Pension Scheme by the authority in the year to 31 March 2026 is £3.308m.

The weighted average time until payment of all expected future cashflows is 17 years.

Sensitivity Analysis

Funding levels are monitored on an annual basis, with the last triennial review and valuation completed at 31 March 2022. The fund liability may go up and down depending on assumptions applied.

Measurement of Pension Liability

The present value of the pension liability depends on a number of factors that are determined on an actuarial basis and the value of the underlying assets. The actual liability of the Council will continue to be subject to volatility, as a result of a number of factors.

The estimated effects of the changes in the key individual assumptions in determining the net pension liability would increase the Council's pension liability as of 31 March 2025 as follows:

31-Mar-24 £'000	Sensitivity analysis	31-Mar-25 £'000
2,811	0.1% per cent decrease in the real discount rate	2,429
241	0.1% per cent increase in the salary increase rate	90
2,620	0.1% per cent increase in the pension increase rate	2,406
6,655	1-year increase in member life expectancy	5,777

The above table presents the changes in key assumptions in isolation. The information is only indicative of the estimated impact as the assumptions interact in complex ways.

35.5 Basis for Estimating Assets and Liabilities

Liabilities have been assessed on an actuarial basis using the projected unit credit method, an estimate of the pensions that will be payable in future years dependent on assumptions about mortality rates, salary levels, etc. Both the Local Government Pension Scheme and Discretionary Benefits liabilities have been assessed by Hymans Robertson LLP, an independent firm of actuaries, estimates for Oxfordshire County Council Pension Fund being based on the latest full valuation of the scheme as at 31 March 2022.

The principal assumptions used by the actuary in the calculations are:

31-Mar-24 per cent	Principal Assumptions	31-Mar-25 per cent
3.20	Rate of inflation: RPI	3.15
2.80	Rate of inflation: CPI	2.80
2.80	Rate of increase in salaries	2.80
2.80	Rate of increase in pensions	2.80
4.80	Rate of discounting scheme liabilities	5.80

These assumptions are set with reference to market conditions as at 31 March 2025. The estimated duration of Employer's pension liabilities to employees is 17 years.

The discount rate is the annualised yield at the 17-year point on the iBoxx AA-rated corporate bond yield curve which has been chosen to meet the requirements of IAS19 and with consideration of the duration of the Employer's liabilities.

The Retail Prices Index (RPI) increase assumption is set based on the difference between conventional gilt yields and index-linked gilt yields at the accounting date using data published by the Bank of England (BoE), specifically the 17 year point on the BoE market implied inflation curve.

Future pension increases are expected to be based on the Consumer Prices Index (CPI) rather than RPI. Salaries are assumed to increase by CPI only.

31-Mar-24		31-Mar-25
Years	Mortality Assumptions	Years
	Longevity at 65 for current pensioners	
22.0	Men	22.0
24.6	Women	24.5
	Longevity at 65 for future pensioners	
22.2	Men	22.1
25.8	Women	25.8

The following assumptions have been made:

Members will elect to take 50 per cent of their commutable pension for cash at retirement.

Members will retire at one retirement age for all tranches of benefit, which will be the pension weighted average tranche retirement age.

Members opted-in to the 50:50 section at the previous valuation date will continue in this section.

The Local Government Pension Scheme's estimated asset allocation for Cherwell District Council consists of the following categories, by proportion of the total assets held:

31-Mar-24 per cent	Estimated Asset Allocation	31-Mar-25 per cent
0	Equity Securities	0
2	Debt Securities	0
5	Private Equity	6
0	Real Estate	0
91	Investment Funds and Unit Trusts	92
0	Derivatives	0
2	Cash & Cash Equivalents	2
100	Total	100

35.6 Other factors arising from recent court cases

Guaranteed Minimum Pension (GMP) Indexation

The 2022 formal funding valuation included an allowance for full GMP equalisation / indexation within the LGPS. The rolled forward position to 31 March 2025 therefore includes this allowance. The further ruling in respect of historical transfers is unlikely to be significant in terms of impact on the pension obligations of a typical Employer, and as a result no allowance has been made for this

McCloud - An allowance was added to the 2022 valuation results, so the impact is continued to be included within the balance sheet at 31 March 2025

Goodwin - Whilst there is still uncertainty surrounding the potential remedy to this judgement, the actuary has carried out some approximate analysis across their LGPS clients to understand the potential impact of implementing a solution to correct the past underpayment of spouses' benefits. The approximate impact of this is very small for a typical Fund (circa 1% of obligations), and therefore there are not sufficient grounds to apply an additional adjustment to account for this.

Note 36 - Contingent Liabilities

Oxfordshire County Council Bond

Cherwell District Council issued a Bond to the sum of £22m to Oxfordshire County Council in December 2019 on behalf of its wholly owned subsidiary, Graven Hill Village Development Company Ltd (GHVDC), relating to GHVDC's obligations under the Section 106 Agreement for payment of contributions and direct delivery of a primary school. The Primary School achieved practical completion on 7th September 2023 and has been transferred to the County Council. Graven Hill requested that the Bond be reduced, and this was agreed by Oxfordshire County Council shortly after the year end date, reducing the amount to £0.988m as at 24 April 2024.

In August 2021 another Bond was issued under the Section 278 Agreement for the A41 roundabout for the sum of £2.12m. In August 2023 the bond was reduced by 80%, to £0.42m, as the highway works have been substantially completed and the Certificate of Completion issued.

The total Bond sum Cherwell District Council has issued to Oxfordshire County Council on behalf of its wholly owned subsidiary, Graven Hill Village Development Company Ltd (GHVDC), relating to GHVDC's obligations is £1.41m.

Section 106 developer contributions interest

Under Section 106 of the town and country planning act 1990, developers might be required to pay contributions to the council as part of the planning permission conditions. These contributions are held as receipts in advance on the council's balance sheet until they have been used in line with the Section 106 agreement. Under this agreement the developer has the right to ask for these contributions back, plus any accrued interest, if the council does not use these contributions within a certain time period specified in the agreement (typically 10 years).

The potential accrued interest on these contributions is treated as a contingent liability due to the remote likelihood of having to repay the contributions.

Note 37 - Contingent Assets

The Council has no contingent assets at 31 March 2025.

Collection Fund Accounts

31-Mar-2024			31-Mar-2025			
Business Rates	Council Tax	Total	Collection Fund	Business Rates	Council Tax	Total
£'000	£'000	£'000	Income:	£'000	£'000	£'000
	(133,792)	(133,792)	Council Tax Receivable		(141,964)	(141,964)
(100,278)		(100,278)	Business Rates Receivable	(111,358)		(111,358)
(4,692)		(4,692)	Transitional Protection Payments Receivable	(1,246)		(1,246)
(104,970)	(133,792)	(238,762)	Total Income	(112,604)	(141,964)	(254,567)
			Expenditure:			
			Contribution to Previous Year's estimated Surplus/Deficit:			
7,493		7,493	Central Government	2,712		2,712
5,994	650	6,644	Cherwell District Council	2,170	257	2,427
1,499	4,386	5,884	Oxfordshire County Council	542	1,767	2,309
	642	642	Thames Valley Police and Crime Commissioner		261	261
			Precepts, demands and shares:			
51,338		51,338	Central Government	56,432		56,432
41,070	14,682	55,752	Cherwell District Council	45,146	15,416	60,562
10,268	100,893	111,161	Oxfordshire County Council	11,286	107,463	118,749
	14,911	14,911	Thames Valley Police and Crime Commissioner		15,895	15,895
			Charges to Collection Fund:			
			Transitional Protection Payments Payable			
			Write-offs of uncollectable amounts			
97		97	Interest payments on refunds	127		127
249	982	1,230	Increase/(decrease) in allowance for impairment	173	(133)	41
(5,265)		(5,265)	Increase/(decrease) in allowance for appeals and interest	(299)		(299)
243		243	Charge to General Fund for allowable collection costs for non-domestic rates	243		243
			Other transfers to General Fund in accordance with non-domestic rates regulations			
560		560	Renewable Energy	665		665
113,544	137,146	250,689	Total Expenditure	119,197	140,926	260,123
8,574	3,353	11,927	Movement on Fund Balance	6,593	(1,037)	5,556
(11,464)	(6,114)	(17,578)	Balance at the beginning of the Year	(2,890)	(2,761)	(5,651)
(2,890)	(2,761)	(5,651)	Balance at the end of the Year	3,703	(3,798)	(96)
			Shares of Balance			
(1,445)		(1,445)	Central Government	1,851		1,851
(1,156)	(310)	(1,466)	Cherwell District Council	1,481	(422)	1,072
(289)	(2,135)	(2,424)	Oxfordshire County Council	370	(2,941)	(2,581)
	(316)	(316)	Thames Valley Police and Crime Commissioner		(435)	(438)
(2,890)	(2,761)	(5,651)	Total	3,703	(3,798)	(96)

Notes (1 – 4) to the Collection Fund

Note 1. General

This account represents the statutory requirement for billing authorities to maintain a separate Collection Fund, which shows the transactions of the billing authority in relation to Non-Domestic Rates, council tax and the distribution to the major preceptors and the General Fund. The account is consolidated with other accounts of the Council.

In 2013/14 there was a change to the method for distributing and accounting for business rates income. Prior to 1 April 2013 Non-Domestic Rates were collected by the Council and then completely paid over to the Government, who then redistributed these sums across the country in the form of the Non-Domestic rates grant.

From 1 April 2013 Business Rates Retention applies, whereby local authorities Cherwell District Council (40 per cent) and Oxfordshire County Council (10 per cent) retain 50 per cent of the business rates collected for the area and pay the remaining 50 per cent to central government. In addition, the government has set a level of business rates funding deemed to be applicable to each area and every Council receives a top-up (if business rates collected are below this deemed level of funding) or pays a tariff (if business rates collected are above this deemed level of funding).

With the introduction of business rates retention if a local authority increases its business rates base, and thereby increases its business rate income, it is allowed to retain a proportion of this increased income, whilst paying up to a maximum of 50 percent across to central government. This payment where it occurs is known as a levy payment. However, as Cherwell District Council is part of a business rates pool, the levy is distributed to the members as per the pooling arrangements with 0.72 per cent paid to central government as a levy payment.

Note 2. Business Rates

Business Rates is a local tax that is paid by the occupiers of all non-domestic/business property.

Business rates are calculated and collected by the Council. The Government specifies an amount (54.6p in 2024/25; 49.9p for small businesses) and, subject to the effects of transitional arrangements, local businesses pay NNDR calculated by multiplying their rateable value by that amount. The income raised in Cherwell is distributed between Cherwell District Council, Oxfordshire County Council and Central Government in line with the distribution rules set out in Business Rates legislation.

NNDR income was £112.6m in 2024/25. The rateable value for the Council's area was £264.6m at 31 March 2025 VOA valuation (2023/24: £264.6m).

Note 3. Provision for Un-collectable Amounts

Provision has been made within the accounts for un-collectable amounts based on guidelines. At the end of 2024/25 the accumulated provision for bad debts stood at £2,844m (£3.419m for 2023/24) made up as follows:

31-Mar-24 £'000	Provision for Uncollectable Amounts	31-Mar-25 £'000
1,484	Non-Domestic Rates	1,326
1,935	Council Tax	1,518
3,419	Total Provision	2,844

Note 4. Council Tax Base

The Council tax Base, for tax setting purposes, is calculated by reference to the number of chargeable dwellings in each valuation band, adjusted for dwellings where discounts apply, and adjustments made for exempt properties and anticipated amendments. This is then converted to an equivalent number of band D dwellings which is the amount the authority estimates would be collected if a tax of £1 is set.

The figures for 2024/25 are:

Band	Estimated equivalent no. of taxable properties after effect of discounts	Ratio	Band D Equivalent Dwellings
A	4,197	6/9ths	2,798
B	12,816	7/9ths	9,968
C	16,494	8/9ths	14,661
D	11,123	9/9ths	11,123
E	8,499	11/9ths	10,388
F	4,173	13/9ths	6,027
G	2,726	15/9ths	4,544
H	240	18/9ths	480
Totals	60,268		59,989
Adjustment for non-collection (-2.0 per cent)			(1,200)
Contribution from MOD Properties			238
Council Tax Base 2024/25			59,027
Council Tax Base 2023/24			58,184

The Council tax payable at each band is shown below. This does not include parishes.

Band	Multiplier	Cherwell Council	Oxfordshire County Council	Thames Valley Police and Crime Commissioner	Total £s
A	6/9ths	102.33	1,213.71	179.52	1,495.56
B	7/9ths	119.39	1,415.99	209.44	1,744.82
C	8/9ths	136.44	1,618.28	239.36	1,994.08
D	9/9ths	153.50	1,820.56	269.28	2,243.34
E	11/9ths	187.61	2,225.13	329.12	2,741.86
F	13/9ths	221.72	2,629.70	388.96	3,240.38
G	15/9ths	255.83	3,034.27	448.80	3,738.90
H	18/9ths	307.00	3,641.12	538.56	4,486.68

Group Accounts and Explanatory Notes

Introduction

The purpose of the Group Accounts is to provide a picture of Cherwell District Council's and the group of companies and other entities, which are either controlled or are significantly influenced by the Council. The Group Accounts show the full extent of the Authority's wider assets and liabilities. While the Group Accounts are not the primary statement, they provide transparency and enable comparison with other entities that have different corporate entities.

The Group Accounts include the following:

- Group Comprehensive Income and Expenditure Statement – summarises the resources that have been generated and consumed in providing services and managing the Group during the year. It includes all day-to-day expenses and related income on an accruals basis.
- Group Movement in Reserves – shows the movement in the year on the Council's single entity usable and unusable reserves together with the Council's share of the Group expenses.
- Group Balance Sheet – reports the Council Group financial position at the year-end.
- Group Cash Flow Statement – shows the changes in cash and cash equivalents of the Group during the year. The statement shows how the Group generates and uses cash and cash equivalents by classifying cashflows as operating, financing and investing activities.
- Notes to the Group Accounts where the balances are materially different to those in the single entity accounts.

Results of the Subsidiaries

The following notes provide additional details about the Authority's involvement in the entities consolidated to form the group accounts.

Graven Hill Village Holdings Ltd

The company is a holding company, of which the council holds 100 per cent of the shares in the company. The council has dominant control of the company by virtue of guaranteed majority voting rights on the board. The board consists of Councillors and officers who are appointed by the council. It is intended that the company will continue as a holding company for the foreseeable future. The company borrows from the Council and onward lends funds to its subsidiary company, Graven Hill Village Development Company Ltd.

For 2024/25, the company's results showed a profit of £0.479m (£0.981m profit in 2023/24), and net assets of £34.771m (2023/24: £34.792m). Loans outstanding owed to the group total £12.234m (2023/24: £12.234m).

A full copy of the company's accounts can be obtained from the Directors, Graven Hill Village Holding Company Ltd, Graven Hill Site Office, Building E25, Graven Hill Road, Bicester, OX25 2BF.

Graven Hill Village Development Company Ltd

The company is a subsidiary of Graven Hill Village Holdings Ltd. The holding company holds 99 per cent of the shares and the council holds 1 per cent. The council has dominant control of the company by virtue of its control of the holding company. The board consists of Councillors, Officers and appropriately experienced non-executive directors. The principal activity of the company during the period was that of a property development company. The development company has a subsidiary, Graven Hill Village Management Company Ltd, for residents' property management.

For 2024/25, the company's results showed a surplus of £0.550m (2023/24: £2.572m), and net assets of £42.690m (2023/24: £42.640m). Loans outstanding from the group to the company total £52.648m (2023/24: £52.648m).

A full copy of the company's accounts can be obtained from the Directors, Graven Hill Village Development Company Ltd, Graven Hill Site Office, Building E25, Graven Hill Road, Bicester, OX25 2BF.

Crown House Banbury Ltd

The company was purchased in Aug 2017. The principal activity of the company during the period was the management of market rented accommodation. The council holds 100 per cent of the shares in the company. The council has dominant control of the company by virtue of guaranteed majority voting rights on the board. The board consists of Councillors and Officers who are appointed by the council.

For 2024/25, the company's results showed a loss of £0.315m (2023/24: profit of £2.156m), and net liabilities of £4.311m (2023/24: £3.996m). The value of loans outstanding from the council total £13.497m (2023/24: £12.331m).

A full copy of the company's accounts can be obtained from the Directors, Crown House Banbury Ltd, Bodicote House, White Post Lane, Bodicote OX15 4AA.

Crown Apartments Banbury Ltd

The company is a subsidiary of Crown House Banbury Ltd which manages the residential property. For 2024/25, the company's results showed a profit of £0.010m (2023/24 profit of £0.006m) and net assets of £0.042m (2023/24 £0.031m).

Non-consolidated entities

The following entities have not been consolidated into the group accounts as they are cumulatively not material to the group:

CSN Resources Ltd.

During 2021/22 CSN Resources Ltd., which had previously been consolidated in the group accounts, entered voluntary liquidation. As a result, the company has not been consolidated in the group accounts as the company's accounts made up to the liquidation date are not material to the group. In March 2025 the council received the final distribution of its share of the company and the company was dissolved on 19 June 2025.

Graven Hill Village Management Company Ltd

Graven Hill Village Management Company Ltd is a company limited by guarantee, controlled by Graven Hill Village Development Company which manages the property retained within the group. The company was dormant for 2023/24 and 2024/25.

Graven Hill Village Lease Company Ltd

Graven Hill Village Lease Company Ltd is a company limited by share capital, owned by Graven Hill Village Development Company. This company manages leasehold property for the development company.

Graven Hill Village Management Company Block A Ltd

Graven Hill Village Management Company Block A Ltd is a company limited by guarantee, controlled by Graven Hill Village Development Company. The company was dormant for 2023/24 and 2024/25.

Graven Hill Village Management Company Block C Ltd

Graven Hill Village Management Company Block C Ltd is a company limited by guarantee, controlled by Graven Hill Village Development Company which manages the property at the Block C apartments. In 2023/24 this company was included in the group consolidation, but it has not been consolidated in 2024/25 as it is not material.

Graven Hill Village Management Company Block E Ltd

Graven Hill Village Management Company Block E Ltd is a company limited by guarantee, controlled by Graven Hill Village Development Company which manages the property at the Block E apartments. In 2023/24 this company was included in the group consolidation, but it has not been consolidated in 2024/25 as it is not material.

Graven Hill Village Management Company Block F Ltd

Graven Hill Village Management Company Block A Ltd is a company limited by guarantee, controlled by Graven Hill Village Development Company. The company was dormant for 2023/24 and 2024/25.

Veritau Public Sector Limited

Veritau Public Sector Limited is a teckal company limited by guarantee. The company provides the council's internal audit and counter-fraud functions. The council joined as a member of this company in November 2024.

Group Comprehensive Income and Expenditure Statement

Year Ending 31 Mar 24			Directorates	Year Ending 31 Mar 25		
Expenditure	Income	Net		Expenditure	Income	Net
£'000	£'000	£'000		£'000	£'000	£'000
93,307	(84,503)	8,804	Communities	67,787	(46,226)	21,561
44,856	(32,887)	11,969	Resources & Transformation	55,154	(33,768)	21,385
138,163	(117,391)	20,773	Cost of Services	122,941	(79,994)	42,946
6,042	(109)	5,933	Other Operating Expenditure	6,356	(128)	6,227
8,787	(4,157)	4,629	Financing and Investment (Income) and Expenditure	7,043	(4,192)	2,851
0	(40,551)	(40,551)	Taxation and Non-Specific Grant (Income)	0	(42,589)	(42,589)
152,992	(162,208)	(9,215)	(Surplus) or Deficit on Provision of Services	136,340	(126,903)	9,435
		462	(Surplus) or deficit on revaluation of Property, Plant and Equipment			278
		(5,115)	Remeasurement of the net defined benefit liability / (asset)			3,584
		(4,653)	Other Comprehensive (Income) and Expenditure			3,862
		(13,868)	Total Comprehensive (Income) and Expenditure			13,297

Group Movement in Reserves Statement

24/25	General Fund Balance	Earmarked General Fund Reserves	Capital Receipts Reserve	Capital Grants Un-applied Account	Total Usable Reserves	Unusable Reserves	Total Reserves
	£000	£000	£000	£000	£000	£000	£000
Balance at 31 March 2024	2,098	(30,877)	(606)	(5,347)	(34,732)	(16,749)	(51,481)
Restatement to remove non-consolidated subsidiaries*	(76)	0	0	0	(76)	0	(76)
Opening Balance at 1 April 2024	2,022	(30,877)	(606)	(5,347)	(34,808)	(16,749)	(51,557)
Movement in Reserves during 2024/25							
Surplus or deficit on the provision of services	9,435	0	0	0	9,435	0	9,435
Other Comprehensive Income / Expenditure	0	0	0	0	0	3,862	3,862
Total Comprehensive Income and Expenditure	9,435	0	0	0	9,435	3,862	13,297
Adjustments between accounting basis and funding basis under regulations	(11,130)	0	606	367	(10,157)	10,157	0
Net Increase or Decrease before Transfers to Earmarked Reserves	(1,695)	0	606	367	(722)	14,019	13,297
Transfers to / from Earmarked Reserves	2,340	(2,340)	0	0	0	0	0
(Increase) or Decrease in 2024/25	645	(2,340)	606	367	(722)	14,019	13,297
Closing Balance at 31 March 2025	2,667	(33,217)	0	(4,980)	(35,531)	(2,730)	(38,261)

*In the prior year Graven Hill Management Company Block E and Graven Hill Management Company Block C were consolidated. In 24/25 the council is no longer consolidating these companies as they are not material to the group accounts.

23/24	General Fund Balance	Earmarked General Fund Reserves	Capital Receipts Reserve	Capital Grants Un-applied Account	Total Usable Reserves	Unusable Reserves	Total Reserves
	£000	£000	£000	£000	£000	£000	£000
Opening Balance at 1 April 2023	7,428	(23,671)	0	(5,509)	(21,752)	(15,862)	(37,614)
Movement in Reserves during 2023/24							
Surplus or deficit on the provision of services	(9,215)	0	0	0	(9,215)	0	(9,215)
Other Comprehensive Income / Expenditure	0	0	0	0	0	(4,653)	(4,653)
Total Comprehensive Income and Expenditure	(9,215)	0	0	0	(9,215)	(4,653)	(13,868)
Adjustments between accounting basis and funding basis under regulations	(3,321)	0	(606)	162	(3,765)	3,765	0
Net Increase or Decrease before Transfers to Earmarked Reserves	(12,536)	0	(606)	162	(12,980)	(888)	(13,868)
Transfers to / from Earmarked Reserves	7,206	(7,206)	0	0	0	0	0
(Increase) or Decrease in 2023/24	(5,330)	(7,206)	(606)	162	(12,980)	(888)	(13,868)
Closing Balance at 31 March 2024	2,098	(30,877)	(606)	(5,347)	(34,732)	(16,749)	(51,481)

Group Balance Sheet

31 March 2024 £000		31 March 2025 £000
181,583	Property, Plant & Equipment	176,737
4,274	Investment Property	4,545
1,750	Intangible Assets	1,309
1,111	Long Term Investments	1,111
8,231	Long Term Debtors	6,216
196,948	Long Term Assets	189,918
13,087	Short Term Investments	0
67,736	Inventories	61,877
13,191	Short Term Debtors	13,446
33,886	Cash and Cash Equivalents	27,353
199	Assets held for sale	0
128,099	Current Assets	102,676
(36,937)	Short Term Borrowing	(27,095)
(37,936)	Short Term Creditors	(33,855)
(4,193)	Provisions	(3,567)
(3,132)	Grants Receipts in Advance - Revenue	(3,083)
(3,428)	Grants Receipts in Advance - Capital	(3,551)
(1,408)	Cash and Cash Equivalents	(408)
(87,034)	Current Liabilities	(71,560)
(1,770)	Provisions	(2,198)
(145,000)	Long Term Borrowing	(139,000)
(22,700)	Pension Liability	(27,933)
(617)	Long Term Creditors	(814)
(5,655)	Grants Receipts in Advance - Revenue	(5,667)
(10,789)	Grants Receipts in Advance - Capital	(7,160)
(186,531)	Long Term Liabilities	(182,772)
51,481	Net Assets / (Liabilities)	38,261
(34,732)	Useable Reserves	(35,531)
(16,749)	Unusable Reserves	(2,730)
(51,481)	Total Reserves	(38,261)

Group Cash Flow Statement

2023/24 £'000		Note(s)	2024/25 £'000
Cash Flows from Operating Activities			
(9,215)	Net (Surplus)/Deficit on Provision of Services		9,435
(5,105)	Depreciation & Impairment	14	(5,488)
(1,144)	Changes in Market Value of Property, Plant & Equipment	14	(9,852)
(549)	Amortisation of Intangible Assets	16	(527)
(367)	Changes in Fair Value of Investment Properties	15	272
(89)	Disposal of Assets	14, 15 & 16	(1,055)
(130)	Impairment of assets	14	0
(23,026)	Changes in Inventory	18	(5,859)
450	Changes in Short Term Debtors (decrease)	19	256
21,291	Changes in Short Term Creditors (increase)	22	4,005
2,102	Changes in Provisions (increase)	23	198
8,609	Changes in Net Pension Liability (decrease)	37	(5,233)
(5,115)	Remeasurement of Net Defined Benefit Liability	37	3,584
2,089	Changes in Long Term Creditors (increase)	17	(196)
1,757	Changes in Long Term Debtors (decrease)	17	(2,015)
6,108	Capital Grants Recognised	31	7,039
606	Proceeds on Disposal of Property, Plant & Equipment	24	891
(1,722)	Net Cash Flows from Operating Activities		(4,546)
Cash Flows from Investing Activities			
8,181	Purchase of Property, Plant & Equipment	14	11,615
0	Purchase of Investment Property	15	0
334	Purchase of Intangible Assets	16	86
(606)	Proceeds from the Disposal of Property, Plant and Equipment	24	(891)
(22,014)	Net Changes in Short Term and Long Term Investments (decrease)	17	(13,087)
(14,104)	Net Cash Flows from Investing Activities		(2,277)
Cash Flows from Financing Activities			
(1,824)	Changes in Grants and Contributions	29	3,542
0	Issued share capital		0
(6,108)	Capital Grants and Contributions Recognised	29	(7,026)
6,964	Cash Receipts of Short Term and Long Term Borrowing	17	15,842
(968)	Net Cash Flows from Financing Activities		12,358
(16,794)	Net (Increase)/Decrease in Cash and Cash Equivalents in the Period		5,534
15,684	Cash and Cash Equivalents at the Beginning of the Period		32,478
32,478	Cash and Cash Equivalents at the End of the Period		26,945

Notes to the Group Accounts

Note 1 Accounting Policies of for the Group

The Group Accounts have been prepared in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom 2024/25, issued by the Chartered Institute of Public Finance and Accountancy (CIPFA).

The Council has consolidated its interests in all the entities over which it exercises control or significant influence. The Graven Hill companies and Crown House companies have been consolidated because together they are material to the Council's balance sheet.

Where group entities use different accounting policies to the Council, their accounts have been restated to re-align their accounting policies with those of the Council where the effect of not doing so would be material to the reader's interpretation of the accounts.

Intra-group transactions have been eliminated before consolidation on a line by line basis.

Note 2 Group Property Plant and Equipment

Movements to 31 March 2025								
	Land and Buildings	Right of use Assets	Vehicles Plant & Equipment	Infrastructure Assets	Community Assets	Surplus Assets	Assets under Construction	Total Property, Plant and Equipment
Cost or Valuation	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Balance brought forward	165,541	0	22,071	5,566	305	17	9,797	203,296
Adjustment for IFRS16 implementation	(9,469)	8,486	0	0	0	0	0	(983)
At 1 April 2024 (post implementation)	156,070	8,486	22,071	5,566	305	17	9,797	202,312
Additions	847	0	1,261	0	19	0	9,111	11,238
Acc Dep & Imp WO to GCA	(3,162)	0	0	0	0	(108)	0	(3,270)
Revaluation increases/(decreases) recognised in the Revaluation Reserve	657	0	0	0	0	52	0	709
Revaluation increases/(decreases) recognised in the Surplus/Deficit on the Provision of Services	(10,627)	0	0	0	0	905	0	(9,722)
Derecognition – disposals	(750)	0	(11)	(2,250)	0	0	0	(3,011)
Assets reclassified (to)/from Assets held for sale	0	0	0	0	0	199	0	199
Other movements in cost or valuation	11,170	119	0	46	0	3,400	(14,735)	0
Closing Balance at 31 March 2025	154,205	8,605	23,321	3,362	324	4,465	4,173	198,454
Accumulated Depreciation and Impairment								
Balance brought forward	(4,614)	0	(12,760)	(3,450)	0	0	(888)	(21,712)
Adjustment for IFRS16 implementation	255	0	0	0	0	0	0	255
At 1 April 2024 (post implementation)	(4,360)	0	(12,760)	(3,450)	0	0	(888)	(21,457)
Depreciation charge	(3,434)	(558)	(1,322)	(174)	0	0	0	(5,488)
Acc. Depreciation WO to GCA	2,274	0	0	0	0	108	0	2,382
Acc. Impairment WO to GCA	888	0	0	0	0	0	0	888
Impairment losses/(Reversals) recognised in the Revaluation Reserve	0	0	0	0	0	0	0	0
Impairment Losses/(reversals) recognised in the Surplus/Deficit on provision of services	0	0	0	0	0	0	0	0
Derecognition – disposals	58	0	11	1,887	0	0	0	1,957
Other movements in depreciation and impairment	(770)	0	0	0	0	(119)	888	0
Closing Balance at 31 March 2025	(5,343)	(558)	(14,070)	(1,736)	0	(10)	0	(21,717)
Net Book Value								
at 31 March 2025	148,862	8,047	9,251	1,626	324	4,455	4,173	176,737
at 31 March 2024	160,927	0	9,311	2,116	305	17	8,908	181,583

Property, plant and equipment within the Group is measured at current value and revalued at least every five years by qualified valuers. Details of when the Council’s property plant and equipment were revalued are shown in Note 14 to the single entity accounts.

Note 3 Group Inventories

31-Mar-24 £'000	Inventory	31-Mar-25 £'000
12,286	Land	12,977
55,187	Development Costs	48,666
263	Stock	234
67,736	Total Inventories	61,877

Annual Governance Statement 2024/2025

DRAFT

Shiraz Sheikh
Monitoring Officer
Assistant Director Law & Governance

Contents

INTRODUCTION	140
THE PURPOSE OF THE GOVERNANCE FRAMEWORK	141
THE KEY ELEMENTS OF THE GOVERNANCE FRAMEWORK AT CHERWELL DISTRICT COUNCIL	141
ANNUAL PLANNING PROCESS	142
DECISION MAKING	142
<i>Risk Management</i>	143
<i>Corporate Leadership Team (CLT)</i>	143
FINANCE	143
ARRANGEMENTS FOR GOVERNANCE	143
<i>A. Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law;</i>	144
<i>B. Ensuring openness and comprehensive stakeholder engagement;</i>	145
<i>C. Defining outcomes in terms of sustainable economic, social, and environmental benefits;..</i>	145
<i>D. Determining the interventions necessary to optimise the achievement of the intended outcomes;.....</i>	145
<i>E. Developing the Council's capacity, including the capability of its leadership and the individuals within it;</i>	145
<i>F. Managing risks and performance through robust internal control and strong public financial management;</i>	146
<i>G. Implementing good practices in transparency, reporting, and audit to deliver effective accountability.</i>	147
REVIEW OF EFFECTIVENESS	147
<i>Overview of work completed in 2024/25</i>	147
<i>Professional standards and quality assurance</i>	148
<i>Annual opinion of the Head of Internal Audit</i>	149
GOVERNANCE SELF ASSESSMENT	152
CONCLUSION	152
STATEMENT OF OPINION	154

INTRODUCTION

One Council vision

A modern council, inspiring and enabling positive, lasting change.

Our Key priorities

Economic prosperity

Community Leadership

Environmental Stewardship

Quality housing and place making

Delivering these priorities requires good governance - for our residents, employees, businesses, service users and councillors.

Governance means: the values, culture, processes and systems by which the Council is controlled, directed and through which we deliver services for our communities. Governance means carrying out our activities in accordance with the law and proper standards, and that public money is properly accounted for, and used well.

This Annual Governance Statement looks honestly at how effective our governance has been during 2024/25. It also looks ahead to some of our governance priorities and improvements for 2025/26.

The CIPFA/SOLACE Delivering Good Governance in Local Government (2016) requires local authorities to publish an Annual Governance Statement, and to be responsible for ensuring that:

- its business is **conducted** in accordance with the **law and proper** standards
- public money is safeguarded and properly **accounted** for, and
- **resources** are used **economically, efficiently and effectively to deliver agreed priorities and benefit local people.**

The Council also has a **duty** to:

- make arrangements to **secure continuous improvement** in the way in which its functions are exercised
- put in place **proper arrangements for the governance of its affairs**, and
- implement and maintain effective processes of **internal control**, including appropriate arrangements to manage risk.

The Council's Accounts Audit & Risk Committee (AARC) reviews governance arrangements, audit reports and risk registers. Their role is to recommend improvements or interventions if expected performance is not being achieved, or gaps in current governance arrangements have been identified. The Overview and Scrutiny Committee (OSC) also scrutinises performance reports as part of its work programme. Budget Planning Committee is also involved in looking at the budget process and in year performance of delivering the budget.

THE PURPOSE OF THE GOVERNANCE FRAMEWORK

The governance framework comprises the systems, processes, cultures and values which underpin how the Council is controlled and managed internally, and how it engages with taxpayers, service users and the wider community. The governance framework enables the Council to monitor delivery of its strategic objectives and assess whether those objectives are securing service improvements and value for money. Systems of internal control and risk management are a significant part of the governance framework and are designed to manage risk down to a reasonable level. Some risks can never be eliminated entirely, however, and these processes provide only reasonable and not absolute assurance of effectiveness.

THE KEY ELEMENTS OF THE GOVERNANCE FRAMEWORK AT CHERWELL DISTRICT COUNCIL

As a local authority, the responsibility for good governance is shared by councillors and officers.

The Council has 48 councillors. These councillors are from different political parties and have different roles in the decision making process. All councillors agree to follow the member code of conduct and the rules for making decisions set out in our Constitution.

The Council operates an executive based system of governance with a Leader. The Executive takes strategic key decisions with officers responsible for day to day decisions. The Executive is made up of a Leader and 9 other councillors. The leader then appoints individual councillors (portfolio holders) to other positions in the Executive. Their remit includes obtaining assurance that Annual Delivery Plan priorities, and the Budget and Policy Framework approved by Council each year, are delivered in their relevant areas.

Since May 2024 a new Liberal Democratic Leadership has been in place with no over all control.

The Council has a Constitution which sets out how the Council operates, how decisions are made and the procedures which are followed to ensure that decisions are efficient, transparent, and accountable to local people.

We have various layers of management within the organisation and the management teams each play an important role in the governance framework.

The corporate leadership team (CLT), comprises the Head of Paid Service, Corporate Directors, Monitoring Officer and S151 Officer. CLT meets on a weekly basis. The extended leadership team (ELT) comprises the CLT and Assistant Directors. ELT meets on a monthly basis and are programmed as a series of sessions to focus on strategic issues, projects and programmes and health of the organisation.

The council has two wholly owned companies – Graven Hill and Crown House.

Graven Hill Village Developments was established in 2014. It is an ambitious project aimed at disrupting the market and creating innovative solutions to housing supply issues. The aim of Graven Hill is a large scale self-build community and also looking to develop around 2000 new homes. It will also provide commercial space, a nursery, a primary school and health hub, continuing to create new jobs in the locality.

The Crown House apartments project was initiated to drive economic and social regeneration. The initiative has improved community safety, and provided housing in Banbury town centre, comprising 50 apartments and one commercial unit.

The Council commissioned an independent review of the governance arrangements for Graven Hill, the recommendations arising from it were reported to the Shareholder Committee in July 2023 with the action plan agreed with the members. The action plan is regularly reviewed by the Committee and progress is tracked.

Shareholder Committee is a sub-committee of Executive. The Shareholder Committee manages the shareholding interests in the Council's trading companies. It also appoints and removes directors to the companies, and monitors the performance of the companies.

ANNUAL PLANNING PROCESS

The Council's Vision, Strategy and the new [Corporate Plan](#) sets the Council's future priorities, goals and aims over 5 years .

The [annual delivery plan](#) sets out the key projects for delivering the above priorities on an annual basis. The new delivery plan was agreed on 7th April 2025.

The Service Plans informed by the service set out how each service is working towards the annual delivery plan and the above priorities.

The framework also sets out the council's golden thread – how its annual priorities are cascaded down through the organisation to individual work plans . Progress towards these priorities is regularly reviewed and reported to the Executive and OSC. Performance monitoring includes key Indicators, monthly measures and targets.

DECISION MAKING

There is a Forward Plan which is updated on a regularly basis for all key decisions.

All meetings are held in public and are webcast and available to watch after the event.

Decision are recorded on the Council website

Decision are supported by officer reports which are open to the public unless they qualify as legally "exempt" from publication.

Decisions are also subject to call-in to OSC.

Risk Management

Risk registers identify operational and strategic risks.

Key risks are considered by Directorate Management Teams.

Strategic risks are reported to the Executive and AARC quarterly and overseen by Corporate Leadership Team

Corporate Leadership Team (CLT)

CLT are responsible for the overall management of the Council

The Head of Paid Service is the Chief Executive who is responsible for all Council staff and for leading CLT.

The Corporate Directors lead the majority of services which are delivered to the public with the Chief Executive.

The Monitoring Officer is the Council's Assistant Director of Law, Governance and Procurement who is also responsible for ensuring legality and promoting high standards of conduct.

The Council's Assistant Director of Finance is the Council's S151 Officer/Chief Finance Officer and is responsible for safeguarding the Council's financial position and ensuring value for money.

There is also a statutory officer group with set objectives that meets to monitor governance issues.

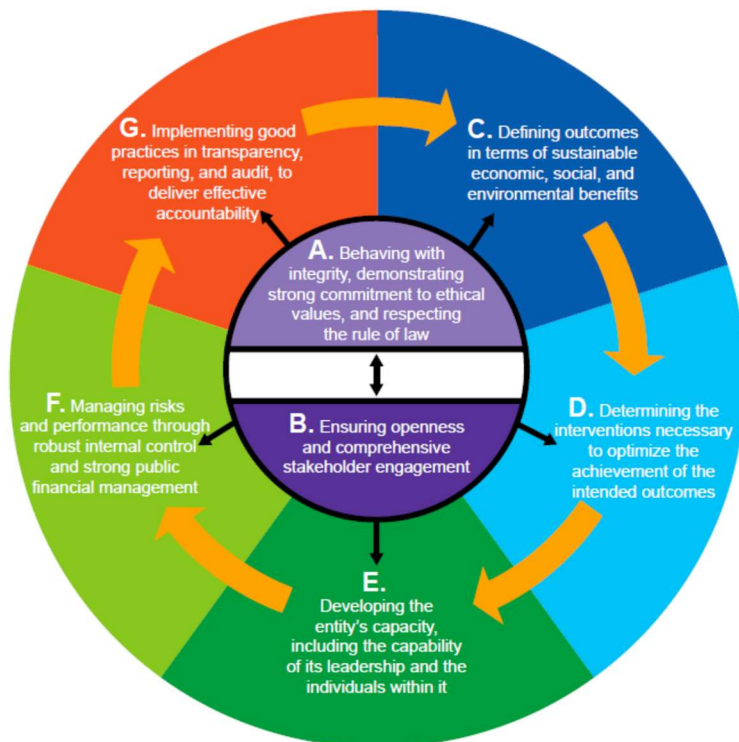
FINANCE

A new Medium-Term Financial Strategy was approved by Council in February 2025 to cover the five years 2025/26 – 2029/30. The purpose of the Medium-Term Financial Strategy is to deliver a balanced and affordable 2025/26 budget and ensure that the Council's finances are robust and sustainable over the medium term or act as an early warning system of a gap in future years between forecast expenditure and resources which the Council must address, and that in the longer term, the Council's finances are not reliant on the unsustainable use of one-off reserves or funding. S151 issues S25 statements on robustness of estimates...

The Council has a robust approach to the use of reserves with any changes in uses of reserves from budgeted levels requiring approval in line with the Council's reserves policy. The S151 Officer carries out a risk assessment of general balances as part of the budget setting process and issues an overall opinion on the level of reserves via their S25 statement.

ARRANGEMENTS FOR GOVERNANCE

The Council has approved and adopted a Local Code of Corporate Governance, which is consistent with the principles of the CIPFA/SOLACE Framework 'Delivering Good Governance in Local Government' 2016.



The Council is responsible for ensuring that its business is conducted in accordance with the law and proper standards, and that public money is safeguarded, properly accounted for, and used economically, efficiently and effectively. The Council also has a duty under the Local Government Act 1999 together with the Statutory Guidance on Best Value (2024) to make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness. The Council meets the Standards of the Framework in the following ways:

A. Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law;

The Council's Chief Finance Officer and Monitoring Officer have specific statutory responsibilities to ensure that decisions taken by the Council are lawful and in line with constitutional requirements. The Council report format and accompanying guidance helps to assist with lawful decision making and contains legal and financial implications alongside impacts assessments for equality act, environmental , procurement and subsidy control to assist the decision maker in taking all relevant information into account when making a decision.

The Council has adopted codes of conduct for both Officers and Members which facilitates the promotion, communication and embedding of proper standards of behaviour. The Members Code of Conduct is based on the Local Government Association model code which has the benefit of it being consistent across the spectrum of County, District and Parish/Town councils and makes it easier to administer.

The Council's Constitution explains existing policy making and delegation procedures and the matters which must be dealt with by the full Council. It documents the role and responsibilities of the Executive, portfolio holders, each committee and Members and officers. The Monitoring Officer has also setup a Constitution Review Group working with members across the political spectrum to review the Constitution.

B. Ensuring openness and comprehensive stakeholder engagement;

The Council consults regularly with stakeholders, taxpayers and service users. The letstalk.cherwell.gov.uk is the consultation website and enables local people to find, participate in, and view outcomes from, any consultation activities that interest them. It also provides feedback opportunity for stakeholders, taxpayers and service users. In addition, a number of different groups and forums are in place to represent local views on a range of subjects including health and wellbeing and community safety.

C. Defining outcomes in terms of sustainable economic, social, and environmental benefits;

The Annual Delivery Plan sets out how the Council aims to work in partnership to achieve its agreed objectives. These key objectives are designed to be both financially and environmentally sustainable and have been developed in consultation with partners. The Medium-Term Financial Strategy makes a realistic assessment of financial resources available, and the Budget and Policy Framework approved by Council each year sets out revenue and capital spending limits, savings and efficiency plans as well as key improvement priorities for the forthcoming year.

The Council has implemented a robust procurement strategy for all its procurement activities in accordance with the law and the Council's Contract Procedure Rules. The Social Value outcomes are included as part of the Council's procurement process.

D. Determining the interventions necessary to optimise the achievement of the intended outcomes;

The Executive is responsible for ensuring that actions approved as part of the Budget and Policy Framework are delivered in each service area. The Projected Outturn, leadership risk register and performance against agreed key performance indicators (KPIs) reports to the Executive summarise the forecast financial outturn position each month against budget and delivery of agreed savings targets. These are also considered by CLT on regular basis. These elements of the report are reviewed quarterly by CLT, the Budget Planning Committee and Accounts Audit and Risk Committee and the Overview and Scrutiny Committee respectively.

There is a Governance Dashboard produced and maintained by the MO which is also reviewed by the Governance and Oversight Group and CLT. The frequency of the review is being determined as it is a recent initiative. Once developed it will be presented to AARC on at least on an annual basis.

E. Developing the Council's capacity, including the capability of its leadership and the individuals within it;

The May elections resulted in a change of administration at the Council. A series of 8 “Away days” was planned with the new administration on key strategic issues, with each day including a session on governance – related to the topics covered in the away day e.g. planning, regeneration, companies.

The legal team review the officer scheme of delegation regularly, with other departments, to ensure decision making is at the correct level of delegation. The scheme of delegation is updated as and when necessary by taking a report to Full Council

On companies owned by the council, a governance review was conducted in 2023 in respect of Graven Hill and its actions are ongoing and monitored each quarter by the Shareholder Committee. A governance review of Crown House is due to be undertaken.

Legal and governance comments are included in every report that goes to members for a decision.

The MO is a member of the CLT, and provides governance advice on all matters before CLT. The MO attends all meetings of the Executive and Council, and provides governance and constitutional advice

Maximising capacity by working collaboratively is a key component of the Annual Delivery Plan and a number of longstanding partnership working arrangements are in place. The Constitution sets out how the governance aspects of these arrangements should operate in practice. The Human Resources and Development team has a specific role and remit to improve the capability and capacity of Council officers by offering a range of skills and qualification-based training opportunities.

F. Managing risks and performance through robust internal control and strong public financial management;

The Council’s Monitoring Officer has formed the Corporate Oversight and Governance Group (COGG). The primary purpose of the COGG is to ensure good governance and decision-making processes, effective risk management, ensuring and improving value for money, effective internal controls and ensuring transparency and accountability. It also reviews the Governance Dashboard that has been developed by the MO periodically.

The COGG is an internal officer group consisting of the Corporate Director (Resources) as the responsible chair, Monitoring Officer, the S151 Officer, Head of Internal Audit (Veritau) , Deputy S151 Officer, Head of Legal & Democratic/ Deputy Monitoring Officer.

For Council Companies there is a separate Companies Governance & Oversight Group which is led by the Chief Executive and supported by the Monitoring Officer, Corporate Director Resources, S151 Officer together with relevant company officers.

The Leadership Risk Register provides a high-level overview of key risks which are reported to CLT and Executive on a monthly basis and AARC on a quarterly meeting. Financial Procedure Rules, Contracts Procedure Rules and Employment Procedure Rules, set out the framework of internal controls. Internal Audit have a programme of work designed to assess how this framework operates in practice and report to the Accounts, Audit and Risk Committee.

Procurement strategy for individual procurements act as a lever for cascading corporate priorities down to services and capital projects that are delivered through commercial partners. Procurement Strategy approval process has been developed to provide a system of robust internal control and ensure best value is achieved through all significant contract awards.

G. Implementing good practices in transparency, reporting, and audit to deliver effective accountability.

All Council meetings are held in public and minutes of meetings and webcasts are available on the Council's website. Public questions are allowed at Executive, Committees and Council meetings.

The Council publishes an Annual Financial Report (the Statement of Accounts) annually within the statutory timescales. The Annual Financial Report incorporates the full requirements of best practice guidance in relation to corporate governance, risk management and internal control.

The Council is subject to independent audit by Bishop Fleming and receives an Annual Audit Letter reporting on findings. The Council supplements this work with its own internal audit function (outsourced to Veritau Public Sector Limited) and ad hoc external peer reviews. The Accounts Audit and Risk Committee undertakes the core functions as identified in CIPFA's *Audit Committees – Practical Guidance for Local Authorities*.

REVIEW OF EFFECTIVENESS

The Council has reviewed the Council's existing governance arrangements against the revised CIPFA / SOLACE 'Delivering Good Governance in Local Government Framework - 2016 Edition' good practice guidance (See below).

The review of effectiveness is informed by three lines of defence:

- senior managers within the Council who have responsibility for the development and maintenance of the governance environment;
- the Head of Internal Audit (Veritau) and other professional leads including the Chief Executive, Chief Finance Officer, Corporate Directors, Monitoring Officer and Assistant Director of Human Resources;
- Internal Audit as provided by Veritau and other inspections made by external auditors and independent reviews.

Internal Audit

Overview of work completed in 2024/25

The Council uses several ways to review the effectiveness of governance arrangements. One of the key assurance statements is the annual report and opinion of the Head of Internal Audit (Veritau). The role of the Internal Audit Service is to provide assurance to management and those charged with governance about the quality and effectiveness of the governance framework and systems of internal control. The internal audit team have completed five internal audits and two fact finding exercises, the outcomes are reported to the Accounts, Audit & Risk Committee. There are two internal audits in progress for this years programme.

Professional standards and quality assurance

The Accounts and Audit Regulations 2015 require internal auditors working in local government to take into account public sector internal auditing standards or guidance. During 2024/25, the professional standards governing the practice of internal auditing in UK local government were the Public Sector Internal Audit Standards (PSIAS).

The 2019 CIPFA Statement on the “Role of the Head of Internal Audit in public service organisations” also applied during 2024/25. This outlines the principles that defines the core activities and behaviours that belong to the role of the ‘Head of Internal Audit’ and the governance requirements needed to support them. The Council's arrangements conform with the governance requirements of the CIPFA statement as our Chief Internal Auditor as follows:

- objectively assessing the adequacy and effectiveness of governance and management of risks, giving an evidence-based opinion on all aspects of governance, risk management and internal control.
- championing best practice in governance and commenting on responses to emerging risks and proposed developments.
- be a senior manager with regular and open engagement across the organisation, particularly with the leadership team and with the audit committee.
- lead and direct an internal audit service that is resourced appropriately, sufficiently and effectively.
- be professionally qualified and suitably experienced.

The Internal Audit Service operated in accordance with the Public Sector Internal Audit Standards (PSIAS) during 2024/25, as confirmed in the Head of Internal Audit’s annual report.

With effect from 9 January 2025, the standards regime underpinning the PSIAS were replaced by the Global Internal Audit Standards. From 2025/26, the PSIAS will be replaced by a new standards regime known as the Global Internal Audit Standards in the UK Public Sector or ‘GIAS UK Public Sector’.

GIAS UK Public Sector is made up of the Global Internal Audit Standards (as well as what are known as ‘Topical Requirements’) and the ‘Application Note: Global Internal Audit Standards in the UK Public Sector’ (‘the Application Note’). The purpose of the Application Note is to set out interpretations and requirements which need to be applied to the Global Internal Audit Standards requirements so that these form a suitable basis for internal audit practice in the UK public sector.

Veritau used a conformance readiness tool, published by the Chartered Institute of Internal Auditors (UK and Ireland), to self-assess its conformance with the Global Internal Audit Standards. It also completed a self-assessment against the Application Note. The Head of Internal Audit confirmed that the service conforms with the GIAS UK Public Sector.

CIPFA has recently published the ‘Code of Practice for the Governance of Internal Audit in UK Local Government’ (‘the Code’). The purpose of the Code is to ensure that the essential conditions of governance can be met in a local government context. A difference between the GIAS UK Public Sector and the Code is that the Code is intended for local authorities rather than internal audit functions. It is designed to support authorities in establishing effective internal audit arrangements and providing oversight and support for internal audit.

Internal audit functions are still expected to be aware of the Code, and to assess compliance with it (alongside GIAS UK Public Sector), but the emphasis of the Code is on ensuring that local authorities have created the conditions for internal audit to be delivered effectively. The internal

audit service has worked alongside senior management to ensure that the Code is understood and that the correct conditions for internal audit exist.

Annual opinion of the Head of Internal Audit

The Chief Internal Auditor prepared an Annual Report on the work of Internal Audit which concludes for the 12 months ended 31 March 2025. The overall opinion on the framework of governance, risk management and control operating at the council is that it provides **Reasonable Assurance**. However, in giving that opinion, the Head of Internal Audit, recommended that two significant control weaknesses be considered for inclusion in the Annual Governance Statement. These were as follows:

1. **Health and safety management system:** An audit of compliance with the Corporate Health, Safety, and Wellbeing Policy identified several significant control weaknesses which, taken together, meant that we could only provide Limited Assurance that the council's health and safety objectives will be achieved. Accident and incident reporting and investigation requirements were not adequately met, nor were requirements linked to distributing service area risk assessments amongst staff or completion of mandatory training. These issues were particularly prevalent within the council's place-based services which also carry the greatest risk to officer and public safety. Veritau has worked with officers to support development of improvement actions. Action has already been taken in some areas, with the remaining actions expected to be completed by October 2025.
2. **Management of strategic site applications (Rutten Lane):** In April 2024, the Planning Inspectorate found the council to be at fault for the non-determination of the Rutten Lane application (21/03522/OUT). The Inspectorate's decision was that costs be awarded to the appellant, with these settled at £400k. A fact-finding review undertaken by Veritau identified several significant control weaknesses which significantly contributed to the delays and non-determination of the application. The council has already been financially exposed as a result of these weaknesses and, if left unaddressed, there is a risk that the situation reoccurs with other strategic site applications it handles. In response, the Development Management service has implemented an improvement action plan which is expected to be mostly completed by the end of 2025.

Both of these weaknesses have been included in the 2024/25 Annual Governance Statement action plan.

The Reasonable Assurance opinion given by the Head of Internal Audit means that, overall, there is satisfactory management of risk within the council but with a number of weaknesses identified. An acceptable control environment is in operation but there are a number of improvements that could be made.

Where weaknesses have been identified through internal audit review, they have worked with management to agree appropriate corrective action and timescale for improvement. Management action plans are in place and are routinely monitored by the Internal Audit team and reported to CLT and the Accounts, Audit & Risk Committee. In 2024/25, the Council and its internal audit service developed a follow-up and escalation procedure to strengthen this process further. Managers are required to provide positive assurance that actions have been implemented; performance on implementation is high, demonstrating that control weaknesses identified by Internal Audit are being addressed on a timely basis.

The Council agrees an Annual Plan for the Counter-Fraud Service each year. This is usually presented to the March meeting of the Accounts, Audit and Risk Committee, supporting the Council's Anti-Fraud and Corruption Strategy with updates taken throughout the year. The 2024/25 Counter Fraud Plan was considered in July 2024 as Veritau had recently taken over the provision of this function from the previous provider. The Counter-Fraud team's purpose is to adhere and to promote the zero-tolerance approach to fraud detailed in the Council's Fraud Strategy, by thoroughly investigating any instances of fraud; applying the appropriate sanctions; undertaking proactive and preventive work to prevent and detect fraud through training, awareness raising, data matching and proactive reviews.

The key areas of work for the Counter-Fraud Strategy for 2024/25 were:

- Counter Fraud Framework – monitoring changes to regulations and guidance and maintaining the counter fraud framework
- Proactive work – raising awareness, targeted pro active counter fraud work and advice on measures to help prevent and detect fraud
- Reactive investigations – investigation of suspected frauds against the council and associated recommendations.
- National Fraud Initiative – Coordination of the submission of data to the programme and investigating subsequent data matches
- Fraud liaison – Act as a single point of contact to the DWP to provide data to support Housing Benefit investigations.

For the period April 2024 – March 2025, 47 investigated/ cases were opened. 12 investigations completed and were primarily involved Empty homes Council Tax Premium, Single person discount and Council Tax Reduction.

Financial Management Code

A key goal of the Financial Management Code of Practice (launched by CIPFA in November 2019) (FM Code) is to improve the financial resilience of organisations by embedding enhanced standards of financial management. Since April 2021 authorities have been expected to work towards full compliance of the FM Code. There are clear links between the FM Code and the Governance Framework, particularly with its focus on achieving sustainable outcomes. As such, Annex 1 sets out the outcomes of the Council's latest self- assessment of compliance with the FM Code. The picture is positive, with the RAG (Red-Amber-Green) rating of compliance showing as Green for all of the 19 standards. A column showing 'Further Work' gives an indication of improvements that can be made over the current year.

2023/24 Actions

Significant actions have now been completed.

Actions	Update
Review focus on transformation and identify work programmes with savings.	The four phases of the Transformation programme work were completed in January 2025. Initial effectiveness changes are being built into the budget for 2025/26. Further work is underway to bring forward Case for Change for Executive approval to develop the long term transformation programme covering the next 3-5 years.
Ensure reports commissioned for transformation projects have taken into account financial implications and have clear actions plans.	Some savings identified in the 2025/26 and the rest has been incorporated into the scope for next phase of the transformation programme.
Develop Workforce Strategy to address key staff vacancies in key services with staff development objectives.	This is being transferred to next year's actions with high level People elements covered in the Corporate Strategy.
Update on the implementation of the Planning Improvement Plan following three different service review reports.	A new plan is being developed and this is part of the next year's actions.
Devise a work programme arising from the Digital Futures Strategy 2022 – 2025.	This is now incorporated into Cherwell Futures programme (as part of case for change) which will deliver this work programme.
Ensure understanding of the Council's governance at all levels including members and officers. This is to include roles and responsibilities and scheme of delegation.	Series of seminars and away days.
Ensure Implementation of Procurement Act 2023 effective from October 2024.	Procurement & Contracts Teams Site Updates Monthly Newsletters Procurement Act FAQs Engagement with our e-tendering portal provider Cabinet Office Procurement Act accreditation Briefing/Webinars to staff & members Existing toolkits to support: Specification/KPI development Contract management & variation. Update to Forms/Templates Information for Suppliers Commercial Playbook v2 (2025)
Ensure further improvements on Information Governance by setting up as a corporate project.	This has been setup and work is underway.
Ensure Health and Safety requirements are properly understood for those working in the office and remotely.	This has now been implemented.
Implementation of the new waste regime and extended producer responsibility.	This now incorporates the Simpler recycling which has been incorporated into the next year's action plan.

GOVERNANCE SELF ASSESSMENT

Annual Assurance Statements from the Chief Executive, Corporate Directors and Assistant Directors in respect of governance and internal controls for their respective areas, confirm that expected governance arrangements have been in place throughout the year. They have also confirmed that Codes of Conduct, Financial regulations and other corporate processes have operated as expected by undertaking self-assessments of governance arrangements. The themes arising from the self assessment are also reflected in the conclusion below.

CONCLUSION

The Council is satisfied that appropriate governance arrangements are in place however it remains committed to maintaining and where possible improving these arrangements. The following items are noted for improvement in 2024/2025:

Actions	Timescales	Lead Officer
An audit of compliance with Health and safety management system identified several significant control weaknesses in this particularly within the Place directorate. Demonstrably meet the Council's accident and incident reporting and investigation requirements. Implement the action plan.	Without delay/ October 2025	AD HR as corporate health and safety. AD Environment for implementation
Implement improvements in report clearance processes, with DLTs taking responsibility for early engagement with legal and finance to improve quality and timeliness of reports and improved forward planning.		DLTs
Management of strategic site applications to minimise the risk of legal proceedings and costs exposure. Implement all review findings and action plan Address issues identified in the Internal Audit fact finding review relating to negative framing of officer recommendations, strategic partnerships and stakeholder management, Resource and document management, Performance management, management of planning performance agreements and. management of service improvement		AD PLANNING & DEVELOPMENT

<p>Work with Executive and CLT to deliver the 2025/26 budget and financial challenges, giving particular attention to the delivery of the of agreed savings. Delivery of agreed savings</p> <p>Where overspends are identified operating within the mitigation plan outlined in the S25 statement.</p>		AD FINANCE
<p>In collaboration with the new administration, make better use of Portfolio Holders (PH) and CLT including focus on strategic planning and transformation change.</p> <p>Officers and members should work together. PH briefing, reports produced and presented to ensure that it meets members needs and provided sufficiently in advance to allow PH and Exec members to review and has political discussion. Planned away days.</p>		CLT DLTS
<p>Build on the existing work on transformation and develop a plan to address the budgetary shortfall identified in the Medium Term Financial Strategy beginning in 2026/27.</p> <p>Transformation</p> <p>Case for Change</p> <p>Strategic Planning Process</p>		CD Resources AD FINANCE & CLT
<p>Further embed the new Procurement Act 2023 and Procurement Regulations 2024 including Member and officer training.</p>		AD LAW & GOVERNANCE
<p>Produce and Implement Risk Management Strategy and framework to ensure compliance with HM Government Orange Book and implement training programme to embed risk management.</p>		CD RESOURCES
<p>Specific training on Information Governance as identified in the improvement plan especially in relation data breaches.</p>		AD LAW & GOVERNANCE
<p>Building on the Corporate Strategy which covered at a high level "People" to produce Strategic workforce plan focused on skills and knowledge gaps, performance management, including appraisal processes and learning development plans.</p>		AD HR
<p>Review of agency processes to ensure that pre employment checks are conducted and the reasons for</p>		AD HR

waiver of any requirement is properly authorised and reasoned.		
To produce and implement detailed Simpler Recycling action plan		AD Environment
To define governance parameters around Local Government Reorganisation leading to implementation phase.		CLT

Other governance outcomes are shown below:

- Nil reports issued by the S151 Officer or the Monitoring Officer.
- The MO received 12 complaints about member conduct in 2024/ 2025. 9 were dismissed at initial stage with 1 offered an informal resolution. 2 were withdrawn by the complainant..
- The Local Government and Social Care Ombudsman upheld 1 complaint out of total 10 received.

STATEMENT OF OPINION

It is our opinion that the Council's governance arrangements in 2025/26 were sound and provide a robust platform for achieving the Council's priorities and challenges in 2025/26. It is our opinion that our ability to maintain sound governance during the past year, has been effective.

Gordon Stewart
Chief Executive

Cllr David Hingley
Leader of the Council

Glossary of Terms

Accruals

Cost of goods and services received in the financial year but not yet paid for.

Actuarial Gain (Loss)

The changes in the valuation of the net pension liability that arise because of:

- a) Events have not coincided with the assumption used by the actuary when carrying out the previous triennial (three-yearly) valuation of the fund or
- b) The actuary changing the assumptions used in the current valuation from those used previously.

Amortisation

The decrease in the value of intangible capital assets over their useful life as they become out of date or are used up.

Assets

A resource with positive economic value that is owned or controlled by the Council e.g. cash, property

Band D Equivalent

Council tax is a tax on domestic properties. Each domestic property is placed in a 'Band' from A to H, based on the capital value of that property in April 1991. Band D is the middle band and the other bands are weighted in relation to Band D (e.g. Band A is weighted 6/9ths of Band D and Band H is 18/9ths of Band D). Using the weighted number of the domestic properties in the area produces the 'Band D Equivalent' number of properties.

Best Value

Under the Local Government Act 1999, local authorities must constantly aim to improve their services. Best Value is the approach introduced that gives local authorities a duty to provide local people with high-quality and efficient services.

Billing Authority

This is the local authority which collects the council tax and business rates for its area. In shire counties the district or borough councils are the billing authorities. Cherwell District Council is the billing authority for Cherwell District.

Bond / Guarantee

Where the Council has agreed to stand surety for a bond sum or to make payment if the Owner fails to pay any part of the County Contributions due under provision of an agreement.

Bond Fund

A fund primarily invested in government and corporate bonds. The value of the investment changes as the market value of assets held by the fund changes.

Budget

A statement of our spending plans for a financial year, which starts on 1 April and ends on 31 March.

Business Rates (Non-Domestic Rates – NDR)

Non-domestic rates, or business rates, collected by local authorities are the way that those who occupy non-domestic property contribute towards the cost of local services. Under the business rates retention arrangements introduced from 1 April 2013, authorities keep a proportion of the business rates paid locally. The amount charged is based on multiplying the rateable value of each business property by the appropriate non-domestic multiplier. The Government sets a standard multiplier and small business multiplier for each financial year. .

Business Rate Retention Scheme

Council's are able to keep a proportion of the business rates revenue, as well as growth on the revenue that is generated in their local area. The remainder is retained centrally by the government and used to provide grant funding to local authorities. It provides a direct link between business rates growth and the amount of money council's will have to spend on local people and local services.

Call Account

A call account is a deposit account with a financial institution without a fixed maturity date.

Capital Adjustment Account

The Capital Adjustment Account is an unusable reserve that absorbs the timing differences arising from the different arrangements for accounting for the consumption of non-current assets and for financing the acquisition, construction or enhancement of those assets under statutory provisions.

Capital Financing Requirement

A measure of the capital expenditure incurred historically by the council that has yet to be financed. This measure also shows the underlying need to borrow for a capital purpose, although this borrowing may not necessarily take place externally.

Capital Programme

Our plan of future spending on capital projects such as buying land, buildings, vehicles, and equipment.

Capital Receipt

Cash received from selling non-current assets. Capital receipts can be used to finance new capital expenditure or repay long term debt within rules set by central Government, but they cannot be used to finance day-to-day revenue spending.

Capital Spending

Spending on non-current assets that have long-term service and/or economic benefits for example, land, buildings and large items of equipment such as vehicles.

Cash Equivalent

Short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Cash-flow Statement

Summarises cash paid to and received from other organisations and individuals for capital and revenue purposes.

CIPFA

Chartered Institute of Public Finance and Accountancy. One of the major accountancy institutes that specialises in the public sector.

Collection Fund

The Council as a billing authority has a statutory obligation to maintain a separate Collection Fund. This shows the transactions of the Council in relation to the collection of business rates income and council tax income from taxpayers and its distribution to the County Council, Police Authority, and the Government.

Counterparties

The opposite party in a contract or financial transaction. This may include the Central Government, Local Authorities, Banks and Building societies to name a few.

Community Assets

The class of fixed assets held by an authority in perpetuity that have no determinable useful life and may have restriction on their disposal, such as parks and open spaces, historical buildings, works of art, etc.

Component Depreciation

Is a procedure in which the cost of a large item of property, plant and equipment is split up into different components which have different useful lives, and each component is depreciated separately. This procedure is also referred to as componentisation.

Contingent Asset

An asset arising from past events, whereby its existence can only be confirmed by one or more uncertain future events not wholly within the control of the Council.

Contingent Liability

A condition which exists at the balance sheet date, where the outcome will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the Council's control, or where it is not probable that an outflow of resources will be required to settle the obligation.

Council Tax

A tax charged on domestic householders based on which of eight Council Tax Bands their property falls into. There is a reduction for empty properties or if you live on your own. Since 1 April 2013 council's must have a council tax reduction scheme, which allows for council tax reductions for people, or classes of people, who are considered to be in financial need. In Oxfordshire, the district or borough council issues council tax bills and collects the council tax. The level is determined by the revenue expenditure requirements for each authority divided by the council tax base for the year.

Council Tax Base

An assessment by each billing authority of the number of properties, converted to Band D equivalents (the average band), on which a tax can be charged. The calculation allows for new properties, exemptions and discounts and a provision for non-collection.

Cost of Carry

The difference between the interest payable on borrowing on debt and the interest receivable from investing surplus cash.

Credit Rating

A credit rating assesses the credit worthiness of an individual, corporation or country. Credit ratings are calculated from financial history and current assets and liabilities. Typically, a credit rating tells a lender or investor the probability of the entity being able to pay back a loan.

Creditors

People or organisations we owe money to for work, goods or services which have not yet been paid for by the end of the financial year.

Current Asset

An asset which is expected to be used up during the next accounting period e.g. cash, inventories.

Current Liabilities

Liabilities that are due to be settled in less than one year, such as bank overdrafts and money owed to suppliers.

Current Service Cost

The current service cost is the increase in the value of the pension scheme's future pension liabilities arising from the employee's ongoing membership of the pension scheme.

Curtailment Costs

Curtailment costs are the amounts of money that are paid to a new pension scheme when a defined group of staff transfer from one pension scheme to another. The costs represent the value of the pension rights accrued by the transferring staff.

Debtors

Amounts owed to the Council for goods and services that has not yet been received.

Deferred Income

Prepaid income credited to the Balance Sheet and amortised to the Comprehensive Income and Expenditure Statement to match the benefit of the receipts over the term of the contractual arrangement.

Depreciation

The systematic write-off of the reduction in value of a tangible fixed asset due to wear and tear, passing of time and technological changes over its economic useful life.

Derecognition

Removal of an asset or liability from the Balance Sheet.

Earmarked Reserves

Money set aside for a specific purpose.

Equity instrument

A contract such as an equity share in a company.

Expected Credit Loss

The probability-weighted estimate of credit losses (i.e. the present value of all cash shortfalls) over the expected life of a financial instrument.

Fair Value

The price that could be received for an asset sold or a liability settled in an orderly transaction, assuming that the transaction was negotiated between parties knowledgeable about the market in which they are dealing and willing to buy or sell at an appropriate price, with no other motive in their negotiations other than to secure a fair price.

Financial Asset

Financial Assets are any assets that is: Cash, equity, a contractual right to receive cash or another financial asset from another entity (e.g. trade debtors), or a contractual right to exchange financial assets or financial liabilities with another entity under conditions that are potentially favourable to the Council.

Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another. Financial instruments include bank deposits, investments, debtors, long-term debtors, creditors, temporary loans and borrowings.

Financial liability

An obligation to transfer economic benefits controlled by the District Council that is represented by a contractual obligation to deliver cash (or another financial asset) to another entity, or a contractual obligation to exchange financial assets/liabilities with another entity under conditions that are potentially unfavourable to the District Council.

Financial Year

The District Council's accounts cover the period from 1 April in one year to 31 March in the next year.

Fixed Asset

A tangible asset that yields benefit to the District Council and the services it provides for a period of more than one year.

General Fund

The account that records and finances Council revenue expenditure that is funded by taxpayers.

Government Grants

Payments by the Government towards the cost of local authority services. These are either for particular purposes or services (specific grants) or to fund local services generally (non-specific grants).

Heritage Asset

A tangible asset with historical, artistic, scientific, technological, geophysical or environmental qualities that is held and maintained principally for its contribution to knowledge and culture.

Impairment

A reduction in the carrying value of an asset arising from physical damage, obsolescence or a significant decline in market value.

Infrastructure Assets

A class of assets whose life is of indefinite length and which are not usually capable of being sold, such as highways, drains and footpaths.

Intangible Asset

An asset that does not have physical substance but is identifiable and controlled by the organisation through custody or legal rights e.g. software licenses.

Internal Borrowing

Instead of taking external loans to fund activities such as Capital expenditure, a Local Authority may use income and grants received in advance, to fund these activities. Usually, surplus funds are invested to earn interest, however it is prudent to use these funds instead of loaning money as loans generally cost more than could be earned by investing the funds.

International Financial Reporting Standards (IFRS)

These are issued by the International Accounting Standards Board and provide standards for the preparation of financial statements.

Inventories

Raw materials and stores which the Council has bought and holds in stock for use as required.

Investment Properties

Land and/or buildings held solely to earn rentals or for capital appreciation or both, rather than for operational purposes.

Lease

An agreement where a rental charge is paid for use of an asset for a specified period of time.

Lessee

A party to a lease agreement who makes payment to use an asset.

Lessor

A party to a lease agreement who receives payment for the use of an asset.

Liabilities

Amounts owed by the Council which will be paid at some time in the future.

Materiality

Information is material if its omission or misstatement, individually or collectively, could influence the decisions that users make on the basis of financial information about a specific reporting entity.

Minimum Revenue Provision (MRP)

The prudent minimum amount which the Council must set aside each year to repay loans and other long-term liabilities such as finance leases. This has the effect of reducing the Capital Financing Requirement.

Money Market Fund

Funds are invested in short-dated assets including certificates of deposits, government securities and commercial papers making them highly liquid. Money Market Funds must be AAAmf rated, invest in high credit quality assets and maintain a weighted average maturity of 60 days or fewer. Investments have a stable net asset value and dividends are paid to investors on their investment.

Net Book Value (NBV)

The balance sheet value of a non-current asset after depreciation and/or impairment.

Net Debt

The District Council's borrowings and finance liabilities less cash and liquid resources.

Net Spending

The cost of providing a service after allowing for specific grants and other income from fees and charges (i.e. not including council tax and money from the Government).

Non-current Asset

A long-term asset that is not expected to be used up or realised within the next 12 months e.g. Property, Plant Equipment.

Non-Domestic Rate

A levy on businesses based on a national rate in the pound set by the government multiplied by the 'rateable value' of the premises they occupy.

Operating Lease

A type of lease, usually of computer equipment, vehicles, office equipment, etc., where the ownership of the goods and any risks and rewards remain with the lessor, therefore it is revenue expenditure and not capital expenditure.

Operational Asset

An asset held partly, primarily or solely for the purpose of delivering against the council's corporate objectives and day-to-day services.

Past Service Costs

The past service cost is the extra liability that arises when we grant extra retirement benefits that did not exist before, such as when we agree early retirement or extra years of service.

Petty Cash

Small sums of cash kept by departments to pay minor expenses.

Precept

The demand levied by a non-billing authority (County Council, Police Authority, parish and town councils) on the Collection Fund managed by a billing authority (this Council) towards their annual spending.

Property, Plant and Equipment

A physical (tangible) asset that is expected to be held for operational purposes for several years, such as land, buildings, and vehicles.

Provision

An amount of money put aside in the accounts for anticipated liabilities which are of uncertain timing or amount.

Public Works Loan Board (PWLB)

A central government agency which provides long and shorter-term loans to local authorities at interest rates slightly higher than those at which the government itself can borrow. Local authorities are able to borrow a proportion of their requirement to finance capital spending from this source.

Rateable Value (RV)

A value placed on all non-domestic properties (businesses) on which rates have to be paid, broadly based on the rent that the property might earn, after deducting the cost of repairs and insurance. The rateable value is determined by the Valuation Office Agency.

Related-Party

Two or more organisations are 'related parties' if, during the year, one of them has significant control over the other.

Reserves

Amounts of money put aside to meet certain categories of expenditure in order to avoid fluctuations in the charge to the General Fund.

Revenue Expenditure

The District Council's day-to-day expenditure on items which include wages, supplies and services, running costs for premises, and interest charges.

Revenue Expenditure Funded from Capital Under Statute (REFCUS)

Legislation in England and Wales allows some expenditure to be classified as capital for funding purposes when it does not result in the expenditure being carried on the Balance Sheet as a fixed asset. Examples include works on property owned by other parties, renovation grants and capital grants to other organisations.

Specific Grants

Payments from the Government to cover local authority spending on a particular service or project. Specific grants are usually a fixed percentage of the costs of a service or project.

This report is public	
Treasury Management Report – Q1 2025/26 (June 2025)	
Committee	Accounts, Audit and Risk Committee
Date of Committee	16 July 2025
Portfolio Holder presenting the report	Deputy Leader and Portfolio Holder for Finance, Property & Regeneration, Councillor Lesley McLean
Date Portfolio Holder agreed report	07 July 2025
Report of	Assistant Director of Finance (S151 Officer), Michael Furness

Purpose of report

To provide information on treasury management performance and compliance with treasury management policy for 2025-26 as required by the Treasury Management Code of Practice.

To demonstrate that all treasury management activities undertaken during the first quarter of 2025-26 complied with the CIPFA Code of Practice and the council's approved Treasury Management Strategy.

1. Recommendations

The Accounts, Audit and Risk Committee resolves:

- 1.1 To note the contents of this Treasury Management Performance Report.

2. Executive Summary

- 2.1 The council complies with the Chartered Institute of Public Finance and Accountancy's Treasury Management in the Public Services: Code of Practice (the CIPFA Code) which requires scrutiny of the quarterly Treasury Management reports.
- 2.2 The council's Treasury Management Strategy for 2025-26 was approved by Council on 24 February 2025. The Treasury indicators have been included in this report as per the 2021 CIPFA Treasury Management in the Public Services Code of Practice requirements.

Implications & Impact Assessments

Implications	Commentary			
Finance	The financial implications have been taken into account in the Budget Management reports considered by Executive. Joanne Kaye, Head of Finance 30 June 2025			
Legal	The presentation of the report is required by regulations issued under the Local Government Act 2003 to review the treasury management activities, the actual prudential indicators and the treasury related indicators. Denzil Turbervill, Head of Legal 02 July 2025			
Risk Management	It is essential that this report is considered by the Audit Committee as it demonstrates that the risk of not complying with the council's Treasury Management Policy has been avoided. This and any other risks related to this report will be managed through the service operational risk and escalated to the leadership risk register as and when necessary. Celia Prado-Teeling, Performance Team Leader, 30 June 2025			
Impact Assessments	Positive	Neutral	Negative	Commentary
Equality Impact		X		Not applicable
A Are there any aspects of the proposed decision, including how it is delivered or accessed, that could impact on inequality?		X		Not applicable
B Will the proposed decision have an impact upon the lives of people with protected characteristics, including employees and service users?		X		Not applicable
Climate & Environmental Impact		X		Investments made in line with approved Treasury Strategy
ICT & Digital Impact				Not applicable
Data Impact				Not applicable

Procurement & subsidy				Not applicable
Council Priorities	Not applicable			
Human Resources	Not applicable			
Property	Not applicable			
Consultation & Engagement	Not applicable			

Supporting Information

3. Background

- 3.1 It is a statutory duty for the council to determine and keep under review its affordable borrowing limits. During the first quarter of 2025/26, the council has operated within the treasury and prudential indicators set out in the council's Treasury Management Strategy Statement for 2025/26. The Assistant Director of Finance reports that no difficulties are envisaged for future years in complying with these indicators.
- 3.2 As at the end of June 2025 the council had borrowing position of £157m and investments of £18m – a net borrowing position of £139m (Net borrowing position 31 March 2025: £160m)
- 3.3 The net borrowing position decreased primarily because of the £14.6m discount the PWLB awarded on repaying a 50-year loan early. The £25m loan due to mature in November 2071 was repaid in April 2025 for the principal amount of £10.4m with the council retaining the £14.6m discount. The discount is to be amortised over 10 years, resulting in a £1.46m windfall in 25/26 which will to be moved to reserves. This is referred to in point 4.13 and reflected in Table 9.

4. Details

Borrowing performance for first quarter ending 30 June 2025

- 4.1 The council continues to pursue its strategy of keeping borrowing below its Capital Financing requirements, this is referred to as internal borrowing, in order to reduce risk and borrowing costs.
- 4.2 The council's chief objective when borrowing is to strike an appropriately low risk balance between securing low interest costs and achieving cost certainty over the period for which funds are required.

Table 1: Borrowing Position for quarter ended 30 June 2025

	Borrowing Amount £m	Average Interest Rate	Interest Paid Budget £m	Interest Paid Actual £m	Variance to Date £m
April to June 2025	156 (average)	2.84%	1.228	1.094	(0.134)
As at 30/06/25	157	2.88%	-	-	-

* Interest payable relates to external loans only, excluding finance lease and other interest

- 4.3 Interest payable for the period is below the budget due to internal borrowing being used as much as possible while interest rates continue to reduce more slowly than forecast. A full list of current borrowing is shown in table 2:

Table 2: Borrowing Position

Lender	Principal Borrowed £m	Maturity Date
Cornwall Council 9-month maturity	10	18/07/2025
Greater Manchester Combined Authority 5-month maturity	5	17/09/2025
PWLB 6-year maturity	6	25/09/2025
Arun District Council 6-month maturity	2	17/10/2025
London Borough of Havering 6-month maturity	5	17/10/2025
East Riding of Yorkshire Council 7-month maturity	5	31/10/2025
East Lindsey District Council 6-month maturity	3	14/11/2025
South Holland District Council 6-month maturity	2	14/11/2025
Devon County Council Pension Fund 6-month maturity	5	17/11/2025
PWLB 7-year maturity	6	19/09/2026
PWLB 5-year maturity	10	26/07/2027
PWLB 10-year maturity	10	31/05/2028
PWLB 6-year maturity	5	26/07/2028
PWLB 7-year maturity	10	26/07/2029
Lender	Principal Borrowed £m	Maturity Date
PWLB 10-year maturity	6	25/09/2029
PWLB 8-year maturity	10	26/07/2030
PWLB 11-year maturity	6	19/09/2030
PWLB 9-year maturity	16	26/07/2031
PWLB 10-year maturity	15	26/07/2032
PWLB 15-year maturity	5	31/05/2033
PWLB 15-year maturity	5	25/09/2034
PWLB 16-year maturity	5	19/09/2035
PWLB 30-year maturity	5	31/05/2048
TOTAL	157	

- 4.4 The council monitors its exposure to refinancing risk with the maturity structure of borrowing indicator. While it is important to have flexibility to navigate changing market conditions it is critical that loan repayments are spread appropriately. The lower limit has been considered but kept at zero to ensure that the council is not forced into taking borrowings in a particular category that would lock it into an unfavourable borrowing situation. Borrowing has been kept as short term as possible while the interest rates have been at record highs. Refinancing for up to two years will increase once the interest rates have reduced.

Table 3: Maturity structure of borrowing

Refinancing rate risk indicator	Upper limit	Lower limit	Actual structure
Under 12 months	50%	0%	27.39%
12 months and within 24 months	50%	0%	3.82%
24 months and within 5 years	60%	0%	32.48%
5 years and within 10 years	70%	0%	29.94%
10 years and above	80%	0%	6.37%

Investment performance for first quarter ending 30 June 2025

- 4.5 Funds available for investment are on a temporary basis because the council prioritises keeping borrowing to a minimum and only invests surplus funds retained to meet its commitments. The level of funds available is mainly dependent on the timing of precept payments, receipt of grants and funding of the Capital Programme.
- 4.6 Treasury income from investments is under budget but this is due to the use of internal borrowing instead of refinancing loans. To see the complete picture, the (£0.134m) underspend on interest paid should be read alongside the £0.111m of under recovery of interest receivable. Table 4 below shows the investment position during and at the end of the reporting period.

Table 4: Investment Position

	Investment Amount £m	Average Interest Rate	Interest Earned Budget £m	Interest Earned Actual £m	Variance to Date £m
April to June 2025	14 (average)	4.81%	(0.267)	(0.156)	0.111
As at 30/06/25	18	4.33%	-	-	-

- 4.7 While maintaining a balance between security, liquidity and yield the council is always looking for ways to invest sustainably (or green investments). However Environmental, Social and Governance (ESG) is the fourth priority of Treasury Management after security, liquidity and yield.

While the council does not currently have any ESG fixed deposits, three of the Money Market funds meet the criteria pursuant to Article 8 of the Sustainable Finance Disclosure Regulation (Regulation EU/2019/2088). These are highlighted in green in Table 5 below which lists all of current investments.

Table 5: Investments

Counterparty	Principal Deposited £m	Maturity Date / Notice period
<u>Fixed Term Deposits</u>		
Qatar National Bank	3.00	19/08/2025
<u>Money Market Funds</u>		
Legal & General Investment Management	5.00	Same day
Federated Investors UK	3.58	Same day
Northern Trust Asset Managements	5.00	Same day
CCLA Investment Management Limited	0.02	Same day
Goldman Sachs Asset Management	1.01	Same day
TOTAL	17.61	

- 4.8 Compliance with investment limits as set out in the Treasury Strategy are detailed in Table 6 below:

Table 6: Investment Limits

Counterparty	2025/26 Limit £m	Complied?
UK Central Government	Unlimited	Yes
Other Local Authorities	5 each	Yes
Any group of organisations under the same ownership	5 per group	Yes
Approved counterparties – Banks/Building Societies	3 each	Yes
Any group of pooled funds under the same management	5 per manager	Yes
Money Market Funds total	20 in total	Yes

Non-treasury investment activity

- 4.9 The definition of investments in CIPFA's revised Treasury Management Code now covers all the financial assets of the council. This is replicated in the government's Statutory Guidance on Local Government Investments, in which the definition of investments is further broadened to also include all such assets that provide a financial return.
- 4.10 As of 31 March 2025, the council holds £102.8m of investments that qualify under the code in the form of shares (£35.6m) and loans (£67.2m) to subsidiary companies and other organisations, primarily Graven Hill and Crown House.
- 4.11 The loan elements of these non-treasury investments can generate a higher rate of return than that earned on treasury investments due to the commercial nature of the loans issued. Table 7 below shows the investment position for this reporting period.

Table 7: Non-treasury Investment Position

	Investment Amount £m	Average Interest Rate	Interest Earned Budget £m	Interest Earned Actual £m	Variance to Date £m
April to June 2025	67.19 (average)	5.94%	(0.986)	(0.998)	(0.012)
As at 30/06/25	67.19	5.94%	-	-	-

Overall performance

4.12 The overall performance for the period April to June 2025, is:

Table 8: Overall Treasury Position for the Period

	Budget 25/26 £m	Actual 25/26 £m	Variance to date £m
Borrowing costs	1.228	1.094	(0.134)
Other – Interest Paid	0.192	0.000	(0.192)
Other – Interest Receivable	0.000	(1.459)	(1.459)
Treasury income	(0.267)	(0.156)	0.111
Non-treasury income	(0.986)	(0.998)	(0.012)
Transferred to Reserves	0.000	0.000	0.000
Total cost/(income)	0.167	(1.519)	(1.686)

4.13 With the early repayment of a 50-year PWLB loan a discount was received. The discount is to be amortised over 10 years, resulting in a (£1.459m) non-cash windfall, reflected as a surplus in 'Other – Interest Receivable' in table 8 above. At the Executive meeting on 1 July, it was approved that this be moved, along with (£0.498m) 'Other – Interest Paid' forecast savings, to the Interest Rate Equalisation reserve to mitigate future interest rate pressures and is reflected in Table 9 below.

4.14 The forecast after the first quarter of 2025/26, in Table 9 below, shows a further saving of (£0.350m). It will be proposed that these savings be transferred to reserves in the June Finance Monitoring Report which will go to Executive in September.

Table 9: Overall Treasury Position Forecast to Year End

	Full Year Budget £m	Full Year Forecast £m	Full Year Variance £m
Borrowing costs	4.913	4.820	(0.093)
Other – Interest Paid	0.769	0.000	(0.769)
Other – Interest Receivable	0.000	(1.459)	(1.459)
Treasury income	(1.067)	(1.004)	0.063
Non-treasury income	(3.943)	(3.992)	(0.049)
Transferred to Reserves	0.000	1.957	1.957
Total cost/(income)	0.672	0.322	(0.350)

4.15 At the end of the first quarter 2025/26 there has been £1.957m transferred to reserves and another £0.350m proposed to be transferred, making a total of £ 2,307m increase in the Interest Rate Equalisation reserve. This total can be

attributed to the (£1.459m) non-cash windfall, and (£0.769m) savings due to the change in the council's policy of ringfencing interest of funding on receipts received in advance, along with some other small savings on borrowing costs.

Interest rate forecast

- 4.16 The council has appointed MUFG Corporate Markets (previously known as Link Group) as its treasury advisors and part of their service is to assist the council to formulate a view on interest rates. The latest forecast sets out a view that short, medium and long-dated interest rates are expected to slowly reduce over the next year until settling at 3.50% in December 2026.

Table 10: Link Forecast Rates

Interest Rate Forecasts								
Bank Rate	Jun-25	Sep-25	Dec-25	Mar-26	Jun-26	Sep-26	Dec-26	Mar-27
MUFG CM	4.25%	4.25%	4.00%	3.75%	3.75%	3.75%	3.50%	3.50%
Cap Econ	4.25%	4.00%	3.75%	3.50%	3.50%	3.50%	3.50%	3.50%
5Y PWLB RATE								
MUFG CM	4.90%	4.80%	4.70%	4.60%	4.50%	4.40%	4.40%	4.30%
Cap Econ	4.90%	4.80%	4.70%	4.60%	4.50%	4.50%	4.40%	4.40%
10Y PWLB RATE								
MUFG CM	5.20%	5.10%	5.00%	4.90%	4.80%	4.70%	4.70%	4.60%
Cap Econ	5.40%	5.20%	5.10%	5.00%	5.00%	4.90%	4.80%	4.80%
25Y PWLB RATE								
MUFG CM	5.70%	5.60%	5.50%	5.40%	5.30%	5.20%	5.10%	5.00%
Cap Econ	6.00%	5.70%	5.40%	5.30%	5.20%	5.10%	5.00%	5.00%
50Y PWLB RATE								
MUFG CM	5.40%	5.30%	5.20%	5.10%	5.00%	4.90%	4.80%	4.70%
Cap Econ	5.60%	5.40%	5.20%	5.20%	5.10%	5.00%	4.90%	4.90%

*Cap Econ is an abbreviation for Capital Economics who provide macroeconomic insight, analysis and data.
Source: Link

5. Alternative Options and Reasons for Rejection

- 5.1 The nature of this report is such that alternative options are not appropriate. It is an option to request further information on the performance reported.

6 Conclusion and Reasons for Recommendations

- 6.1 This report details the Treasury Performance for the council for the first quarter of 2025/26 ending 30 June 2025. It is submitted to the Accounts, Audit and Risk Committee for information as required by the Treasury Management Code of Practice.

Decision Information

Key Decision	N/A
Subject to Call in	N/A
If not, why not subject to call in	N/A
Ward(s) Affected	All

Document Information

Appendices	
Appendix 1	None
Background Papers	None
Reference Papers	Treasury Management Strategy 2025-26 https://modgov.cherwell.gov.uk/documents/s58192/Appendix%20%20-%20Treasury%20Management%20Strategy%202025-26.pdf
Report Author	Janet du Preez Finance Business Partner – Treasury and Insurance
Contact details	janet.du-preez@cherwell-dc.gov.uk 01295 221606
Corporate Director Approval (unless Corporate Director or Statutory Officer report)	S151 Officer, Michael Furness 20 June 2025

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Accounts, Audit and Risk Committee

Work Programme 2025/26

Date	Agenda Items
24-Sep-25	Risk Monitoring Report - Q1 2025/26 Health & Safety Q1 report External Audit 2024/25 Update (verbal) Support to Subsidiaries Environmental, Social and Governance considerations Monitoring Officer report, including LGSCO Ombudsman Annual Report Draft Risk Strategy and Guidance Work Programme Update
19-Nov-25	Risk Monitoring Report - Q2 2025/26 Counter Fraud Update Internal Audit Progress Update Health & Safety Q2 report Final Accounts 2024/25 External Audit final report Financial Management Code Update Treasury Management Q2 Update Work Programme Update
14-Jan-26	Treasury Management Q3 Update Capital and Investment Strategy and Draft Treasury Management Strategy 2024/25 AGS 2024/25 Actions Update Local Code of Corporate Governance Housing Benefit Subsidy Audit 2022/23 Work Programme Update Chief Internal Auditor - Private Session CONFIRM WITH AUDITORS External Auditor - Private Session CONFIRM WITH AUDITORS
18-Mar-26	Counter Fraud Update Housing Benefit Risk Based Verification Policy Counter Fraud Work Programme 2026/26 Internal Audit Work Programme 2026/27 AGS 2025/26 Annual Report of AARC Accounting Policies 2025/26 Health & Safety Q3 report External Audit Plan 2025/26 Risk Monitoring Report Q3 Work Programme Update

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