

# **Cherwell District Council**

## **Executive**

**9 January 2023**

## **Monthly Performance, Risk and Finance Monitoring Report November 2022**

### **Report of Assistant Director of Finance and Assistant Director – Customer Focus**

This report is public

#### **Purpose of report**

To update the Executive on the council's performance, risk and financial positions for the period up to the end of November 2022.

#### **1.0 Recommendations**

The meeting is recommended:

- 1.1 to note the Performance, Risk and Finance Monitoring Report for November 2022.

#### **2.0 Introduction**

- 2.1 The council actively and regularly monitors its performance, risk and financial positions to ensure it can deliver its corporate priorities and key services for residents but also to respond effectively to emerging issues.
- 2.2 This takes place on a monthly basis to identify potential issues at the earliest opportunity and put measures in place for mitigating and addressing them.
- 2.3 The updates are summarised into a single report given the implications and interdependencies between them, and this is the summary for November.

#### **3.0 Report Details**

3.1 This report is split into three sections:

- Finance
- Performance
- Risk

- 3.2 The Finance section presents the year-end forecasts for the 2022/2023 financial year, based on actual income and expenditure figures up to the end of November
- 3.3 The Performance section sets out the council's progress towards achieving its 2022-23 Business Plan (see Appendix 6) by reporting on the actions, projects and programmes for delivering against its strategic themes and priorities. It also sets out the measures we are taking to address performance exceptions, where measures are slightly behind target but within tolerance (10%), or outside of the agreed tolerance (more than 10% off target).
- 3.4 The Risk section highlights any risks within the council's Leadership Risk Register that have changed in the last month and the mitigating actions to address them. It also includes the latest risk scorecard of all the Leadership risks.

## 4.0 Finance Update

- 4.1 The council's forecast position for 2022/2023 has improved in the last month by £0.672m and it is now predicting an overspend of £0.297m as shown in Table 1. This is as a result of a significant amount of work in October to identify solutions to reduce October's forecasted overspend of £0.969.
- 4.2 The council continues to face significant pressures due to the ongoing impact of Covid-19 on car park income, the cost-of-living crisis on fuel and energy costs and with decoupling costs from Oxfordshire County Council. However, the council is planning to offset the majority of these additional costs through:
- Generating additional income from development Management
  - Taking a fiscally responsible approach to interest income and investing any surplus cash securely and wisely.
  - Proactively reviewing and maximising the use of the income received from grants to deliver services.

### Report Details

**Table 1: Forecast Year End Position**

Service	Original Budget £m	Current Budget £m	Forecast November 2022 £m	November Variance (Under) / Over £m	% Variance to current budget %	October Variance (Under) / Over £m	Change since Previous (better) / worse £m
HR & OD	0.822	0.852	0.852	0.000	0.0%	0.000	0.000
Wellbeing & Housing	3.339	4.27	4.430	0.160	3.7%	0.280	(0.120)
Customer Focus	1.606	1.848	2.008	0.160	8.7%	0.135	0.025
<b>Chief Executive</b>	<b>5.767</b>	<b>6.970</b>	<b>7.290</b>	<b>0.320</b>	<b>4.6%</b>	<b>0.415</b>	<b>(0.095)</b>
Finance	2.850	3.218	3.304	0.086	2.7%	0.086	0.000
Legal & Democratic	1.709	1.885	1.995	0.110	5.8%	0.110	0.000
ICT	1.235	1.250	1.464	0.214	17.1%	0.214	0.000

Property	(3.196)	(1.173)	(1.332)	(0.159)	13.6%	(0.159)	0.000
<b>Resources</b>	<b>2.598</b>	<b>5.180</b>	<b>5.431</b>	<b>0.251</b>	<b>4.8%</b>	<b>0.251</b>	<b>0.000</b>
Planning & Development	1.752	2.147	1.802	(0.345)	-16.1%	(0.034)	(0.311)
Growth & Economy	0.336	1.155	1.145	(0.010)	-0.9%	(0.010)	0.000
Environmental	4.057	4.662	5.394	0.732	15.7%	0.652	0.080
Regulatory	1.112	1.286	1.306	0.020	1.6%	0.020	0.000
<b>Communities</b>	<b>7.257</b>	<b>9.250</b>	<b>9.647</b>	<b>0.397</b>	<b>4.3%</b>	<b>0.628</b>	<b>(0.231)</b>
<b>Subtotal for Directorates</b>	<b>15.622</b>	<b>21.400</b>	<b>22.368</b>	<b>0.968</b>	<b>4.5%</b>	<b>1.294</b>	<b>(0.326)</b>
Executive Matters	4.316	0.034	(0.306)	(0.339)	997.1%	0.007	(0.346)
Policy Contingency	3.554	2.058	1.727	(0.332)	-16.1%	(0.332)	0.000
<b>Total</b>	<b>23.492</b>	<b>23.492</b>	<b>23.789</b>	<b>0.297</b>	<b>1.3%</b>	<b>(0.325)</b>	<b>(0.346)</b>

<b>FUNDING</b>	<b>(23.492)</b>	<b>(23.492)</b>	<b>(23.492)</b>	<b>0.000</b>	<b>0.0%</b>	<b>0.000</b>	<b>0.000</b>
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<b>(Surplus)/Deficit</b>	<b>0.000</b>	<b>0.000</b>	<b>0.297</b>	<b>0.297</b>
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<b>0.969</b>	<b>(0.672)</b>
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**Note:** A positive variance is an overspend or a reduction in predicted income and a negative is an underspend or extra income received. Green represents an underspend and red represents a overspend for the current month's forecast.

**Table 2: Analysis of Forecast Variance – November 2022**

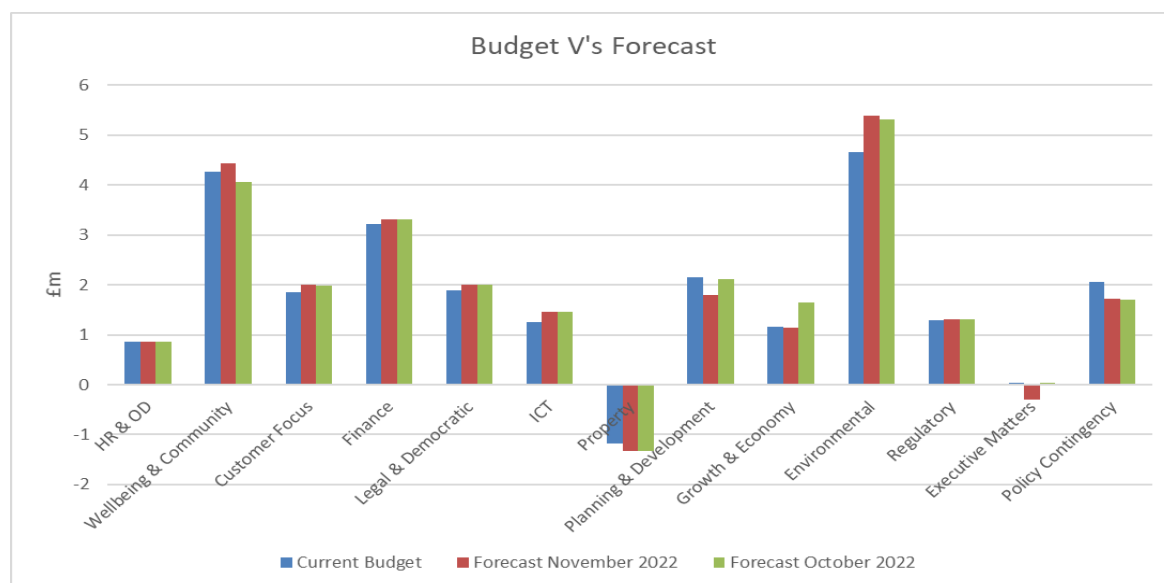
Breakdown of current month forecast	Forecast Variance £m	Forecast Base Budget Over/ (Under) £m	Savings Non-Delivery £m
Chief Executive	0.320	0.259	0.061
Resources	0.251	0.026	0.225
Communities	0.397	0.127	0.270
<b>Subtotal Directorates</b>	<b>0.968</b>	<b>0.412</b>	<b>0.556</b>
Executive Matters	(0.339)	(0.339)	0.000
Policy Contingency	(0.332)	(0.332)	0.000
<b>Total</b>	<b>0.297</b>	<b>(0.259)</b>	<b>0.556</b>

<b>FUNDING</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>
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<b>(Surplus)/Deficit</b>	<b>0.297</b>	<b>(0.259)</b>	<b>0.556</b>
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**Table 3 – Budget compared with Forecast**

The graph below shows the Forecast for November and October compared to budget for the financial year.

**Table 4: Top Five Major Variances:**

Portfolio	Current Budget	Variance	% Variance
Car Parks	(0.949)	0.339	-35.7%
Waste & Recycling	2.940	0.284	9.7%
Leisure	0.160	0.209	130.6%
Interest	(2.375)	(0.339)	14.3%
Development Management	0.268	(0.436)	-162.7%
<b>Total</b>	<b>0.044</b>	<b>0.057</b>	

**Car Parks: -**

The majority of the predicted £0.339m overspend in car parks is due to a drop in usage and consequently a loss of income of £0.280m. The remaining £0.059m overspend is largely due to increases in premises and contractor costs.

**Waste & Recycling: -**

Despite predicting additional income from garden waste and identifying savings on vehicle maintenance and mileage, Waste and Recycling are forecasting an overspend of £0.284m.

The majority of this overspend is from using more agency staff to cover staffing shortages and increased recycling costs.

**Leisure: -**

The overspend has reduced this month from using more grant funding to support service delivery costs.

**Interest: -**

Due to increased interest rates the council is anticipating higher than expected income of (£0.339m).

**Planning & Development: -**

Planning & Development are presently forecasting a (£0.345m) underspend from generating additional income in Development Management, which reflects the level of business they are currently and effectively dealing with.

**Policy Contingency**

A release of inflation contingency of (£0.332m) will partially mitigate some of the inflationary costs the council is experiencing.

**Table 5 - Earmarked Reserves and General Balances at November 2022**

The table below summaries the council's current reserves.

Reserves	Balance 1 April 2022	Original Budgeted use/ (contribution)	Changes agreed since budget setting	Changes proposed November 2022	Forecast Balance 31 March 2023
	£m	£m	£m	£m	£m
General Balance	(5.950)	(0.500)	0.000	0.000	(6.450)
Earmarked	(23.691)	2.262	(0.678)	0.000	(22.107)
Ringfenced Grant	(16.215)	11.205	1.141	0.000	(3.869)
<b>Subtotal Revenue</b>	<b>(45.856)</b>	<b>12.967</b>	<b>0.463</b>	<b>0.000</b>	<b>(32.426)</b>
Capital	(8.049)	0.000	0.000	0.000	(8.049)
<b>Total</b>	<b>(53.905)</b>	<b>12.967</b>	<b>0.463</b>	<b>0.000</b>	<b>(40.475)</b>

For further detail on the reserves please see Appendix 5.

**4.2 Capital**

An underspend of (£7.801m) is currently forecast, of which £6.298m is to be reprofiled in future years. This represents an overall decrease in the total cost of schemes of (£1.503m) due to a number of schemes no longer going ahead.

**Table 7 - Capital Spend 2022/2023**

Directorate	Budget £m	Outturn 2022/23 £m	Re-profiled beyond 2022/23 £m	Variance to Budget £m	Prior Month Variance to Budget £m
Chief Executives	4.445	2.826	1.617	(0.002)	(0.002)
Resources	15.416	9.989	3.910	(1.517)	(0.877)
Communities	5.241	4.486	0.771	0.016	0.020
<b>Total</b>	<b>25.102</b>	<b>17.301</b>	<b>6.298</b>	<b>(1.503)</b>	<b>(0.859)</b>

**Table 8 – How the Capital Programme is financed**

Financing		22/23 Budget	Future Years
Borrowing		17.007	9.312
Reserves		1.200	0
External Financing - Capital Grants and S106		6.895	0
		<b>25.102</b>	<b>9.312</b>

**Table 9 – Total Capital Project Forecast**

There is a total capital project forecast for the council of £32.896m resulting in an underspend of (£1.518m).

Directorate	Budget £m	Total Outturn 2022/23 £m	Variance to Budget £m	Prior Month Variance to Budget £m
Chief Executives	5.165	5.163	(0.002)	(0.002)
Resources	15.416	13.884	(1.532)	(0.877)
Communities	13.833	13.849	0.016	(0.619)
<b>Total</b>	<b>34.414</b>	<b>32.896</b>	<b>(1.518)</b>	<b>(1.498)</b>

For further detail please view appendix 1 Finance Capital November 2022.

**Table 10 - Top Five in Year Capital Variances: -**

Code	Assistant Director	Top 5 In-Year Variances	Budget Total £m	Reprofile to 23/24 £m
40131	Nicola Riley	S106 Capital Costs	1.744	1.310
40144	Andrew Low	Castle Quay	3.257	1.052
40262	Andrew Low/Nicola Riley	Affordable Housing	1.200	1.100
40028	Ed Potter	Vehicle Replacement Programme	1.166	0.566
40239	Andrew Low	Bicester East Community Centre	1.450	0.500
			<b>8.817</b>	<b>4.528</b>

**£106 Capital : -**

£0.480m Adderbury PC Milton Rd community Facility & Sport Pitch project -will now be delivered in 2023/24,

£0.215m Ambrosden Community facility project - still on track to be delivered this year

£0.030m Banbury indoor tennis centre - will now be delivered in 2023/24

£0.360m artificial pitch at NOA - will now be delivered in 2023/24

£0.014m Spiceball leisure centre - will now be delivered in 2023/24,

£0.050m Bicester leisure Centre - will now be delivered in 2023/24,

£0.100m Woodgreen leisure centre - is still on track to be delivered this year,

£0.020m Kidlington leisure centre improvements - will now be delivered in 2023/24

£0.110m Horley Cricket club pavilion project - will now be delivered in 2023/24,

£0.052m Graven Hill sport project - will now be delivered in 2023/24,

£0.035m Improvement to Bloxham recreation ground - still on track to be delivered this year,

£0.060m Whitelands Sports ground improvements - still on track to be delivered this year,

£0.010m Launton Playing field association - still on track to be delivered this year

£0.014m Ardley & Fewcott village hall project - still on track to be delivered this year,

£0.020m Grimsby Community Centre - will now be delivered in 2023/24,

£0.174m Hanwell Fields Community centre projects - will now be delivered in 2023/24.

**Castle Quay: -**

A number of capital projects are being reviewed to ensure they meet the strategic direction for Castle Quay and remain relevant to meet the challenges of the changing retail market. This has meant reprofiling a number of projects for delivering in 2023/2024.

**Affordable Housing: -**

The specification needed for this project was held up due to some necessary investigative works. We have now engaged design professionals and anticipate being in a position to start the tender process in February 2023 with an estimated completion time of 12 – 18 months.

**Vehicle Replacement Programme: -**

£0.566m needs reprofiling into 2023/24 due to supply chain issues and the availability of electric vehicles.

**Bicester East Community Centre: -**

The council is working with the tenant on their design requirements to ensure smooth transition into the new premises. This has resulted in a £0.500m slippage from works not starting on site until the end of Q4 2022/2023 for the nine month project, which we anticipate being completed in Q4 2023/2024.

## 5.0 Performance Summary

- 5.1 The council reports on its performance against 16 Business Plan Measures on a monthly basis, 33 measures quarterly and 35 every six months. For the full details, including commentary against each measure see Appendix 7.
- 5.2 During November 2022, of the 16 measures, 13 are on track (green), three are slightly behind target but within the threshold (amber) and none were off target by more than 10 per cent (red)

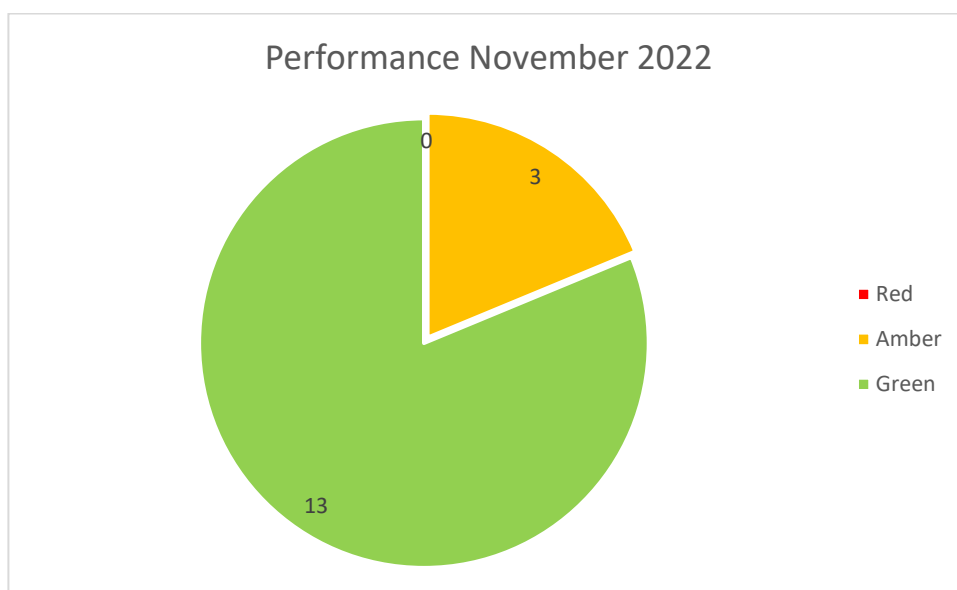


Figure 1: Performance Summary November 2022, out of the 16 measures: 13 Green, 3 Amber and 0

## 5.3 Performance Exceptions

### Number of Homeless Households living in Temporary Accommodation (TA)

**Priority:** Housing that meets your needs

**Service:** Wellbeing and Housing Services

**Assistant Director:** Nicola Riley

Reporting Amber for November and Green for Year to date (37 against a target of 35 – less is better).

**Comments from service:** Numbers in temporary accommodation have been carefully managed through proactive work in securing move-on offers, which has seen as many people leaving placements as those needing them. We are however approaching what is historically a busy period for people presenting as homeless, which may affect the team's ability to move people on quickly.

**Mitigating Actions:** The team will continue to work closely with partners and on prevention work to reduce those presenting as homeless and to move those in temporary accommodation on as soon as possible.

Financial Year to date performance		
April (Green)	May (Green)	June (Green)
July (Green)	August (Green)	September (Red)
October (Red)	November (Amber)	December
January	February	March



## % of Waste Recycled and Composted

**Priority:** Supporting Environmental Sustainability

**Service:** Environmental Services

**Assistant Director:** Ed Potter

Reporting Amber for November and Year to date (53.2% against a target of 56%).

**Comments from service:** Due to the dry summer we have seen a drop in garden waste which has reduced our recycling rate to 52%. We have also seen a reduction in dry and glass recycling, which could be down to people reusing more materials or producing less waste.

**Mitigating Actions:** We will continue to promote the 'reduce, reuse and recycle waste messages,.

Financial Year to date performance		
April (Amber)	May (Green)	June (Green)
July (Amber)	August (Amber)	September (Amber)
October (Amber)	November (Amber)	December
January	February	March

## % of Council Tax collected, increase Council Tax Base

**Priority:** An enterprising economy with strong and vibrant local centres

**Service:** Revenues and Benefits - Finance

**Assistant Director:** Michael Furness

Reporting Amber for November and Green for Year to date (8.987% of tax collected against a monthly target of 9.55%).

**Comments from service:** The collection rate for November was 8.87% against a target of 9.55% however the cumulative collection rate for 2022/23 is 74.74% so we have already exceeded the year-to-date target of 74.05%. The in-month rate has dropped slightly as we have exceeded our in-month collection target for six of the last eight months.

**Mitigating Actions:** We will continue to issue reminders and summons to prompt payment.

Financial Year to date performance		
April (Green)	May (Green)	June (Green)
July (Amber)	August (Green)	September (Green)
October (Green)	November (Amber)	December
January	February	March

## 5.4 Performance Highlights

Preventing Homelessness – The team is now up to full strength after recruiting to some vacancies, which has helped to reduce the number of people living in temporary accommodation this month.



Garden Waste Service – The number of people taking up the early bird discount on our garden waste service has already exceeded our expectations and the offer is still available until 28 February 2023. The more subscribers we have, the greater the potential impact on the amount of waste we compost next year.

Rural Fund – In November we invited businesses and community organisations from rural areas to submit inspirational ideas for projects that could be funded from the £526,000 the council has been awarded from the Government's Rural England Prosperity Fund. These proposals could be pivotal to the success of an investment plan the council will be submitting to government for approval.



Food Vouchers –We delivered a £100 food voucher to all 3,542 households in the district that were in receipt of housing benefit. To make this possible we increased the original budget from £250,000 to £354,200.

## 6.0 Risk Update

- 6.1 The council’s Leadership Risk Register contains a list of the strategic risks that are both significant in size and duration and will impact on its reputation and performance, and its ability to deliver its corporate priorities.
- 6.2 The heat map below shows the overall position of all risks contained within the Leadership Risk Register for November 2022.

### Risk Scorecard – Residual Risks

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

Figure 2: Risk scorecard showing the risk scores in the Leadership Risk Register for November 2022.

- 6.3 The Corporate Leadership Team reviews the Risk Register as part of the monthly reporting process, but as this is a live document it gets updated as and when a risk changes or is identified.
- 6.4 There were no score changes to any of the risks this month.

## 7.0 Conclusion and Reasons for Recommendations

This report provides an update on progress made during November 2022, to deliver the council’s priorities through reporting on its performance, risk and financial positions.

## 8.0 Consultation

This report sets out performance, risk, and budgetary positions for the seventh month of this financial year, therefore no formal consultation or engagement is required.

## **9.0 Alternative Options and Reasons for Rejection**

This report summarises the council's performance, risk and financial positions up to the end of November, therefore there are no alternative options to consider. However, Members may wish to request further information from officers or for inclusion.

## **10.0 Implications**

### **Financial and Resource Implications**

- 10.1 Financial and Resource implications are detailed within section 4.0 to 4.2 of this report.

Comments checked by:

Michael Furness, Assistant Director of Finance / Section 151, Tel: 01295 221845, [Michael.Furness@cherwell-dc.gov.uk](mailto:Michael.Furness@cherwell-dc.gov.uk)

### **Legal Implications**

- 10.2 There are no legal implications from this report.

Comments checked by:

Shahin Ismail, Interim Head of Legal Services  
[Shahin.Ismail@cherwell-dc.gov.uk](mailto:Shahin.Ismail@cherwell-dc.gov.uk)

### **Risk Implications**

- 10.3 This report contains a full update with regards to the council's risk position at the end of November 2022.

Comments checked by:

Celia Prado-Teeling, Performance Team Leader, Tel: 01295 221556  
[Celia.prado-teeling@cherwell-dc.gov.uk](mailto:Celia.prado-teeling@cherwell-dc.gov.uk)

### **Equalities and Inclusion Implications**

- 10.4 There are no direct equalities and inclusion implications as a consequence of this report.

Comments checked by:

Celia Prado-Teeling, Performance Team Leader, Tel: 01295 221556  
[Celia.prado-teeling@cherwell-dc.gov.uk](mailto:Celia.prado-teeling@cherwell-dc.gov.uk)

## **11.0 Decision Information**

### **Key Decision**

**Financial Threshold Met:** No

**Community Impact Threshold Met:** No

**Wards Affected:**

All

**Links to Corporate Plan and Policy Framework**

This report supports all Corporate Priorities

**Lead Councillor**

Councillor Richard Mould, Portfolio Holder for Corporate Services

Councillor Adam Nell, Portfolio Holder for Finance

**Document Information**

**Appendix number and title**

- Appendix 1 – Finance Capital November 2022
- Appendix 2 – Forecast Detailed Revenue Narrative November 2022
- Appendix 3 – Virements November 2022
- Appendix 4 – Funding November 2022
- Appendix 5 – Use of reserves and grant funding November 2022
- Appendix 6 – 2022/23 Business Plan
- Appendix 7 – Monthly Performance November 2022
- Appendix 8 – Leadership Risk Register November 2022

**Background papers**

None

**Report Author and contact details**

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