

Cherwell District Council

Executive

6 March 2023

Monthly Performance, Risk and Finance Monitoring Report January 2023

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

This report is public

Purpose of report

To give the committee an update on the council's performance, risk and financial positions for the period up to the end of January 2023.

1.0 Recommendations

The meeting is recommended:

- 1.1 To note the Performance, Risk and Finance Monitoring Report for January 2023.

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 January.

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 January.

3.3 The Performance section sets out the council's progress towards achieving its 2022-23 Business Plan (see Appendix 5) 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.

3.5 Finance Update

The council's forecast position for 2022/2023 has improved since December by (£0.180m) and it is now predicting an underspend of (£0.039m) as shown in Table 1 below. The main reason for this improvement is due to the recent increase in interest rates resulting in greater investment income.

Report Details

Table 1: Forecast Year End Position

Service	Original Budget	Current Budget	January Forecast	January Variance (Under) / Over	% Variance to current budget	December Variance (Under) / Over	Change since Previous (better) / worse
	£m	£m	£m	£m	%	£m	£m
HR & OD	0.822	0.852	0.852	0.000	0.0%	0.000	0.000
Wellbeing & Housing	3.339	4.294	4.464	0.170	4.0%	0.160	0.010
Customer Focus	1.606	1.848	2.033	0.185	10.0%	0.160	0.025
Chief Executive	5.767	6.994	7.349	0.355	5.1%	0.320	0.035
Finance	2.850	3.262	3.238	(0.024)	-0.7%	0.086	(0.110)
Legal & Democratic	1.709	1.894	2.063	0.169	8.9%	0.124	0.045
ICT	1.235	1.251	1.426	0.175	14.0%	0.164	0.011
Property	(3.196)	(1.173)	(1.270)	(0.097)	8.3%	(0.093)	(0.004)
Resources	2.598	5.234	5.457	0.223	4.3%	0.281	(0.058)
Planning & Development	1.752	2.137	1.474	(0.663)	-31.0%	(0.485)	(0.178)
Growth & Economy	0.336	1.154	1.114	(0.040)	-3.5%	(0.010)	(0.030)
Environmental	4.057	4.657	5.590	0.933	20.0%	0.760	0.173
Regulatory	1.112	1.228	1.228	0.000	0.0%	0.000	0.000
Communities	7.257	9.176	9.406	0.230	2.5%	0.265	(0.035)
Subtotal for Directorates	15.622	21.404	22.212	0.808	3.8%	0.866	(0.058)
Executive Matters	4.316	0.047	(0.468)	(0.515)	-1095.7%	(0.393)	(0.122)
Policy Contingency	3.554	2.041	1.709	(0.332)	-16.3%	(0.332)	0.000
Total	23.492	23.492	23.453	(0.039)	-0.2%	0.141	(0.180)
FUNDING	(23.492)	(23.492)	(23.492)	0.000	0.0%	0.000	0.000
(Surplus) / Deficit	0.000	0.000	(0.039)	(0.039)		0.141	(0.180)

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.

Due to external process timing the council may not receive the expected £2.8m of business rates income in this financial year. However, this will not impact the total income the Council will receive. This is a normal process and will be managed through underspends identified at year end and/or uses of reserves which will be repaid in **2023/24**.

Table 2: Analysis of Forecast Variance – January 2023

Breakdown of current month forecast	Forecast Variance	Forecast Base Budget Over/ (Under)	Savings Non-Delivery
	£m	£m	£m
Chief Executive	0.355	0.132	0.223
Resources	0.223	(0.002)	0.225
Communities	0.230	(0.207)	0.437
Subtotal Directorates	0.808	(0.077)	0.885
Executive Matters	(0.515)	(0.515)	0.000
Policy Contingency	(0.332)	(0.332)	0.000
Total	(0.039)	(0.924)	0.885
FUNDING	0.000	0.000	0.000
(Surplus)/Deficit	(0.039)	(0.924)	0.885

Table 3 – Budget compared with Forecast

The graph below shows the Forecast for January and December compared to budget for the financial year.

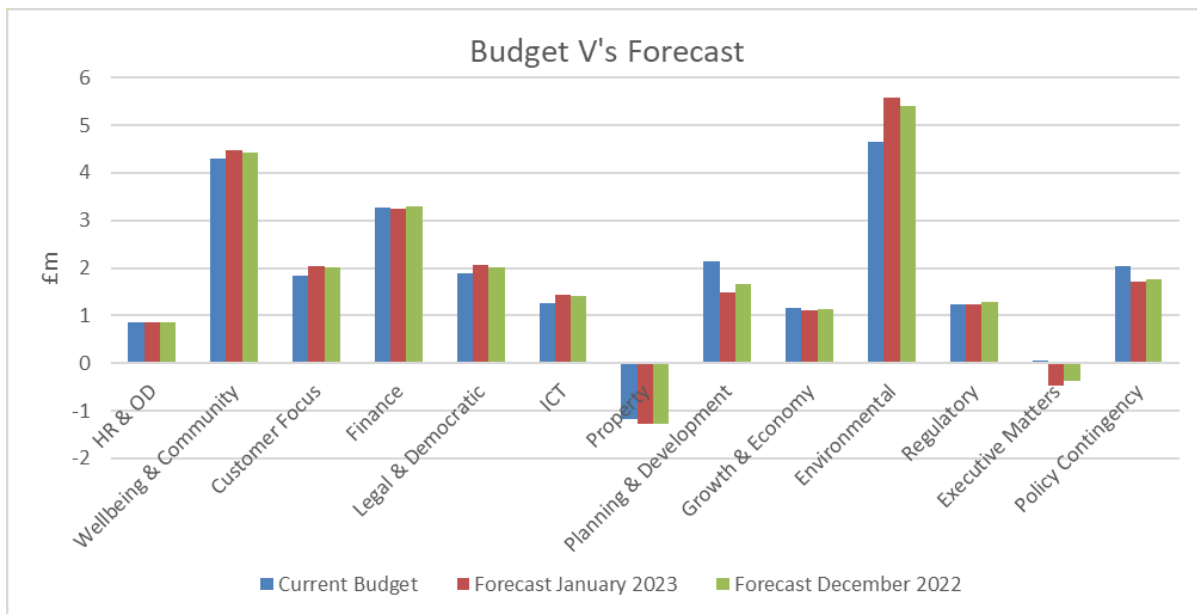


Table 4: Top Five Major Variances:

Portfolio	Current Budget	Variance	% Variance
Waste & Recycling	2.933	0.624	21.3%
Car Parks	(0.950)	0.332	-34.9%
Leisure	0.160	0.209	130.6%
Interest	(2.375)	(0.515)	21.7%
Development Management	0.268	(0.742)	-276.9%
Total	(2.897)	(0.092)	

The top 5 services are the same as last month although there is an overall improvement of (£0.091m)

Car Parks Variance £0.332m [December Variance £0.332m]: -

Car Parks - There is still the continued pressure within Car Parks of £0.332m which has been previously reported.

Waste & Recycling Variance £0.624m [December Variance £0.459m]: -

Waste Collection – The major change this month is an increase of £0.111m from last month in recycling gate fees due to a reduction in mixed paper prices. There has also been a fall in income from a reduction in recycling, which leads to less recycling credits and a reduction in bulky waste collections (such as sofas & white goods) which has resulted in less bulky waste income.

Leisure Variance £0.209m [December Variance £0.209m]: -

The overspend, due to global price rises in utility costs and maintenance costs, has been contained by reducing expenditure wherever possible.

Interest Variance (£0.515m) [December Variance (£0.393m)]: -

Due to increased interest rates the council is anticipating higher than expected income of (£0.515m).

Planning & Development Variance (£0.742m) [December Variance (£0.485m)]: -

Planning & Development is presently forecasting a (£0.663m) underspend largely arising from additional income in Development Management which is reflective of the level of business dealt with by the department. Since last month there has also been a significant reduction in the level of consultancy costs expected in the current financial year.

Table 5 - Earmarked Reserves and General Balances at January 2023

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

Reserves	Balance 1 April 2022	Original Budgeted use/ (contribution)	Changes agreed since budget setting	Changes proposed January 2023	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	(0.726)	0.000	(22.155)
Ringfenced Grant	(16.215)	11.205	1.141	0.000	(3.869)
Subtotal Revenue	(45.856)	12.967	0.415	0.000	(32.474)
Capital	(8.049)	0.000	0.000	0.000	(8.049)
Total	(53.905)	12.967	0.415	0.000	(40.523)

Please note there are no requests for reserves transfers this month.

3.6 Capital

An underspend of (£9.478m) is currently forecast, of which £8.944m is to be reprofiled in future years. This represents an overall decrease in the total cost of schemes of (£0.534m) due to a number of schemes no longer going ahead.

Table 6 - 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	4.600	2.503	2.095	(0.002)	(0.002)
Resources	14.612	8.229	5.830	(0.552)	(1.495)
Communities	5.241	4.242	1.019	0.020	0.016
Total	24.452	14.974	8.944	(0.534)	(1.481)

Table 7 – How the Capital Programme is financed.

Financing	22/23 Budget	Future Years
Borrowing	17.007	9.312
Reserves	1.200	0.00
External Financing - Capital Grants and S106	6.245	0.00
	24.452	9.312

Table 8 – Total Capital Project Forecast

There is a total capital project forecast for the council of £33.731m resulting in an underspend of (£0.534m).

Directorate	Budget £m	Total Outturn 2022/23 £m	Variance to Budget £m	Prior Month Variance to Budget £m
Chief Executives	5.320	5.318	(0.002)	(0.002)
Resources	14.579	14.026	(0.552)	(1.495)
Communities	13.833	13.853	0.020	0.016
Total	33.731	33.197	(0.534)	(1.481)

For further detail please view appendix 1 Finance Capital January 2023.

Table 9 - Top Five in Year Capital Variances: -

Code	Assistant Director	Top 5 In-Year Variances	Budget Total £'000	Reprofile to 23/24 £'000
40131	Nicola Riley	S106 Capital Costs	1,744	1,583
40239	Andrew Low	Bicester East Community Centre	1,450	1,250
40262	Andrew Low/Nicola Riley	Affordable Housing	1,200	1,180
40144	Andrew Low	Castle Quay	3,257	1,052
40028	Ed Potter	Vehicle Replacement Programme	1,166	628
			8,817	5,693

3.7 The top 5 services are the same as last month however there has been an increase in the reprofiling into 2023/24 of £0.415m

S106 Capital : -

16 projects in total funded by S106 of which the majority will now be delivered in 2023/24. The forecast spend for 2022/23 is £0.161m.

Bicester East Community Centre: -

Work is out to tender with an expected start date on site Q1 23/24 resulting in £1.25 m slippage.

Affordable Housing: -

The Council is in the process of making a bid for a government grant to provide external funding for this project. Design professionals have been engaged to prepare the specification of works which are required to effect both the repair to the roof and the reinstatement of the living accommodation. It is anticipated the tender process will begin as soon as bid has been approved for external funding, with the aim being to complete the required works within 12 months.

Castle Quay: -

Capital Projects have been reviewed and CDC is in discussions with the various parties on delivery. Expenditure has been reprofiled to reflect this.

Vehicle Replacement Programme: -

£0.628m is required to be slipped in to 2023/24 due to supply chain issues and availability of electric vehicles

3.8 Performance Summary

3.9 The council reports its performance against 16 Business Plan Measures monthly, 17 quarterly and two every six months. For the full details and commentary against each measure see Appendix 6.

3.10 During January 2023, of the 16 monthly measures, 11 were rated green, one amber and four red.

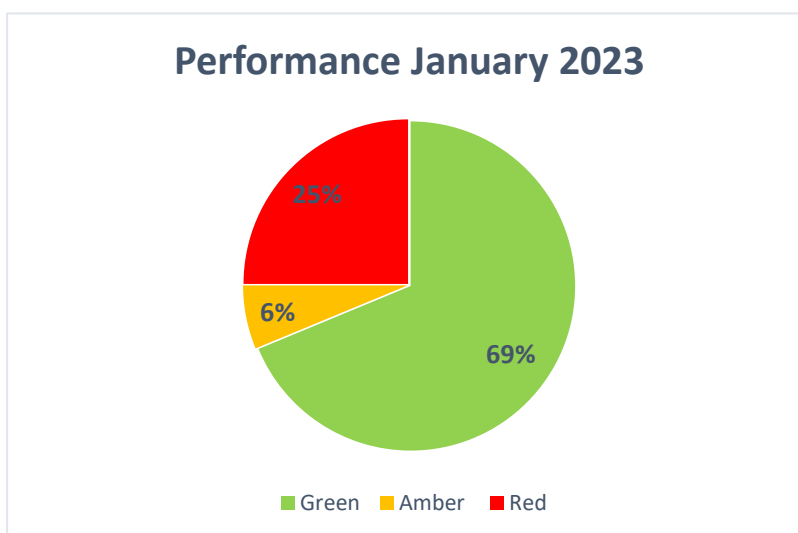


Figure 1: Performance Summary January 2023, 11 measure green (69%), one amber (6%) and four red (25%)

3.11 Performance Exceptions

Four of the five measures that are below target for January are expected to achieve their targets for year-end, these are:

Measure: Number of homeless households living in Temporary Accommodation (TA)

January: Red - 40 against a target of 35

Year to date: Green - 35 against a target of 35

Year-end target: 35 (Average)

Comment: The number of households in temporary accommodation is a concern, potentially impacted by rising household costs, compounded by rent levels for private rented accommodation in Oxfordshire. We will continue to offer advice and support to clients as early as possible.

Measure: Number of Affordable homes delivered including CDC and Growth Deal Targets

January: Red - 9 (target 12)

Year to date: Green - 129 (target 120)

Year-end target: 144 (Accumulative target)

Comment: Of the nine completions for January, seven were affordable rent properties and two shared ownership. Whilst performance is slightly under target for this period, we expect to reach our year-end target as the year to date performance is on track.

Measure: % of Business Rates collected, increasing NNDR Base.

January: Red - 7.90% against a target of 8.85%

Year to date: Green - 92.28% ahead of year to date target of 91.65%

Year-end target: 97.40% (Accumulative target)

Comment: The cumulative collection rate for 2022/23 is 92.28% which exceeds the year-to-date target of 91.65%.

Measure: Reduction of fuel consumption used by fleet

January: Amber - 42,571 (target 40,791 litres)

Year to date: Green - 42,148 (target 44,693 litres)

Year-end target: 44,327 (Average)

Comment: More fuel used compared to last January, however overall year to date fuel usage is down and continues to track under target.

The measure below is the only one reporting red this month which is not expecting to reach its year-end target:

Measure: % of Waste Recycled and Composted

January: Red - 47.6% (target 56%)

Year to date: Amber - 53.2% (target 56%)

Year-end target: 56% (Average)

Comment: The recycling rate for the year is expected to be approximately 52.8%. This is just 3.2% below target and mainly due to the hot summer affecting garden waste collections and a reduction in dry recycling due to the cost of living. This is replicated across the country nationally.

Mitigation actions: Continue to promote recycling and composting

3.12 Performance Highlights

- Improved year-end budget position for third consecutive month running.
- Received the official LGA Peer Challenge Report, which paints a very positive picture of the council and has recognised the considerable achievement of responding to the covid pandemic and decoupling its partnership from OCC, during which service delivery for its residents was always at the centre of its

decision making. The recommendations are all in line with current activity and provide a powerful base from which the organisation can move forward as a standalone and ambitious District Council – one that takes pride in putting our residents and communities at the heart.

- Received £152,421 UK from the Shared Prosperity Fund, the first (of three annual) instalments of the £1.255m we have been awarded for a range of community and business-related initiatives.

3.13 Risk Update

3.14 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.

3.15 The heat map below shows the overall position of all risks contained within the Leadership Risk Register for January 2023.

Risk Scorecard – Residual Risks

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

Figure 2: Risk scorecard showing the risk scores in the Leadership Risk Register for January 2023

3.16 The Corporate Leadership Team reviews the Risk Register as part of the monthly reporting process; however, this is a live document that gets updated as and when deemed necessary.

3.17 There were two score changes in the leadership risk register during January. The residual score has been decreased from 12 (medium risk) to 6 (low risk) for both, L04 – Business continuity and L05 – Emergency planning (go to appendix 8 for further details).

3.18 Please note that the extra tab in Appendix 7, dedicated to the Local Plan, has been deleted as its contents are reflected on risk L03 – CDC Local Plan

4.0 Conclusion and Reasons for Recommendations

This report provides an update on progress made during January 2023, to deliver the council's priorities through reporting on its performance, risk and financial positions.

5.0 Consultation

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

In line with their respective terms of reference, the Accounts, Audit & Risk Committee reviews the risk register, the Budget Planning Committee undertakes finance monitoring and the Overview and Scrutiny Committee performance monitoring.

6.0 Alternative Options and Reasons for Rejection

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

7.0 Implications

Financial and Resource Implications

- 7.1 Financial and Resource implications are detailed within sections 3.5 to 3.7 of this report.

Comments checked by:

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

Legal Implications

- 7.2 There are no legal implications arising directly from this report.

Comments checked by:

Shahin Ismail, Interim Head of Legal Services,
Shahin.Ismail@cherwell-dc.gov.uk

Risk Implications

- 7.3 This report contains a full update with regards to the council's risk position at the end of January 2023.

Comments checked by:

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

Equalities and Inclusion Implications

- 7.4 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

Sustainability Implications

- 7.5 There are no direct sustainability implications as a consequence of this report.

Comments checked by:

Ed Potter, Assistant Director Environmental Services

Ed.Potter@cherwell-dc.gov.uk

8.0 Decision Information

Key Decision

Financial Threshold Met: No

Community Impact Threshold Met: No

Wards Affected:

All

Links to Corporate Plan and Policy Framework

<https://www.cherwell.gov.uk/info/189/performance/934/business-plan-2022-to-2023>

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 January 2023
- Appendix 2 – Detailed Revenue Narrative on Forecast January 2023
- Appendix 3 – Virements and Aged Debt January 2023
- Appendix 4 – Funding January 2023
- Appendix 5 – 2022/23 Business Plan
- Appendix 6 – Performance Report January 2023
- Appendix 7 – Leadership Risk Register January 2023

Background papers

None

Report Author and contact details.

Celia Prado-Teeling, Performance and Insight Team Leader, Tel: 01295 221556,
Celia.prado-teeling@Cherwell-dc.gov.uk