

This report and appendices, excluding appendix 6, are public	
Appendix 6 to this report is exempt from publication by virtue of paragraph 3 (Information relating to the financial or business affairs of any particular person (including the authority holding that information)) of schedule 12A of the Local Government Act 1972	
Finance, Performance and Risk Monitoring Report Quarter 3 2024-25	
Committee	Executive
Date of Committee	3 February 2025
Portfolio Holder presenting the report	Portfolio Holder for Finance, Property and Regeneration, Councillor Lesley McLean, Portfolio Holder for Corporate Services, Councillor Chris Brant
Date Portfolio Holder agreed report	23 January 2025
Report of	Assistant Director of Finance (Section 151 Officer), Michael Furness Assistant Director Customer Focus, Shona Ware

Purpose of report

To report to Executive the council's forecast financial position, performance and risk as at the end of the Quarter 3 2024-25.

1. Recommendations

The Executive resolves:

- 1.1 To consider and note the contents of the council's financial, performance and risk report as at the end of Quarter 3 2024 -25.
- 1.2 To approve the reprofiling of capital projects beyond 2024/25 (section 4.2.3 and Appendix 1) and the subsequent update to the programme budget for this financial year 2024/25.
- 1.3 To approve the Use of Reserve Requests set out in Appendix 5.
- 1.4 To approve the proposed write offs set out in exempt Appendix 6.
- 1.5 To note the Minimum Revenue Provision (MRP) underspend of (£1.600m) due to the reprofiling of capital projects within the programme and to approve the moving of this to the Projects Reserve as detailed in Appendix 2 and 5.

2. Executive Summary

2.1 This report is split into three sections:

- Finance
- Performance
- Risk

2.2 The Finance section presents the forecast outturn position for the 2024/25 financial year.

2.3 The Performance section sets out how the council has performed against its priorities for 2024-25, which are set out in its Outcomes Framework.

2.4 The Risk section highlights the current risks within the council's Leadership Risk Register, reflecting the final position for Quarter 3 2024-25

Implications & Impact Assessments

Implications	Commentary
Finance	<p>Financial and Resource implications are detailed within sections 4.1 and 4.2 of this report. The reserves policy requires Executive to agree transfers to and from earmarked reserves and general balances during the financial year.</p> <p>Joanne Kaye, Head of Finance, 8 January 2025</p>
Legal	<p>Section 28 of the Local Government Act 2003 (the Act) requires Councils to review their financial position on an ongoing basis.</p> <p>In particular when reviewing the financial position, the Act sets out the following requirements: In carrying out a review the authority must use the same figures for financial reserves as those used in the calculations under review, except in the case of financial reserves to meet a revenue account deficit from an earlier financial year.</p> <p>If as a result of carrying out a review it appears to the authority that there has been a deterioration in its financial position, it must take such action, if any, as it considers necessary to deal with the situation.</p> <p>Regarding performance, there are no legal implications arising directly from this report.</p> <p>It is important to note when reviewing the report that we have statutory duties in relation to our obligations to provide housing as noted in paragraph 4.4.2 and in relation to the access audit noted in 4.6.4. The Council should be mindful that if it misses these targets then it is at risk of opening itself up to legal challenges in this area.</p> <p>Denzil Turbervill, Head of Legal, 8 January 2025.</p>

Risk Management	This report contains a full update with regards to the council's risk position at the end of Quarter 3 2024-25. Celia Prado-Teeling, Performance Team Leader, 15 January 2025			
Impact Assessments	Positive	Neutral	Negative	Commentary
Equality Impact		X		There are no direct equalities and inclusion implications because of this report. The report includes a summary on our performance against the Equalities, Diversity, and Inclusion Action plans during Quarter 3 2024-25 Celia Prado-Teeling, Performance Team Leader, 15 January 2024
A Are there any aspects of the proposed decision, including how it is delivered or accessed, that could impact on inequality?		X		N/A
B Will the proposed decision has an impact upon the lives of people with protected characteristics, including employees and service users?		X		N/A
Climate & Environmental Impact		X		N/A
ICT & Digital Impact		X		N/A
Data Impact		X		N/A
Procurement & subsidy		X		N/A
Council Priorities	This report links to all council's priorities, as it summarises our progress against them during 2024/25.			
Human Resources	N/A			
Property	N/A			
Consultation & Engagement	N/A			

Supporting Information

3. Background

- 3.1 The council actively and regularly monitors its financial, performance and risk positions to ensure it can deliver its corporate priorities and respond effectively to emerging issues.
- 3.2 This monitoring takes place monthly for finance, and quarterly for performance and risk, so the council can identify potential issues at the earliest opportunity and put measures in place to mitigate them.
- 3.3 These updates are consolidated on a quarterly basis given the implications and interdependencies between them, and this is the summary for the end of Quarter 3 2024/25.

4. Details

4.1 Finance Update

- 4.1.1 The council's overall forecast outturn position for 2024/25 is an overspend of £0.043m. The forecast overspend is due to pressures totalling £0.474m within service budgets which are being offset by an underspend of (£0.431m) across Executive Matters and Policy Contingency.

The Corporate Leadership Team (CLT) has agreed that a Budget Oversight Group will meet with service managers each month where overspends are identified to agree in-year mitigation plans and to further strengthen budget management and forecasting.

The projected outturn for the services is summarised below in Table 1 and further details providing explanations for variances can be found in Appendix 2.

Table 1: Forecast Year End Position

Service	Current Budget £m	December Forecast Outturn £m	December Variance (Under) / Over £m	% Variance to current budget %	November Variance (Under) / Over £m	Change since Previous (better) / worse £m	
Finance	3.177	3.177	0.000	0.0%	0.000	0.000	Green
Legal, Democratic, Elections & Procurement	2.384	2.516	0.132	5.5%	0.132	0.000	Red
ICT	1.730	1.730	0.000	0.0%	0.000	0.000	Green
Property	(2.386)	(2.250)	0.136	-5.7%	0.136	0.000	Red
HR & OD	0.815	0.845	0.030	3.7%	0.030	0.000	Red

Customer Focus	2.577	2.457	(0.120)	-4.7%	(0.090)	(0.030)	
Resources & Transformation	8.297	8.475	0.178	2.1%	0.208	(0.030)	
Planning & Development	2.398	2.471	0.073	3.0%	0.057	0.016	
Growth & Economy	0.455	0.469	0.014	3.1%	0.014	0.000	
Environmental	6.387	6.591	0.204	3.2%	0.245	(0.041)	
Regulatory	1.164	1.148	(0.016)	-1.4%	(0.016)	0.000	
Wellbeing & Housing	2.263	2.163	(0.100)	-4.4%	(0.100)	0.000	
Communities	12.667	12.842	0.175	1.4%	0.200	(0.025)	
Subtotal for Directorates	20.964	21.317	0.353	1.7%	0.408	-0.055	
Executive Matters	4.293	4.178	(0.115)	-2.7%	(0.115)	0.000	
Policy Contingency	1.730	1.535	(0.195)	-11.3%	(0.195)	0.000	
Total	26.987	27.030	0.043	0.2%	0.098	(0.055)	
FUNDING	(26.987)	(26.987)	0.000	0.0%	0.000	0.000	
(Surplus)/Deficit	0.000	0.043	0.043		0.098	(0.055)	

Note: A positive variance is an overspend or a reduction in forecast income and a (negative) is an underspend or extra income received.

Green represents an underspend and red represents a overspend for the outturn position.

4.1.2 Table 2 below analyses the variances to distinguish between base budget variances and variances resulting from the non-delivery of previously approved savings. The non-delivery of savings has a knock-on impact on the Medium-Term Financial Strategy as failure to deliver on an ongoing basis adds to future pressures.

Table 2: Analysis of Variance – December 2024

Breakdown of current month forecast	December 2024 Forecast	Base Budget Over/ (Under)	Savings Non-Delivery
	£m	£m	£m
Resources	0.178	0.128	0.050
Communities	0.175	(0.249)	0.424
Subtotal Directorates	0.353	(0.121)	0.474
Executive Matters	(0.115)	(0.115)	0.000
Policy Contingency	(0.195)	(0.195)	0.000

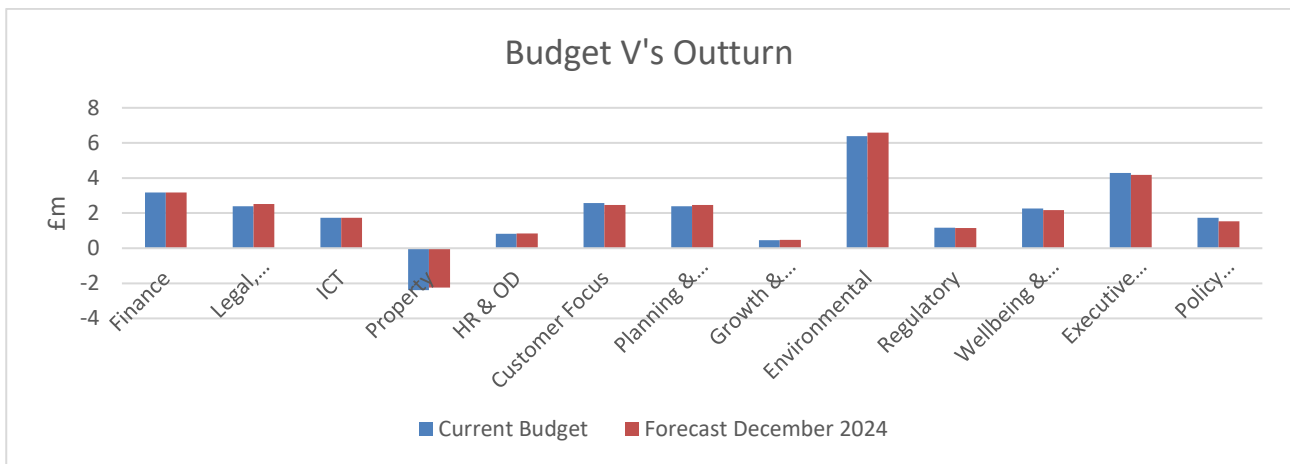
Total	0.043	(0.431)	0.474
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FUNDING	0.000	0.000	0.000
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(Surplus)/Deficit	0.043	(0.431)	0.474
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4.1.3 The graph below shows the Budget compared with the forecast to the end of the financial year.

Graph 1: Budget compared with Forecast



4.1.4 Table 3 below summarises the major forecast variances for the reporting period. Further details can be found in Appendix 2.

Table 3: Top Major Variances:

Service	Current Budget	Variance	% Variance
Environmental	6.387	0.204	3.2%
Property	(2.386)	0.136	5.7%
Legal, Democratic, Elections & Procurement	2.384	0.132	5.5%
Policy Contingency	1.730	(0.195)	-11.3%
Total	6.385	0.472	

Reserves

4.1.5 Allocations to and from reserves are made according to the Reserves Policy. Table 5 below summarises the movements which have been requested as at 31 December 2024, more details can be found within Appendix 5.

Table 5: Reserves forecast:

Reserves	Balance 1 April 2024	Original Budgeted use/ (contribution)	Changes agreed since budget setting	Changes proposed December 2024	Balance 31 March 2025
	£m	£m	£m	£m	£m
General Balance	(6.153)	0.000	0.000	0.000	(6.153)
Earmarked	(28.325)	(0.776)	0.070	(1.480)	(30.511)
Ringfenced Grant	(2.552)	0.898	0.502	0.164	(0.988)
Subtotal Revenue	(37.030)	0.122	0.572	(1.316)	(37.652)
Capital	(6.293)	3.250	0.000	0.000	(3.043)
Total	(43.323)	3.372	0.572	(1.316)	(40.695)

*According to the Reserves Policy Executive are only required to approve uses of Capital Reserves, not contributions.

4.2 Capital

4.2.1 Table 6 below summarises the projected year end forecast for profiled spend in 2024/25 and Table 7 summarises the financing. There is a projected in-year underspend of (£0.438m), with £0.270m that is recommended to be reprofiled into future years. The current month variance is due to underspends on the Town Centre House Purchase & Repair (£0.356m), Castle Quay (£0.233m) and overspend on the following, Bicester East Community Centre £0.051m, Sunshine Centre £0.075m and Development of New Land Bicester Depot £0.036m and minor variances totalling £0.011m. Further detail can be found in appendix 1.

Projects that are recommended to have budget reprofiled from 2024/25 are detailed in Table 9.

Table 6: Capital Projection

Directorate	Revised Budget £m	Forecast Spend 24/25 £m	Re- profiled beyond 2024/25 £m	Variance to Budget £m	Prior Month Variance to Budget £m
Resources & Transformation	8.387	8.195	0.105	(0.087)	(0.056)
Communities	8.760	8.243	0.165	(0.352)	(0.352)

Total	17.147	16.438	0.270	(0.438)	(0.407)	
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For further detail on individual schemes please see Appendix 1.

Note: A positive variance is an overspend or a reduction in forecast income and a (negative) is an underspend or extra income received.

Green represents an underspend and red represents a overspend for the outturn position.

Table 7: How the Capital Programme is financed

Financing	24/25 Budget £m	Future Years £m	Total
Borrowing	12.734	11.516	24.250
Capital Grants	1.962	9.195	11.157
Capital Receipts	0.425	5.896	6.321
S106 Receipts	2.026	3.562	5.588
	17.147	30.169	47.316

4.2.2 Table 8 below summarises the projected spend against the full capital programme (i.e. forecast spend across all years of the capital programme). Since November's report there has been a increase in forecast underspend in the programme of (£0.031m) predominantly due to the PCI Compliance software that cannot be completed until the accompanying systems have been implemented.

Table 8: Total Capital Project Outturn

Directorate	Budget £m	Total Forecast 2024/25 £m	Variance to Budget £m	Prior Month Variance to Budget £m
Resources & Transformation	14.754	14.667	(0.087)	(0.056)
Communities	32.562	32.210	(0.352)	(0.352)
Total	47.316	46.877	(0.438)	(0.407)

4.2.3 Table 9 below details the capital scheme which it is recommended budgets are reprofiled from 2024/25 to 2025/26 or beyond. The reprofiling of capital budgets can be for several reasons and is common on multi-year projects. The reasons for the recommendations are summarised in section 4.2.4.

Table 9: Requested capital budget reprofiling

Code	Top In-Year Variances	Budget Total £'000	Reprofile to 24/25 £'000	% of in year Budget Variance
40242	H&S Works to Banbury Shopping Arcade	122.00	105.00	86.07%

40329	Spiceball Leisure Centre Structural Beams	100.00	100.00	100.00%
40295	S106 - Ambrosden Indoor Sport Project	65.00	65.00	100.00%
		287.00	270.00	

4.2.4 Capital schemes recommended to be reprofiled:

- H&S Works to Banbury Shopping Arcade (40242)
Works currently in design
- Spiceball Leisure Centre Structural Beams (40329)
Works to be deferred until December 2025.
- S106 - Ambrosden Indoor Sport Project
Awaiting new project details. Request to reprofile to 2025/26

4.3 Performance Summary

4.3.1 The council is performing well against its Quarter 3 objectives, which consist of 27 Business Plan Measures 15 Annual Delivery Plan actions, and 24 Equalities Diversity and Inclusion Action Plan activities.

4.3.2 Of the 55 measures with targets for Quarter 3, the majority were on track or within the agreed tolerance, eight were slightly behind target and 3 behind target.

4.4 Business Plan Measures

4.4.1 Of the 16 business plan measures with set targets, 12 were either achieved or within the agreed tolerance, two were slightly behind target, and two behind target:

4.4.2 “Number of Homeless Households living in Temporary Accommodation”

Reported behind target, with 77 households living in temporary accommodation at the end of quarter 3. The numbers of households in temporary accommodation therefore remain high and more than agreed target number. This trend is being observed nationally, target for this KPI will be reviewed for the new financial year to ensure it reflects the current local and national context whilst remaining ambitious

The composition of those living in temporary accommodation remains like the previous quarter. At the end of Q3, there were 80 children in temporary accommodation (48 under the age of 10 and 32 over the age of 10)

4.4.3 “No of affordable homes delivered”

Reported behind target for Q3 (38 against a target of 50), however is reporting ahead of target for the year-to-date figure (a total of 192 against a YTD target of 150). Of the 38 homes delivered, 15 were Social Rent homes, 13 Affordable Rent, 7 were Shared Ownership and 3 were Discount Market Sale.

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

Reported slightly behind target for Quarter 3. Reporting 87.5% against a target of 95%, our year-to-date figure is 90.8% against a target of 95%. The underperformance has been recognised, and resource reconfigured so recovery of performance is prioritised. Where in individual instances we have failed to achieve the 25 per day (or with agreed extension) target time, we have negotiated outcomes such that no work has started on site that is not compliant. The resource to achieve the target will continue to be prioritised over other activities.

4.4.5 “Percentage Waste Recycled & Composted”

Reported slightly behind during Quarter 3 (49.16% against a target of 54%). The recycling percentage is down by 2.1% in comparison to last year due to over 1,000 tonnes less of compostable waste.

4.4.6 There are also 11 measures that the council monitors to be able to identify any emerging trends that might require early intervention from us or partners. There are no targets for these measures as they are dependent on external factors.

4.4.7 During Quarter 3 we observed the following trends on a few of these monitoring measures:

- Homes improved through enforcement action – There has been a noticeable increase on the number of homes improve through enforcement action this quarter, 26% of the cases related to mould, which could imply seasonality in the number of requests received.
- Percentage of recycling contamination rate – Contamination is up by 2.5% year to date compared to last year, an upwards trend has been registered so far during 2024-25. This is due to a different testing system because of a fire at the processing facility which has meant the material testing is an average of the facility not just Cherwell’s recycling. The testing of recycling will return to normal in the next quarter.

See Appendix 7 for the full list of targeted and monitoring measures.

4.5 Annual Delivery Plan Priorities

4.5.1 Of the 15 Annual Delivery plan milestones set for Quarter 3, 12 were achieved, three reported slightly behind scheduled, all priorities but one are delivering to plan for the year to date.

The milestones reporting behind are:

4.5.2 “HMN1 Work with partners and landlords to settle refugees into suitable accommodation in Cherwell through a Migration Moving Plan”

Quarter 3 Milestone - Continue to identify hosts and work across Oxfordshire system to identify suitable properties and protocols for dealing with PRS Landlords.

This quarter’s milestone reported slightly behind schedule. During quarter 3, 23 refugees have been settled throughout the district and there is now a central

rematching team to support Ukrainian refugees particularly who are seeking new host families.

4.5.3 **“HRE1 To develop a framework that determines the effectiveness and positive impact of the wellbeing strategy on our communities”**

Quarter 3 Milestone - Present for sign off and disseminate

Milestone reported slightly behind for quarter 3, we expect to bring to deliver on this milestone during quarter 4, after presenting outcomes in February 2025 at CLT and Overview & Scrutiny that will capture baseline data from the Annual Satisfaction Survey.

4.5.4 **“HRE3 To work with partners on delivering against agreed actions to protect women and girls from violence”**

Quarter 3 Milestone - Review and report on Q3 milestones as set out in delivery plan

Referrals were slightly behind target during quarter 3, delaying the delivery on this milestone. During this quarter 4 young people have signed up for the 1-2-1 sessions 12 young people for the group sessions in schools. To date there are 10 young people who are engaged in the 1- 2-1 sessions and 52 1-2-1 sessions have been delivered.

4.5.5 Following the Executive approval of the Area Oversight Groups and Framework approach to managing major development and regeneration across the three principal areas of Bicester, Banbury and the Kidlington and Four Parish area, revised milestones have been inserted to reflect the changes to the approach of Area Plans. The work completed on Banbury Vision is due to be published in Quarter 4 and will be included in the evidence pack to support the Area Framework development going forwards.

4.5.6 Please note the appendix shows the priority outdented and underneath the quarterly milestones from Quarter 1 to Quarter 4, the status for each milestone will be RAG (Red, Amber, Green) rated to show the status per quarter. If activity starts ahead of time, this will also be RAG rated and will have commentary.

See Appendix 8 for Quarter 3 updates on the Annual delivery plan.

4.6 Equalities, Diversity, and Inclusion Action plans

4.6.1 Of the 24 actions for Quarter 3, three reported slightly behind scheduled.

4.6.2 **“Conduct an access audit on Castle Quay and other major council buildings, unless up to date audits are already available”**

Reported slightly behind schedule during Quarter 3.

Awaiting confirmation of existence/status of reports for Castle Quay and other major Cherwell owned assets, if none exists, the service will commission and prepare audits by end of March 2025.

4.6.3 “Consider and if appropriate, implement the recommendations of the access audit”

Reported behind schedule during Quarter 3.

The service will review access audit findings, and if appropriate plan for implementation of recommendations during 2nd quarter 2025/26.

4.6.4 “Conduct an access audit on Castle Quay and other major council buildings (internal)”

Reported slightly behind schedule during Quarter 3. Awaiting confirmation of existence/status of reports for Castle Quay and other major Cherwell owned assets.

See Appendix 9 for Quarter 3 updates on Equalities, Diversity, and Inclusion Action plans.

4.7 Risk Update

4.7.1 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.

4.7.2 Please note risks deemed as high (L01) and medium (L03, L07, L08, L11, L14 and L15) present higher scores, mostly due to the magnitude of the impact these events could have for the organisation, mitigating actions are in place across all of them 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 10.

4.7.3 There were no score changes to the Leadership Risk Register during Quarter 3.

4.7.4 One new risk has been added to the Leadership Risk Register during Quarter 3, to manage and monitor the risks related to the Local Government Reorganisation and their potential impact on Cherwell District Council and its residents.

The overall position as of the end of Quarter 3 of all Leadership risks is as follows:

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

1 - Insignificant					

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: This report summarises the council's forecast financial position up to the end of March 2025, and performance and risk position as of the end of Quarter 3 2024-25, therefore there are no alternative options to consider.

6 Conclusion and Reasons for Recommendations

6.1 The report updates Executive on the projected year-end financial position of the council for 2024/25, and performance and risk position as of the end of Quarter 3 2024-25. Regular reporting is key to good governance and demonstrates that the council is actively managing its resources sustainably.

Decision Information

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

Document Information

Appendices	
Appendix 1	Capital December 2024
Appendix 2	Detailed Revenue Narrative on Forecast December 2024
Appendix 3	Virements & Aged Debt December 2024
Appendix 4	Funding December 2024
Appendix 5	Use of Reserves and Grant Funding December 2024
Appendix 6 EXEMPT	Debt Write Off Report EXEMPT
Appendix 7	Business Plan KPIs Quarter 3
Appendix 8	Annual Delivery Plan Quarter 3

Appendix 9	Equalities, Diversity and Inclusion Action Plans Quarter 3
Appendix 10	Leadership Risk Register Quarter 3
Background Papers	None
Reference Papers	None
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Corporate Director Approval (unless Corporate Director or Statutory Officer report)	Statutory Officer (Section 151 Officer) Report Stephen Hinds, Corporate Director Resources & Transformation