

This report is public	
Finance, Performance and Risk Monitoring Report Quarter 1 2025 - 2026	
Committee	Executive
Date of Committee	2 September 2025
Portfolio Holder presenting the report	Cllr Lesley McLean, Portfolio Holder for Finance and Resources & Transformation / Cllr Chris Brant, Portfolio Holder Corporate Services
Date Portfolio Holder agreed report	18 August 2025
Report of	Assistant Director of Finance Assistant Director – Customer Focus

Purpose of report

To report to the committee the council's forecast yearend financial, performance and risk position as of the end of Quarter 1 2025, further detail can be found in the report and its appendices.

1. Recommendations

The Executive resolves:

- 1.1 To consider and note the contents of the council's finance, performance and risk management report as at Quarter 1.
- 1.2 To approve the reprofiling of projects in the capital programme as per Appendix 1.
- 1.3 To approve £40k from Policy Contingency for pump priming The Hill.

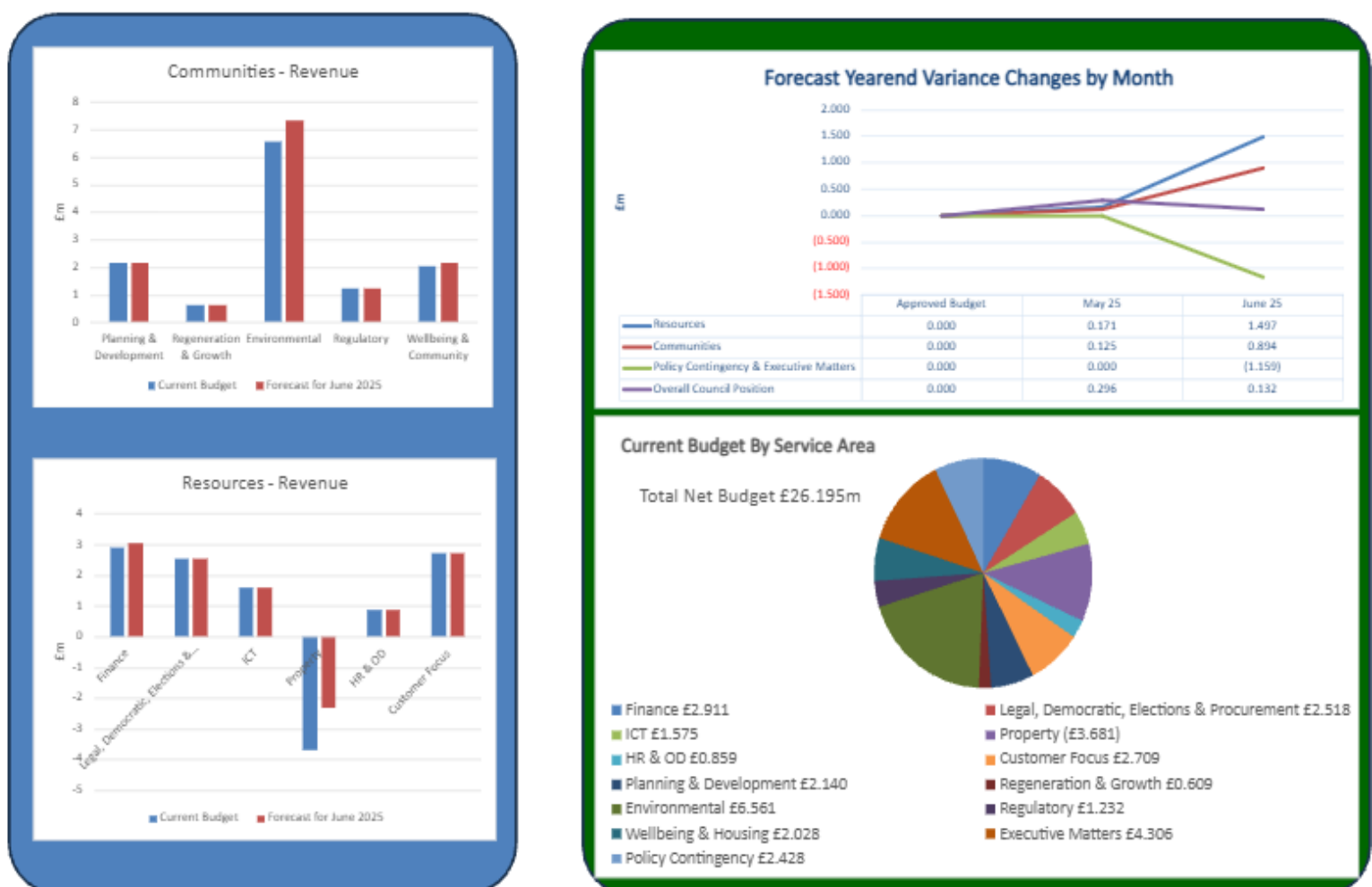
2. Executive Summary

- 2.1 This report is split into three sections:
 - Finance
 - Performance
 - Risk
- 2.2 The Performance section sets out how the council has performed against its priorities for 2025-26, which are set out in its Outcomes Framework.
- 2.3 The Risk section highlights the current risks within the council's Leadership Risk Register, reflecting the final position for Quarter 1 2025-26.
- 2.4 The Finance section presents the forecast yearend revenue position for the 2025/26 financial year. It is concerning that there are significant forecast overspends identified in the Directorates for which mitigations have not been identified or proposed. The budget is the financial interpretation of the priorities of the council. Therefore, a service forecasting an overspend should always look to identify what mitigations could be put in place to reduce

expenditure before expecting other services to look to reduce theirs; expenditure reductions may result in service delivery implications, which would require approval before being implemented.

2.5 It is critical for the council, in order to maintain strong levels of budgetary control, that it is recognised that service delivery cannot be maintained at the expense of budget management. Identifying budget mitigations is a fundamental part of budgetary control within the council and it must be applied across all areas. Whilst corporate mitigations have been partially identified for 2025/26, this does not reduce the responsibility of the services to operate within their approved budget. As a result, the council will resume discussion with those services with significant forecast overspends with the Budget Oversight Group so that mitigations can be identified and service implications considered. Where necessary mitigations will be brought before the committee for approval.

2.6 The summary position is provided in the dashboard:



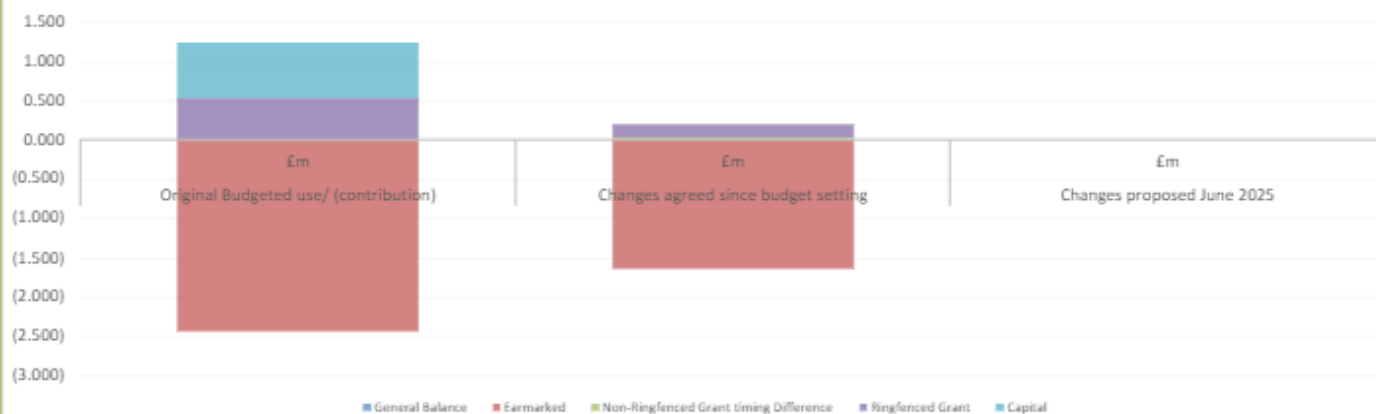
Service Analysis

Service	Finance	Legal, Democratic, Elections & Procurement	ICT	Property	HR & OD	Customer Focus	Planning & Development	Growth & Economy	Environmental	Regulatory	Wellbeing & Housing	Executive Matters	Policy Contingency	Total
Budget approved by Council	2.911	2.518	1.575	-3.681	0.859	2.709	2.140	0.609	6.561	1.232	2.028	4.306	2.428	26.195
Budget Adjustments approved:														
Current Budget	2.911	2.518	1.575	-3.681	0.859	2.709	2.14	0.609	6.561	1.232	2.028	4.306	2.428	26.195
Finance Overspend - Universal credit & fewer court summons	0.115													0.115
delay in overtime policy					0.024									0.024
Top slice of grants & IT license costs											0.125			0.125
Environmental - gate fees, agency									0.769					0.769
Property				1.343									-1.100	0.243
IT			0.015											0.015
Additional EPR funding												-0.309		-0.309
Treasury												-0.350		-0.350
Dividend												-0.500		-0.500
Current (Under)Overspends	0.115	0.000	0.015	1.343	0.024	0.000	0.000	0.000	0.769	0.000	0.125	-1.159	-1.100	0.132

Mitigation Table

Service	Forecast Overspend	Potential Mitigations	Potential revised Forecast Outturn	Detail on mitigation
Finance	0.115		0.115	
Legal, Democratic, Elections & Procurement	0.000		0.000	
ICT	0.015		0.015	Filling a vacant post part way through the year
Property	1.343	(0.034)	1.309	Windfall Insurance Income for car park damages
HR & OD	0.024		0.024	
Customer Focus	0.000		0.000	
Resources & Transformation	1.497	-0.034	1.463	
Planning & Development	0.000		0.000	
Regeneration & Growth	0.000		0.000	
Environmental	0.769		0.769	
Regulatory	0.000		0.000	
Wellbeing & Housing	0.125		0.125	
Communities	0.894	0.000	0.894	
Total	2.082	-0.034	2.048	
FUNDING	0	0	0	
Potential Revised Forecast (Surplus)/Deficit			2.048	

Movement in Reserves



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>It is critical for the council, in order to maintain strong levels of budgetary control, that it is recognised that service delivery cannot be maintained at the expense of budget management. Identifying budget mitigations is a fundamental part of budgetary control within the council and it must be applied across all areas. Whilst corporate mitigations have been partially identified for 2025/26, this does not reduce the responsibility of the services to operate within their approved budget. As a result, the council will resume discussion with those services with significant forecast overspends with the Budget Oversight Group so that mitigations can be identified and service implications considered. Where necessary mitigations will be brought before the committee for approval.</p> <p>Joanne Kaye, Head of Finance, 11 Aug 2025</p>
Legal	<p>There are no legal implications arising at this stage.</p> <p>The Council has a fiduciary duty to council taxpayers, which means it must consider the prudent use of resources, including control of expenditure, financial prudence in the short and long term and the need to act in good faith in relation to compliance with statutory duties and exercising statutory powers. The Council has a statutory obligation to maintain a balanced budget and the monitoring process enables Executive to remain aware of issues and understand the actions being taken to maintain a balanced budget.</p> <p>The report sets out as at the end of Q1 finance position for the Council as part of its fiduciary duty to implement budgetary controls and monitoring.</p> <p>In relation to some of the KPIs which have been missed or not tracked, it is important for the Council to monitor these from a legal perspective to ensure that we are meeting our statutory obligations in relation to these areas.</p> <p>Denzil Turbervill, Head of Legal, 18th July 2025</p>
Risk Management	<p>There are no risk implications arising directly from this report. The report included an update on our Risk Management for Quarter 1 2025-26.</p> <p>Celia Prado-Teeling, Performance & Insight Team Leader, 14 July 2025</p>

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 & Insight Team Leader, 14 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		
Council Priorities	This report links to all council's priorities, as it summarises our progress against them till Q1 2025-26.			

Supporting Information

3. Background

- 3.1 The council actively and regularly monitors its financial position to ensure it can deliver its corporate priorities and respond effectively to emerging issues.
- 3.2 This monitoring takes place monthly for finance, 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 into a single report given the implications and interdependencies between them, and this is the summary for the end of Quarter 1 2025-26.

4. Details

4.1 Finance Update

- 4.1.1 As of June, directorates are forecasting an overall year end overspend of £2.391m (12.3% of net budget), a significant increase from the forecast year end position of £0.296m in May. This is driven mainly by pressures in Property (£1.343m) and Environmental Services

(£0.769m). The Property overspend reflects a sharp deterioration since May. These pressures are partially offset by stable performance in most other services.

4.1.2 Within Executive Matters there is an underspend on treasury of £0.35m and officers believe it that given the last two years of dividends from Graven Hill it would not be imprudent to forecast a further £0.5m receipt this year. Finally, it is proposed that £1.1m of Market Risk be released from Policy Contingency to offset the remaining forecast directorate overspend until mitigations are put in place. The total forecast deficit, after funding, stands at £0.132m.

4.1.3 The projected outturn for services is summarised below in Table 1 and further detailed explanations for variances can be found in Appendix 2. The graph below shows the Budget compared with the forecast to the end of the financial year.

Graph 1: Budget compared with Forecast

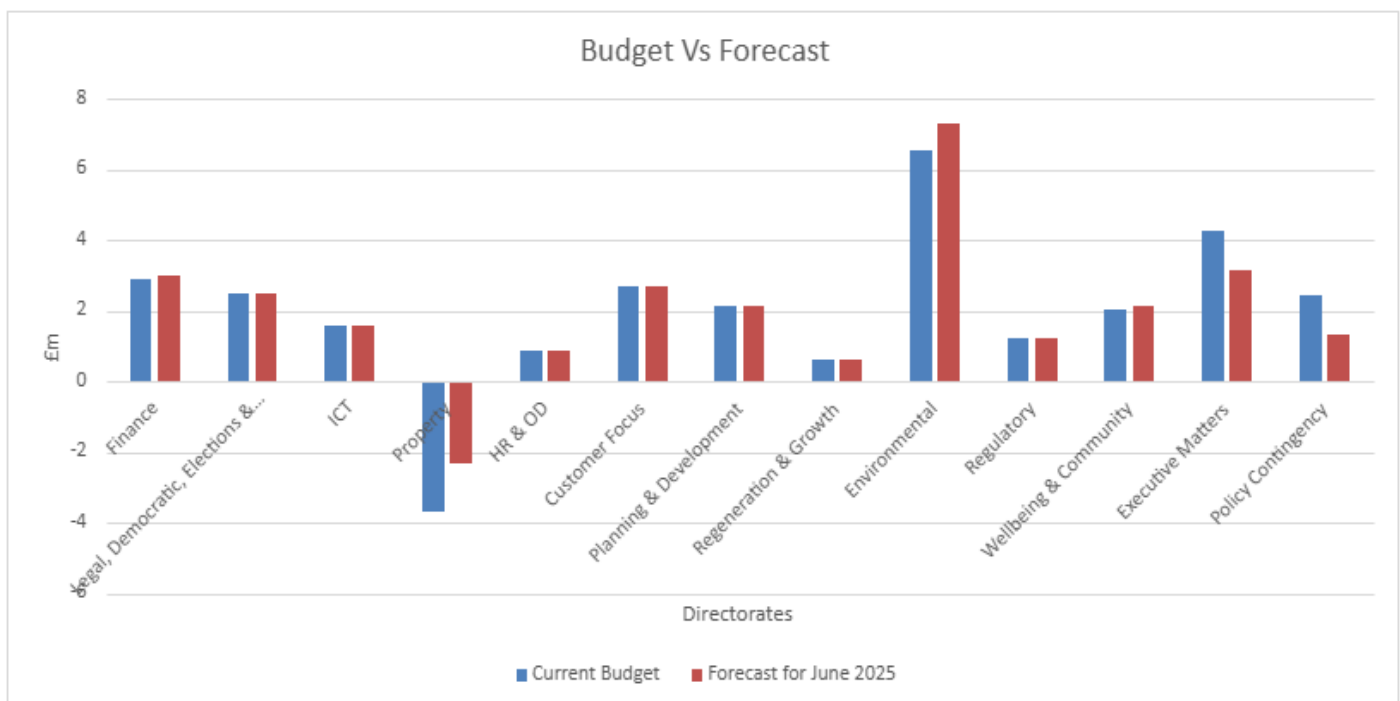


Table 1: Year End Position

Service	Current Budget £m	June Forecast Outturn £m	June Variance (Under) / Over £m	% Variance to current budget %	May Variance (Under) / Over £m	Change since Previous (better) / worse £m	
Finance	2.911	3.026	0.115	4.0%	0.147	(0.032)	
Legal, Democratic, Elections & Procurement	2.518	2.518	0.000	0.0%	0.000	0.000	
ICT	1.575	1.590	0.015	1.0%	0.000	0.015	
Property	(3.681)	(2.338)	1.343	36.5%	0.000	1.343	
HR & OD	0.859	0.883	0.024	2.8%	0.024	0.000	
Customer Focus	2.709	2.709	0.000	0.0%	0.000	0.000	
Resources & Transformation	6.891	8.388	1.497	21.7%	0.171	1.326	
Planning & Development	2.140	2.140	0.000	0.0%	0.000	0.000	
Regeneration & Growth	0.609	0.609	0.000	0.0%	0.000	0.000	
Environmental	6.561	7.330	0.769	11.7%	0.000	0.769	
Regulatory	1.232	1.232	0.000	0.0%	0.000	0.000	
Wellbeing & Housing	2.028	2.153	0.125	6.2%	0.125	0.000	
Communities	12.570	13.464	0.894	7.1%	0.125	0.769	
Subtotal for Directorates	19.461	21.852	2.391	12.3%	0.296	2.095	
Executive Matters	4.306	3.147	(1.159)	-26.9%	0.000	(1.159)	
Policy Contingency	2.428	1.328	(1.100)	-45.3%	0.000	(1.100)	
Total	26.195	26.327	0.132	0.00%	0.296	(0.164)	
FUNDING	(26.195)	(26.195)	0.000	0.0%	0.000	0.000	
Forecast (Surplus)/Deficit	0.000	0.132	0.132		0.296	(0.164)	

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.

4.1.4 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 – June 2025

Breakdown of current month forecast	June Forecast Outturn	Base Budget Over/ (Under)	Savings Non-Delivery
	£m	£m	£m
Resources	1.497	1.451	0.046
Communities	0.894	0.894	0.000
Subtotal Directorates	2.391	2.345	0.046
Executive Matters	(1.159)	(1.159)	0.000
Policy Contingency	(1.100)	(1.100)	0.000
Total	0.132	0.086	0.046
FUNDING	0.000	0.000	0.000
(Surplus)/Deficit	0.132	0.086	0.046

Savings Non-Delivery as detailed above relates to:

- Removing vacant job posts where possible £0.019m
- Simplifying the job evaluation process by using one scheme instead of two – contract with Zellis not being renewed in November 2025 £0.007m
- Reducing weekday overtime rates to standard pay £0.020m

4.1.5 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
Property	3.681	1.343	36.5%
Environmental	6.561	0.769	11.7%
Wellbeing & Housing	2.028	0.125	6.2%
Finance	2.911	0.115	4.0%
Total	10.242	2.112	

Reserves

4.1.6 Allocations to and from reserves are made according to the Reserves Policy. There have been no further requests between 31 May and 30 June 2025.

Table 4: Reserves:

Reserves	Balance 1 April 2025 £m	Original Budgeted use/ (contribution) £m	Changes agreed since budget setting £m	Changes proposed June 2025 £m	Balance 31 March 2026 £m
General Balance	(7.853)	0.000	0.000	0.000	(7.853)
Earmarked	(31.264)	(2.444)	(1.635)	0.000	(35.343)
Non-Ringfenced	(0.033)	0.000	0.033	0.000	0.000
Grant timing Difference					
Ringfenced Grant	(1.918)	0.523	0.165	0.000	(1.230)
Subtotal Revenue	(41.068)	(1.921)	(1.437)	0.000	(44.426)
Capital*	(7.482)	0.720	0.000	0.000	(6.762)
Total	(48.550)	(1.201)	(1.437)	0.000	(51.188)

*According to the Reserves Policy Executive are not required to approve contributions to Capital Reserves.

4.2 Capital

4.2.1 Table 5 below summarises the forecast spend against the full capital programme (i.e. spend across all years of the capital programme).

Table 5: Capital Project Forecast Outturn

Directorate	Project Total Budget £m	Total Forecast Project Spend £m	Variance to Budget £m	
Resources & Transformation	14.316	14.208	(0.108)	
Communities	33.840	27.959	(5.881)	
Total	48.156	42.167	(5.989)	

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 6: How the Capital Programme is financed

Financing	Prior Years' Spend £m	Profiled Spend 2025/26 £m	Profiled Spend Future Years £m	Projected Total £m
Borrowing	4.046	4.370	7.505	15.922
Capital Grants	2.560	5.112	10.062	17.733
Capital Receipts	5.213	0.062	0.000	5.275
S106 Receipts	0.213	0.924	2.099	3.237
	12.032	10.468	19.666	42.167

4.2.2 Table 7 below summarises the capital projects that are being requested to be reprofiled beyond 2025/26. The reprofiling of these projects has been reflected in Appendix 1 and in Tables 5 and 6 above.

Table 7: Requested Capital Budget Reprofiting

Code	Service	Project	Project Total Budget £m	Reprofiled Beyond 25/26 £m	Removed from Programme	Move to pipeline projects	Virements	Additional Capital Budget	% Change
40255	Property	Installation of Photovoltaic at CDC Property	0.079	(0.071)					-89.87%
40263	Property	Kidlington Leisure New Electrical Main	0.200	(0.020)					-10.00%
40278	Property	Development of New Land Bicester Depot	3.975	(2.541)					-63.92%
40279	Property	Spiceball Sports Centre - Solar PV Car Ports	0.177	(0.170)					-96.05%
40280	Property	Kidlington Sports Centre - Solar PV Car Ports	0.135	(0.135)					-100.00%
40281	Property	Noth Oxfordshire Academy - Solar Panels	0.018	(0.018)					-100.00%
40282	Property	Community Centre Solar Panels	0.106	(0.106)					-100.00%
40283	Property	Thorpe Lane - Solar Panels	0.034	(0.034)					-100.00%
40284	Property	Thorpe Lane Heater Replacement	0.028	(0.024)					-85.71%
40237	ICT	Council Website & Digital Service	0.250		(0.122)				-48.80%
40326	ICT	Digital Futures Programme (Business Cases Required)	0.217		(0.217)				-100.00%
40062	Regeneration & Growth	East West Railways	4.350		(4.194)				-96.41%
40216	Environmental	Street Scene Furniture and Fencing project	0.060	(0.015)					-25.00%
40218	Environmental	Depot Fuel System Renewal	0.050		(0.035)				-70.00%
40222	Environmental	Burnehyll - Bicester Country Park	0.246	(0.061)					-24.80%
40320	Environmental	Net Zero Capital Projects (Business Cases Required)	0.064			(0.064)			-100.00%
40321	Environmental	Landscape Software Upgrade	0.025		(0.025)				-100.00%
40322	Environmental	Upgrade of Street Cleansing IT System	0.025		(0.008)				-32.00%
40019	Wellbeing & Housing	Bicester Leisure Centre Extension	0.122			(0.079)			-64.75%
40251	Wellbeing & Housing	Longford Park Art	0.045	(0.045)					-100.00%
40294	Wellbeing & Housing	S106 - Ambrosden Community Facility Project	0.020		(0.020)				-100.00%
40295	Wellbeing & Housing	S106 - Ambrosden Indoor Sport Project	0.065		(0.065)				-100.00%
40296	Wellbeing & Housing	S106 - Ambrosden Outdoor Sports	0.130		(0.130)				-100.00%
40297	Wellbeing & Housing	S106 - Ardley & Fewcott Play Area Project	0.008		(0.008)				-100.00%
40300	Wellbeing & Housing	S106 - Bicester Leisure Centre Extension	1.154			(1.154)			-100.00%
40301	Wellbeing & Housing	S106 - Graven Hill Outdoor Sport Project	0.052		(0.052)				-100.00%
40307	Wellbeing & Housing	S106 - Kidlington & Gosford Leisure Centre	0.020		(0.020)				-100.00%
40308	Wellbeing & Housing	S106 - Milton Road Community Facility & Sports Pitch	0.479	(0.471)					-98.33%
40310	Wellbeing & Housing	S106 - Spiceball Leisure Centre Improvements	0.014				(0.014)		-100.00%
40311	Wellbeing & Housing	S106 - The Hill Improvements Project	0.050		(0.050)				-100.00%
40319	Wellbeing & Housing	Local Authority Housing Fund R2	1.641		(0.007)				-0.43%
40329	Wellbeing & Housing	Spiceball Leisure Centre Structural Beams	0.130				0.014	0.029	33.08%
40336	Wellbeing & Housing	S106 - Kingsmere Public Art	0.028	(0.028)					-100.00%
			13.997	(3.739)	(4.953)	(1.297)	0.000	0.029	

For further detail please see Appendix 1.

Cherwell District Council

4.3 Performance Summary

4.4 The council is performing well against its Quarter 1 objectives, which consist of 9 Corporate KPI Measures, 6 Directorate KPI Measures and 23 Annual Delivery Plan actions. Reporting as per the table below for this quarter.

Plan	Total number of measures	Red (Behind target)		Amber (Slightly behind target)		Green (Achieved or within tolerance)	
		No	%	No	%	No	%
ADP	23	0	0%	3	13%	20	87%
Corporate KPIs (Targeted)	9	0	0%	4	44%	5	56%
Directorate KPIs (Targeted)	6	0	0%	0	0%	6	100%
Total	38	0	0%	7	18%	31	82%

4.5 Monitoring measures

4.6 There are nine 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. These measures will be monitored by the Performance team, and the correspondent Director, and will be reported only when there is a significant trend change. There are no areas of concern or significant trend shifts within the Monitoring measures for Quarter 1.

4.8 Performance Exceptions

4.9 Of the 23 milestones set for Quarter 1, 20 were achieved or within the agreed tolerance, and three slightly behind target.

Annual Delivery Plan - Exceptions

Action	Milestone	Status
Strengthen community cohesion	Produce Annual EDI General Duty Compliance	Amber
Deliver Planning Service Improvement	Establish performance improvement indicators, targets and resources needs	Amber
Create vibrant economic centres and thriving rural villages	Complete asset register and agree future plan for each, with focus on those that are underutilised or suitable for community transfer	Amber

4.10 Of the nine targeted corporate key performance indicators, five achieved their Q1 target or reported within the agreed tolerance, and the four below reported slightly behind target

Corporate Key Performance Indicators - Exceptions

Measure	Status
BP1.2.02 No of Homeless Households living in nightly charge (Hotel) Temporary accommodation (TA)	Amber
BP1.2.05 % of Homelessness cases successfully prevented rather than relief/main duty being applied	Amber
BP1.2.10 % of Major Applications overturned at appeal	Amber
BP2.2.03 % Climate Actions Plan delivering to target	Amber

4.11 All six targeted directorate key performance indicators achieved their targets for the quarter or reported within agreed tolerances. Please note Directorate level KPIs are reported to Committees on an exception basis (only indicators reporting Red and/or Amber).
For full details on all ADP milestones and Corporate KPIS, including commentary, please reference Appendices 5 and 6.

4.12 Performance Highlights

Here is a snapshot of some of the council's key achievements from the first quarter of the year.

- Cherwell District Council's Local Plan Review 2042 is nearing submission to the government, due at the end of July, after a successful consultation and aims to support sustainable development, protect green spaces and heritage, and guide regeneration and infrastructure growth. The Plan will impact local communities by delivering new housing, jobs, and services while aiming to reduce carbon emissions and improve transport.
- Cherwell District Council launched a campaign to help over 1,300 residents accessing unclaimed benefits like free school meals and pension credits, using new data tools and partnerships with Age UK and YouMove to provide support and healthy lifestyle opportunities.
- Construction began on a new PlayZone mini football pitch at Chandos Recreation Ground in Grimsbury, set to open in September. Funded by the Football Foundation and Cherwell District Council, with support from Banbury Town Council, the facility aims to boost access to sport for underrepresented groups and promote community health and inclusion.

4.13 Risk Monitoring

4.14 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.

4.15 Please note risks deemed as high (L01 and L05) and medium (L03, L04, L09, L10, L13, L14, L16 and L17) 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.

4.16 There were no score changes within the Leadership Risk Register during Quarter 1. The overall position at the time of running this report (29/07/2025) of all Leadership risks is as follows: -

		Probability				
		1 - Remote	2 - Unlikely	3 - Possible	4 - Probable	5 - Highly Probable
Impact	5 - Catastrophic			L10		
	4 - Major		L08-L11	L03-L09-L13-L14-L16	L01-L05	
	3 - Moderate		L06-L07-L12	L02-L15	L17	L04
	2 - Minor					
	1 - Insignificant					

The full Leadership Risk Register, including controls and mitigating actions, is attached in Appendix 7.

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 End of Year 2026, and a snapshot of our Performance and Risk positions for Quarter 1 2025-26, therefore there are no alternative options to consider.

6. Conclusion and Reasons for Recommendations

- 6.1 The report updates the Committee on the projected year-end financial position of the council for 2025/26, Quarter 1 performance position and updated Leadership Risk Register. Regular reporting is key to good governance and demonstrates that the council is actively managing its financial resources sustainably.

Decision Information

Key Decision	No
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 Forecast June 2025
Appendix 2	Detailed Revenue Narrative on Forecast June 2025
Appendix 3	Virements June 2025
Appendix 4	Funding June 2025
Appendix 5	Business Plan KPIs 2025-26 Q1
Appendix 6	Annual Delivery Action Plan 2025-26 Q1
Appendix 7	Leadership Risk Register 2025-26 Q1
Background Papers	N/A
Reference Papers	N/A
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Corporate Director Approval (unless	Stephen Hinds, Corporate Director for Resources & Transformation, 30 July 2025

Corporate Director or Statutory Officer report)	
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