

<p>This report is public</p> <p>Appendix 6 to the report is exempt from publication by virtue of paragraphs 1, 2 and 3 of Schedule 12A of Local Government Act 1972</p>	
<p>Finance Monitoring Report August 2025</p>	
Committee	Executive
Date of Committee	7 October 2025
Portfolio Holder presenting the report	Portfolio Holder for Finance, Property and Regeneration, Councillor Lesley McLean
Date Portfolio Holder agreed report	25 September 2025
Report of	Assistant Director of Finance (S151 Officer), Michael Furness

Purpose of report

To report to Executive the council's forecast year-end financial position as at the end of the August 2025. Further detail can be found in the report and its appendices.

1. Recommendations

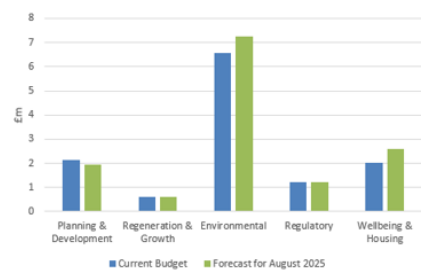
The Executive resolves:

- 1.1 To consider and note the contents of the council's financial management report as at the end of August 2025.
- 1.2 To approve the Use of Reserve and Grant Funding Requests in Appendix 4.
- 1.3 To approve the amendments to the capital programme in Appendix 5.
- 1.4 To approve the proposed, write offs set out in exempt Appendix 6.

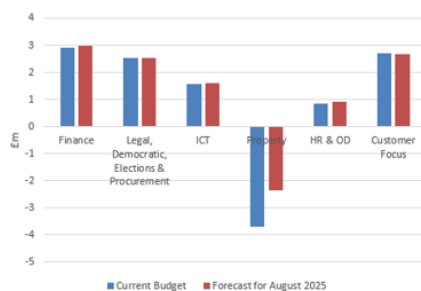
2. Executive Summary

- 2.1 The Finance section presents the forecast year-end revenue position for the 2025/26 financial year and in a summary dashboard as detailed below:

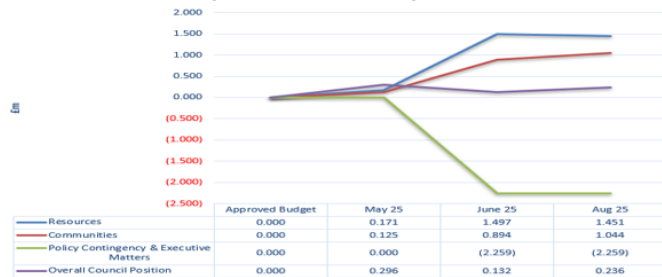
Communities - Revenue



Resources - Revenue

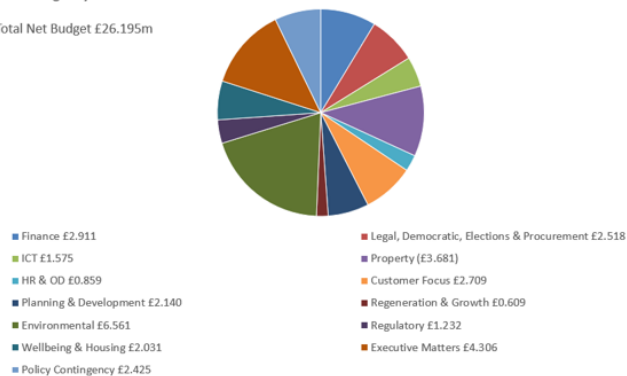


Monthly Forecast Variance By Directorate



Current Budget By Service Area

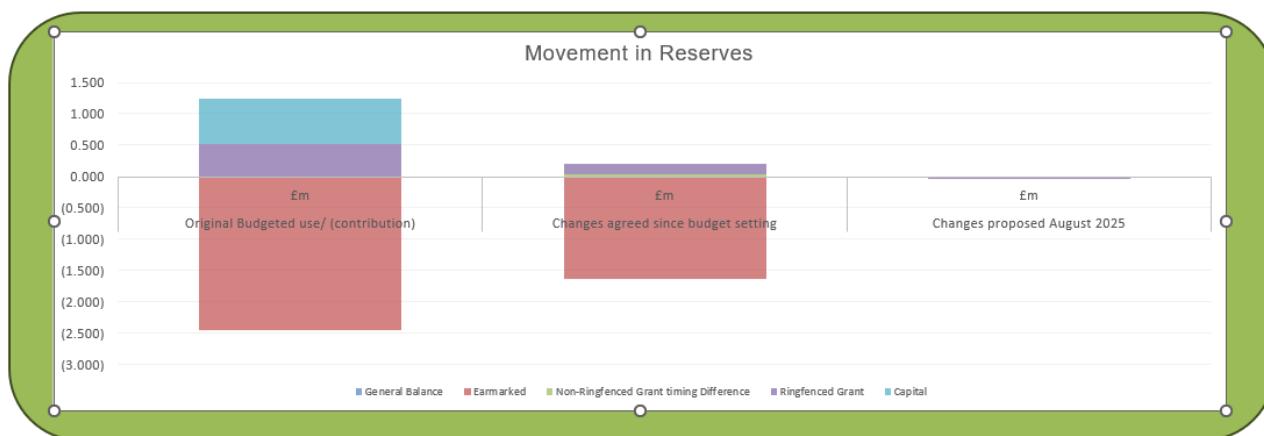
Total Net Budget £26.195m



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	2.140	0.609	6.561	1.232	2.028	4.306	2.428	26.195
Finance Overspend - Universal credit & fewer court summons	0.083													0.083
Change in overtime policy no longer going ahead					0.050									0.050
Top slice of grants, IT license costs and temporary accommodation costs											0.561			0.561
Environmental - gate fees, agency									0.694					0.694
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
Customer Focus underspend - over recovery of land charges income and vacancies						-0.040								-0.040
Planning & Development underspend - over recovery of income							-0.189							-0.189
Regulatory Services underspend - staffing changes										-0.022				-0.022
Current (Under)/Overspends	0.083	0.000	0.015	1.343	0.050	-0.040	-0.189	0.000	0.694	-0.022	0.561	-1.159	-1.100	0.236

Mitigation Table				
Service	Forecast Overspend	Potential Mitigations	Potential revised Forecast Outturn	Detail on mitigation
Finance	0.083		0.083	
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	0.050		0.050	
Customer Focus	-0.040		-0.040	
Resources & Transformation	1.451	-0.034	1.417	
Planning & Development	-0.189		-0.189	
Regeneration & Growth	0.000		0.000	
Environmental	0.694		0.694	
Regulatory	-0.022		-0.022	
Wellbeing & Housing	0.561		0.561	
Communities	1.044	0.000	1.044	
Total	0.236	-0.034	0.202	
FUNDING	0	0	0	
Potential Revised Forecast (Surplus)/Deficit			0.202	



- 2.2 The capital forecast yearend position will be reported on a Quarterly basis with the second report being September 2025.

Implications & Impact Assessments

Implications	Commentary
Finance	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. Joanne Kaye, Head of Finance, 22 September 2025
Legal	There are no legal implications arising at this stage. 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

	<p>and understand the actions being taken to maintain a balanced budget.</p> <p>The report sets out as at August 2025 the finance position for the Council as part of its fiduciary duty to implement budgetary controls and monitoring.</p> <p>Denzil – John Turbervill, Head of Legal Services, 22 September 2025</p>		
Risk Management	<p>There are no risk implications arising directly from this report. Financial resilience and any risks link to it are managed through the Corporate Leadership Risk register.</p> <p>Celia Prado-Teeling, Performance Team Leader, 22 September 2025</p>		
Impact Assessments	Positive	Neutral	<p>Negative</p> <p>Commentary</p>
Equality Impact		X	<p>There are no equalities implications arising directly from this report.</p> <p>Celia Prado-Teeling, Performance Team Leader, 22 September 2025</p>
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 have 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	<p>This report links to all council's priorities, as it summarises our progress against them during 2025/26.</p>		
Human Resources	N/A		
Property	N/A		

Consultation & Engagement	N/A
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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 on a quarterly basis where Performance and Finance updates are given due to the implications and interdependencies between them, and this is the summary financial forecast for the end of the financial year position for 2025/26.

4. Details

4.1 Finance Update

- 4.1.1 The council's overall forecast year-end position for 2025/26 is an overspend of £0.236m. The forecast currently shows an overspend across Directorates with potential mitigations that are currently being investigated totalling (£0.034m) as detailed in the mitigations table above. These mitigations are not part of the forecast.

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	August 2025 Forecast to Year End £m	Aug Variance (Under) / Over £m	% Variance to current budget %	June Variance (Under) / Over £m	Change since Previous (better) / worse £m	
Finance	2.911	2.994	0.083	2.9%	0.115	(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%	0.015	0.000	
Property	(3.681)	(2.338)	1.343	36.5%	1.343	0.000	
HR & OD	0.859	0.909	0.050	5.8%	0.024	0.026	

Customer Focus	2.709	2.669	(0.040)	-1.5%	0.000	(0.040)	
Resources & Transformation	6.891	8.342	1.451	21.1%	1.497	(0.046)	
Planning & Development	2.140	1.951	(0.189)	-8.8%	0.000	(0.189)	
Regeneration & Growth	0.609	0.609	0.000	0.0%	0.000	0.000	
Environmental	6.561	7.255	0.694	10.6%	0.769	(0.075)	
Regulatory	1.232	1.210	(0.022)	-1.8%	0.000	(0.022)	
Wellbeing & Housing	2.031	2.592	0.561	27.6%	0.125	0.436	
Communities	12.573	13.617	1.044	8.3%	0.894	0.150	
Subtotal for Directorates	19.464	21.959	2.495	12.8%	2.391	0.104	
Executive Matters	4.306	3.147	(1.159)	-26.9%	(1.159)	0.000	
Policy Contingency	2.425	1.325	(1.100)	-45.4%	(1.100)	0.000	
Total	26.195	26.431	0.236	0.9%	0.132	0.104	
FUNDING	(26.195)	(26.195)	0.000	0.0%	0.000	0.000	
Forecast (Surplus)/Deficit	0.000	0.236	0.236		0.132	0.104	

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 – August 2025

Breakdown of current month forecast	August 2025 Forecast to Year End	Base Budget Over/ (Under)	Savings Non-Delivery
	£m	£m	£m
Resources	1.451	1.401	0.050
Communities	1.044	0.819	0.225
Subtotal Directorates	2.495	2.220	0.275
Executive Matters	(1.159)	(1.159)	0.000
Policy Contingency	(1.100)	(1.100)	0.000

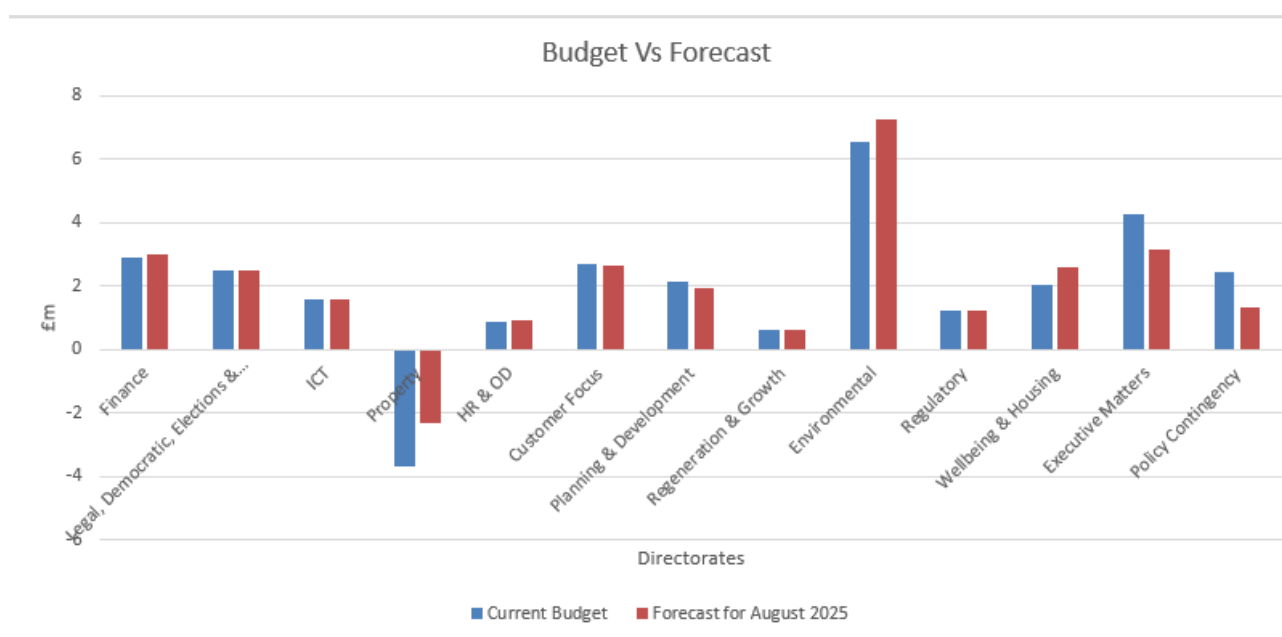
Total	0.236	(0.039)	0.275
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FUNDING	0.000	0.000	0.000
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(Surplus)/Deficit	0.236	(0.039)	0.275
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4.1.3 The graph below shows the Budget compared with 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
Property	3.681	1.343	36.5%
Environmental	6.561	0.694	10.6%
Wellbeing & Housing	2.031	0.561	27.6%
Finance	2.911	0.083	2.9%
Total	10.242	2.037	

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 August 2025, more details can be found within Appendix 4.

Table 5: Reserves forecast:

Reserves	Balance 1 April 2025	Original Budgeted use/ (contribution)	Changes agreed since budget setting	Changes proposed August 2025	Balance 31 March 2026
	£m	£m	£m	£m	£m
General Balance	(7.853)	0.000	0.000	0.000	(7.853)
Earmarked	(31.264)	(2.444)	(1.635)	(0.007)	(35.350)
Non-Ringfenced	(0.033)	0.000	0.033	0.000	0.000
Grant timing Difference					
Ringfenced Grant	(1.918)	0.523	0.165	(0.036)	(1.266)
Subtotal Revenue	(41.068)	(1.921)	(1.437)	(0.043)	(44.469)
Capital	(7.482)	0.720	0.000	0.000	(6.762)
Total	(48.550)	(1.201)	(1.437)	(0.043)	(51.231)

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

Please see Appendix 4 for proposed changes.

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 revenue financial position up to the end of March 2026, 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 2025/26. 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	Detailed Revenue Narrative on Forecast August 2025
Appendix 2	Virements & Aged Debt August 2025
Appendix 3	Funding August 2025
Appendix 4	Use of Reserves and Grant Funding August 2025
Appendix 5	Amendments to the capital Programme August 2025
Appendix 6	EXEMPT Write Off Details August 2025
Background Papers	None
Reference Papers	None
Report Author	Leanne Lock
Report Author contact details	leanne.lock@cherwell-dc.gov.uk 01295 227098
Corporate Director Approval (unless Corporate Director or Statutory Officer report)	Report of Statutory Officer, S151 Officer