

Cherwell District Council

Account Audit & Risk Committee

27 July 2022

End of year 2021- 2022 Performance, Risk and Finance Monitoring Report

Report of Assistant Director of Finance & S151 Officer and Assistant Director Customer Focus Interim

This report is public

Purpose of report

This report summarises the Council's Performance, Risk and Finance monitoring positions at the end of the Financial Year 2021-2022. The Committee is responsible for the risk elements of this report.

1.0 Recommendations

The meeting is recommended:

- 1.1 To note the Performance, Risk and Finance Monitoring Report

2.0 Introduction

- 2.1 The Council is committed to performance, risk and budget management and reviews progress against its corporate priorities on a monthly basis, however due to redeployment of resources supporting Omicron variant there was no report during December 2021 and February 2022.
- 2.2 This report provides an update on progress made during the financial year 2021-22, to deliver the Council's priorities through reporting on Performance, the Leadership Risk Register and providing an update on the financial position.
- 2.3 The Council's performance management framework sets out the key actions, projects and programmes of work that contribute to the delivery of the 2021-22 business plan and the priorities of the Council. These measures and key performance indicators are reported on a monthly basis to highlight progress, identify areas of good performance and actions that have been taken to address underperformance or delays.
- 2.4 As part of monthly reporting, the Performance & Insight Team provides the Senior Management Team with a corporate complaints report. Complaints received during the month are closely monitored and analysed. The mandatory lessons learned data continues to be implemented and we are starting to see a decrease in the number of upheld complaints. Lessons learned are reported to ELT (Extended Leadership Team) and progress is monitored to ensure actions are implemented to avoid the

same complaint being reported.

2.5 The Council maintains a Leadership Risk Register that is reviewed on a monthly basis. The latest available version of the risk register (at the date this report is published) is included in this report. The Leadership Risk Register and strategy are reviewed on an annual basis as part of the budget and business planning process, reflecting on the priorities of the council for the forthcoming year. The Leadership Risks reflected in this report have been thoroughly reviewed by ELT and will continue to be updated monthly.

2.6 The main report details section is split into three parts:

- Performance Summary
- Leadership Risk Register Update
- Finance Summary

2.7 There is one appendix to this report:

- Appendix 1 – Leadership Risk Register March 2022

3.0 Report Details

3.1 The Council's performance management framework sets out key actions, projects and programmes of work that contribute to deliver the refreshed 2021- 22 business plan (see Appendix 1) and the priorities of the Council.

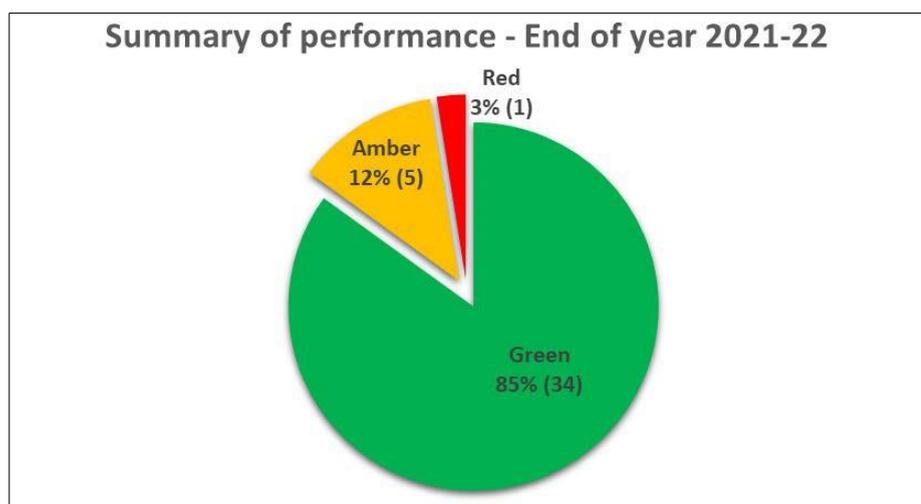
3.2 The 2021-22 business plan sets out four strategic priorities:

- Housing that meets your needs
- Leading on environmental sustainability
- An enterprising economy with strong and vibrant local centres
- Healthy, resilient and engaged communities

3.3 This report provides a summary of the Council's performance in delivering against each strategic priority. To measure performance a 'traffic light' system is used. Where performance is on or ahead of target it is rated green, where performance is slightly behind the target it is rated amber. A red rating indicated performance is off target.

Summary of Performance

3.4 The Council reports quarterly on performance against **40** Business Plan Measures.



Performance against our targets remains strong. We have started to see recovery in certain areas affected by COVID-19 such as housing interventions and visits to the leisure centres. The performance highlights for the year are reflected on the Annual Report 2021-2022 (Appendix 1). The below table shows the status of all measures by the end of the financial year 2021-22.

Figure 1 – Above chart reflects the end of year results 2021-22, 34 (85.00%) reported on target (Green), 5 (12.50%) slightly off target (Amber) and one measure (3.00%) reported off target (Red)

3.5 Performance Exceptions by Strategic Priority:

Housing that meets your needs

- **Homelessness Prevention** – Reported Amber for End of Year. The housing team continues to focus on clients who present in crisis. Since the courts have reinstated eviction proceedings, an increase in families presenting as homeless is causing significant pressure on resources.

Leading on environmental sustainability

- **Reduction of fuel consumption used by fleet** – Reported Amber for End of year (38,827 against a target of 37,465). More fuel has been used in March as there are 9 extra 12-tonne trucks, in the fleet, due to the commencement of food-waste weekly collection service. The service is working hard to manage the fuel consumption throughout the year, using training and technology to improve usage.
- **Develop the Country Parks to support good lifestyle choices** – Reported Amber for End of year. Delays on the programme have been the cause of this performance, plans are in place to accelerate the delivery of these projects.

An enterprising economy with strong & vibrant local centres

- **% of Council Tax collected, increase Council Tax Base** – Reported Amber for End of year (98.07% against a target of 98.25%). As at the end on 2021/22 the amount of council tax due to be collected was just short of £117.7m. Overall the in-year collection rate was 98.07% against a target of 98.25%, collection rates for 2021/22 were impacted by the ongoing pandemic and furlough, however recovery action continued throughout 2021/22 and the end of year position for 2021 22 is an improvement on 2020 21 in-year rate of 97.46%.
- **% of Business Rates collected, increasing NNDR Base** – Reported Amber for End of year (97.84% against a target of 98.50%). As at the end on 2021/22 the amount of Business Rates due to be collected was just over £76.6m. Collection rates for 2021/22 were impacted by the ongoing pandemic and the re-billing exercise in June 2021 following on from the changes to the retail rate relief discount which took effect from 1 July 2021; however, where payment has not been forthcoming recovery and enforcement action will continue.
- **Establish new Building regulations Partnership** – Reported Red for End of year. Cherwell remains committed to forming a joint Building Control service despite the 2021/22 target not being met. The initiative to form a new Building Control joint service for commencement on 1 April 2022 stalled during the middle part of 2021/22. Progress

is dependent on interest from compatible authorities. However, there is current and active interest from another Building Control authority which is being explored by officers

Healthy, resilient & engaged communities

There were no performance exceptions under this priority for the end of the financial year.

Climate Action Programme

3.6 This report updates Executive on the delivery of the 12 priority actions set by the Climate Action Programme Board for 2021/22. By the end of March, actions were rated as follows:

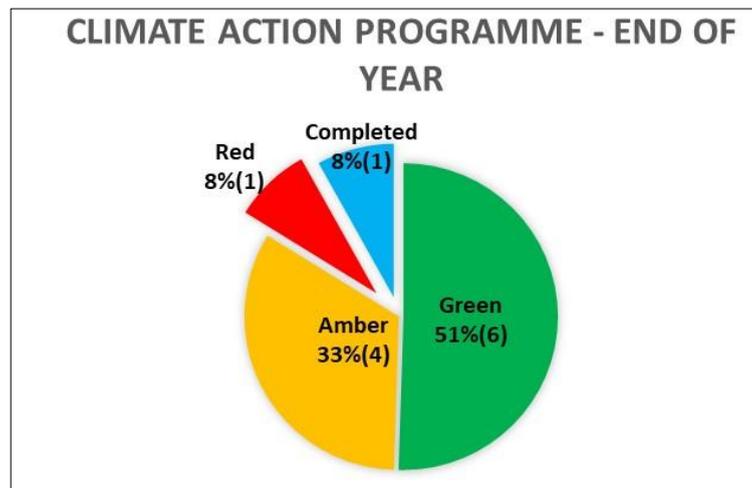


Figure 2 – Above chart reflects the end of year results 2021-22 for the Climate Action Framework, 6 (51.00%) reported on target (Green), 4 (33.00%) slightly off target (Amber), one (8%) reported off target (Red) and one action (8%) was completed

Highlights:

- Decarbonisation work continued at leisure centres and corporate buildings
- Carbon Management Plan 2022-25 developed
- Heat network feasibility study awarded and due to start in May
- Tree planting project officer in place to progress planting during 22/23 season
- New action plan is being developed to continue work on the strategy for net-zero carbon standard affordable housing schemes, due to staff no longer being available.

A recent decision has been taken to decouple this partnership agreement with Oxfordshire County Council; a supporting service level agreement has been established to provide ongoing support and advice from Oxfordshire to Cherwell.

Risk Update

3.7 The Council maintains a Leadership Risk Register that is reviewed on a monthly basis. The latest available version of the risk register at the date this report is published is included in this report. A full review of the Leadership Risk Register is in progress and will be presented in the next Executive meeting (04th July).

3.8 The table below provides an overview of the Leadership Risk Register 21/22. During March the leadership risk register did not have any score changes. One new risk was added L20 Safeguarding the vulnerable – Operational and partnership actions, this addition has been agreed as a consequence of the full review of L08 Safeguarding the vulnerable – Internal Procedures.

Please note that as per usual the current risks' numbering reflects the closure of L13 Joint working and L14 Legacy Shared Services Partnership – West Northamptonshire, both closed during February 2022, this will be reorganised as part of the annual review.

Leadership Risk	Score	Direction of travel	Mitigating Actions
L01 Financial Resilience	16 High Risk	↔	<ul style="list-style-type: none"> ➤ Financial forecasts of resources for 2021/22 have assumed a reduction in resources that will be available from business rates compared to February 2020 assumptions. The budget for 2021/22 was agreed with savings proposals identified to address these reductions. Close monitoring of the delivery of the savings programme took place throughout 2021/22 with mitigations required if slippage was identified. ➤ Council agreed a balanced 2022/23 budget at its meeting on 28 February 2022. If resources were to fall significantly below the 2022/23 forecast level the Council has made a number of contingencies available in 2022/23 and, if required, a review of which reserves could be made available to mitigate this would be required (e.g., due to greater ongoing impact of Covid-19 or due to further economic shocks in the short-term). A similar approach to reviewing reserve availability could be adopted if the cost of goods we purchase were to increase. Ongoing impacts would be addressed as part of the 2023/24 budget process. ➤ A business rates reset is assumed from 2023/24 which will significantly reduce the resources available to the Council. Should resources from business rates fall much below this (e.g., due to any further ongoing impacts to the economy) then resources would be supplemented by a "safety net" payment from the Government under the current regime. The budget process for 2022/23 has begun with savings proposals set out that would enable the Council necessary to operate within the forecast level of resources. ➤ Where the Government has issued consultations on future approaches to funding local government CDC has responded to ensure its views are considered. ➤ New capital bids submitted will be questioned to ensure increases in cost assumptions have been reflected

Leadership Risk	Score	Direction of travel	Mitigating Actions
L02 Statutory functions	9 Low Risk	↔	<ul style="list-style-type: none"> ➤ Establish corporate repository and accountability for policy/legislative changes taking into consideration all of the Council's functions. ➤ Review Directorate/Service risk registers. ➤ Ensure Committee forward plans are reviewed regularly by senior officers. ➤ Ensure Internal Audit plan focusses on key leadership risks. ➤ Allocate specific resource to support new projects/policies or statutory requirements e.g., GDPR. ➤ Learning and development opportunities identified and promoted by the Chief Executive and Directors. ➤ Regular communications from Chief Executive. Quarterly staff briefings from Assistant Directors. ➤ External support secured for key corporate projects including Growth Deal and IT Transformation Programme.
L03 CDC Local Plan	12 Medium Risk	↔	<ul style="list-style-type: none"> ➤ Regular review meetings on progress and critical path review. Regular Corporate Director and Lead Member briefings. LDS updated as required with programme management approach adopted to ensure progress against plan. ➤ Regular Corporate Director and Lead Member briefings ➤ LDS updated as required with programme management approach adopted to ensure progress against plan ➤ LDS timeline built into Directorate level objectives (e.g. via Service Plans) and incorporated into SMART targets within staff appraisals. ➤ Authority Monitoring Reports continue to be prepared on a regular annual basis.
L04 Business Continuity	12 Medium Risk	↔	<ul style="list-style-type: none"> ➤ Business Continuity Statement of Intent and Framework being revised to align with OCC and create an incident management framework ➤ Cross-council BC Steering Group meets regularly to identify BC improvements needed ➤ ICT transition to data centre and cloud services has reduced likelihood of ICT loss and data loss ➤ Corporate ownership and governance to be revisited as a result of separation of OCC and CDC ➤ BC Impact assessments and BCPs to be updated and reviewed by OCC's Emergency Planning team ➤ BC exercises to be arranged (on hold due to pandemic response) ➤ Updated Incident management framework agreed August 2021

Leadership Risk	Score	Direction of travel	Mitigating Actions
L05 Emergency Planning	12 Medium Risk	↔	<ul style="list-style-type: none"> ➤ Emergency plan contacts list being updated monthly and reissued to all duty managers. ➤ OCC Emergency Planning providing expert advice and support under a partnership arrangement. Accountability for both OCC and CDC's arrangements now sit with the Chief Fire Officer who reviews the arrangements with the Assistant Director. ➤ Supporting officers for incident response identified in the emergency plan and wallet guide ➤ Refreshed incident management plan agreed to align with OCC response arrangements and roll-out being progressed ➤ Training being arranged for Duty Directors. All senior managers who provide the Duty Director rota have opportunity attend multi-agency exercises and duty manager training with OCC senior managers. ➤ On-call rota being maintained and to be updated to reflect recent staffing changes ➤ Authority continues to be represented at the Local Resilience Forum
L06 Health & Safety	8 Low Risk	↔	<ul style="list-style-type: none"> ➤ COVID-Secure arrangements and safe working practices remain effective. These are due to be replaced with consolidated PH advice post April: <ul style="list-style-type: none"> - Cease asymptomatic testing except for specific groups in health and social care. - No longer requirement for specific COVID risk assessment. - Updated IPC guidance. ➤ Corporate H&S Auditing and Inspection programme on track. Reports issued to managers and actions tracked for completion. ➤ Ongoing service redesign in Joint Property Service including single view of the asset and business systems. This will seek to improve assurance of building compliance and H&S. This includes defining the role of responsible premises manager and proving them with support, training and tools. New service Compliance/H&S specialist due to start May 22.

Leadership Risk	Score	Direction of travel	Mitigating Actions
L07 Cyber Security	15 Medium Risk	↔	<ul style="list-style-type: none"> ➤ We are cyber-essentials plus certified which is externally accredited. Microsoft Multi-Factor Authentication is embedded to authenticate users providing an enhanced level of cyber security. ➤ Accounts, Audit & Risk Committee Members have been given presentations and formal training on Cyber Security. ➤ The Regional Police Cyber Security Advisor have given the IT management team two training sessions (full cyber awareness and tabletop DR exercise) followed by a series of all-Council staff awareness sessions. ➤ Cyber Security is mandatory e-learning for all staff to be completed annually. Members given a Cyber training session with the Police Cyber Security Advisor. ➤ IT implemented an intrusion prevention and detection system which is monitored, and regular actions are implemented from the resulting reports. ➤ Information Management support is provided to Cherwell as part of a joint working relationship with Oxfordshire County Council. ➤ Cyber Awareness e-learning available and is part of new starters induction training. ➤ Cyber Security issues regularly highlighted to all staff. ➤ External Health Check undertaken in 2021 and Cabinet Office PSN compliance reviewed and certified the infrastructure is secure to connect to the PSN for another year until September 2022. ➤ Internal Audit completed a cyber audit in June 2020 with no major issues or significant risks identified. The findings have an agreed action plan in place. ➤ Cookiebot live on website for users to confirm cookie preferences. ➤ Joint OCC/CDC Cyber Security Officer started work August 2020 ➤ Additional IT security advice provided for all staff during the Covid-19 working at home period including online coronavirus related scams. ➤ Cyber Security Manager has reviewed advice and provided assurance on our compliance. ➤ All staff reminded to be vigilant to unexpected emails due to the heightened risk.
L08 Safeguarding the Vulnerable - Internal procedures-	8 Low Risk	↔	<ul style="list-style-type: none"> ➤ Monitoring of implementation of corporate policies and procedures to ensure fully embedded ➤ Ensure web pages remain up to date ➤ Annual refresher and new training programmes including training for new members ➤ Attendance at safeguarding boards and participation in learning events ➤ Continue to attend safeguarding board subgroups as necessary to maintain high levels of awareness within the system and compliance with latest practice ➤ Regular internal cross departmental meetings to discuss safeguarding practice ➤ Action plan acted upon and shared with Overview and scrutiny committee once a year ➤ Corporate monitoring of all referrals

Leadership Risk	Score	Direction of travel	Mitigating Actions
L09 Sustainability of Council owned companies and delivery of planned financial and other objectives.	6 Low Risk	↔	<ul style="list-style-type: none"> ➤ Changes in the shareholder support side-line management been put in place. Additional oversight and capacity from senior managers including performance dashboards at CLT ➤ Resilience and support being developed across business to support and enhance knowledge around council companies. ➤ Skills and experience being enhanced to deliver and support development, challenge and oversight. ➤ Work with one company to ensure long term support arrangements are put in place. ➤ Ongoing shareholder meetings key to understanding impact of Northamptonshire reorganisation
L10 Financial sustainability of third- party suppliers and contractors	12 Medium Risk	↔	<ul style="list-style-type: none"> ➤ Service areas to hold meetings as required with suppliers to review higher risk areas and ensure risks are being managed. Reminders to be sent to all who have Procurement/Contract Management responsibility to regularly meet with key suppliers and partners to gain early understanding of the effects of COVID-19 lockdown, have on supply. ➤ The Procurement Team is now providing ELT members and identified Contract Mangers a monthly update of all suppliers with spend above £25k c/w a credit risk rating score to enable contract managers to manage any identified risks, with support from the Procurement Team. Furthermore, as a result of Covid-19 the likelihood of this risk is deemed to have increased and thus the procurement and finance team now hold a weekly joint meeting to consider funding solutions to support At Risk Suppliers in accordance with the national guidance note PPN04/20. ➤ Business continuity plans in place
L11 Corporate Governance	9 Low Risk	↔	<ul style="list-style-type: none"> ➤ Standing item at senior officer meetings – regular review of risk and control measures. ➤ Induction Programme to be planned for May 2022 including governance sessions to councillors on the Constitution, data protection and FOI, finance, equalities and code of conduct. ➤ Monitoring Officer to attend management team meetings. ➤ Annual Governance Statement process for 2021/22 is in progress with sessions held with ELT to explain assurance required and to identify any areas where governance could be strengthening across the directorates. The Corporate Governance Assurance Group continues to map governance processes to ensure visibility and to refresh them.
L12 Oxfordshire Growth Deal	15 Medium Risk	↔	<ul style="list-style-type: none"> ➤ A CDC GD programme and programme board capability. ➤ Meetings to take place with key colleagues to implement suitable arrangements to deliver the Project Management function. ➤ Work stream plans of work (work stream brief, schedule, RAID log) . ➤ Structured engagement with developers to better understand their needs. ➤ Appropriate escalation of issues to agree programme flexibilities where required. ➤ Improved collaboration working with partners. ➤ Ongoing work with partners to realistically reflect deliverable schemes within programme time frame.

Leadership Risk	Score	Direction of travel	Latest Update
L15 Workforce Strategy	12 Medium Risk	↔	<ul style="list-style-type: none"> ➤ Development of relevant workforce plans. ➤ Development of new L&D strategy, including apprenticeships. ➤ Development of specific recruitment and retention strategies. It is planned for CDC to join the Commensurate Managed Services contract which is in place at OCC to ensure that the Council has access to a much wider pool of staffing agencies at competitive rates. ➤ There are indications that specific service areas are beginning to experience recruitment difficulties for professional roles. HR is working with the relevant directors to consider alternative resourcing methods. ➤ New IT system is being implemented to improve our workforce data. The ability to interrogate and access key data (ongoing) in order to inform workforce strategies.
L16 COVID-19 Community and Customers	16 High Risk	↔	<ul style="list-style-type: none"> ➤ Ongoing review and implementation of Council and partnership business continuity and emergency planning arrangements. ➤ Outbreak planning and Standard Operating Procedures are in place and regularly reviewed.
L17 COVID-19 Business Continuity	9 Low Risk	↔	Ongoing review and implementation of Council and partnership business continuity and emergency planning arrangements. Full health, safety and HR response in place. IT remote working arrangements are sustainable. With the return to 'Plan A', managers working with all staff to oversee return to the office alongside longer term planning for Agile working.
L18 Post COVID-19 Recovery	9 Low Risk	↔	<ul style="list-style-type: none"> ➤ Governance programme reviewed, shared and implemented. ➤ Programme support arrangements continue in place and joint Recovery and Renewal Framework due to review at Cabinet in March 2022.
L19 Cessation of joint working between CDC and OCC	12 Medium Risk	↔	Statutory officer posts in place - approved by Full Council on the 7th of Feb. External independent Legal support in place. Transition plan, financial analysis underway. Joint officer transition group set up. Regular staff and Cllr communications in place to keep up to date with changes. High level risk, dependencies and assumptions are regularly reviewed by the JOTWG and reported to the JSSP.
L20 Safeguarding the Vulnerable – Operational and partnership actions	12 Medium Risk	NEW	<ul style="list-style-type: none"> ➤ Engagement with CE workstream following the Jacob CSPR to identify improvements to local arrangements. ➤ Implement local changes to the child exploitation system to address findings in the Jacob CSPR. ➤ CSP to adopt improved oversight of the local arrangements to ensure these are effective. ➤ Community based exploitation disruption models to be developed and implemented. ➤ Continue to engage with partnership arrangements in place to identify risks.

Finance Update

3.9 The Council's year end position for 2020/21/2022 is an underspend of (£0.430m) shown in Table 1. This is made up of potential non-delivery of savings targets of £0.874m, mitigations of (£0.748m) and an underspend of (£0.556m) on business-as-usual costs as shown in Table 2.

3.10 Report Details

Table 1: Year End Position

Overview - March 2022	Original Budget	Current Budget	Year End Position at March	March Variance (Under) / Over	% Variance to current budget	January Variance (Under) / Over	Change since January (better) / worse
	£m	£m	£m	£m	%	£m	£m
Environment and Place	6.699	9.608	10.667	1.059	11.0%	1.250	(0.191)
Customers, Org. Dev. And Resources	5.682	6.922	6.797	(0.125)	-1.8%	0.022	(0.147)
Adults and Housing Services	1.844	1.898	1.312	(0.586)	-30.9%	(0.315)	(0.271)
Public Health and Wellbeing	1.816	3.281	3.273	(0.008)	-0.2%	(0.134)	0.126
Comm. Dev. Assets and Inv.	0.076	1.190	0.320	(0.870)	-73.1%	(0.485)	(0.385)
Subtotal Directorates	16.117	22.899	22.369	(0.530)	-2.3%	0.338	(0.868)
Executive Matters	2.769	(0.186)	(0.041)	0.145	78.0%	(0.321)	0.466
Policy Contingency	3.487	(0.340)	(0.340)	0.000	0.0%	(0.133)	0.133
Total	22.373	22.373	21.988	(0.385)	-1.7%	(0.116)	(0.269)
FUNDING	(22.373)	(22.373)	(22.418)	(0.045)	0.0%	0.000	(0.045)
(Surplus)/Deficit	0.000	0.000	(0.430)	(0.430)		(0.116)	(0.314)

During the financial year Cherwell District Council have been in the process of decoupling from Oxfordshire County Council and restructuring the Authority, the above information is being reported in the 2021/22 structure and going forward this information will be reported against the new interim structure.

Table 2: Analysis of Year End Variance – March

Breakdown of Outturn	Outturn Variance	Over/ (Under) Spend	Mitigations	Savings Non- Delivery
	£m	£m	£m	£m
Environment and Place	1.059	0.729	(0.218)	0.548
Customers, Org. Dev. And Resources	(0.125)	(0.200)	(0.112)	0.187
Adults and Housing Services	(0.586)	(0.521)	(0.095)	0.030
Public Health and Wellbeing	(0.008)	0.085	(0.150)	0.057
Comm. Dev. Assets and Inv.	(0.870)	(0.749)	(0.173)	0.052
Subtotal Directorates	(0.530)	(0.656)	(0.748)	0.874
Executive Matters	0.145	0.145	0.000	0.000
Policy Contingency	0.000	0.000	0.000	0.000
Total	(0.385)	(0.511)	(0.748)	0.874

FUNDING	(0.045)	(0.045)	0.000	0.000
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(Surplus)/Deficit	(0.430)	(0.556)	(0.748)	0.874
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- 3.11 Of the £0.874m savings not delivered in 202021/2022, £0.573m of this is also not expected to be delivered in future years. To partly address the non-delivery of savings, £0.748m mitigations have been identified and are detailed below.

Environment and Place

Environmental Services - £0.088m identified as mitigation in relation to waste collection “gate fee” reductions, car park management fee reduction and a landscape post vacancy.

Growth & Economy have identified £0.050m of in year savings (£0.030m on vacancy and £0.020m on Recovery Prosperity Strategy).

Planning & Development have identified additional pre-planning advice income (£0.080m).

Customers, Organisational Development & Resources have identified £0.112m of in year savings in relation to recharging appropriate costs to CSN Resources (£0.056m), a reduction in payments for joint OCC staff (£0.016m) and training budget savings (£0.040m).

Adults and Housing Services - £0.095m identified as mitigation due to a restructure and staff retirement as well as the use of the Homelessness Prevention Reserve.

Public Health and Wellbeing - £0.150m identified as mitigation from benchmarking income from leisure contract, additional Sports Development Grant, OCC Self Isolation funding support and savings on project and initiative funding.

Commercial Development Assets & Investments - £0.173m identified as mitigation relating to rental income from the Eco Business Centre, staff savings and the Growth and Commercial Director vacancy.

- 3.12 The Council has incurred costs and lost income during 202021/2022 in relation to Covid-19 across all areas of the Council. However, there are some areas where there may be a prolonged change in behaviour. In particular lost income is forecast until the end of the financial year in car parking.
- 3.13 When the Council set its budget for 202021/2022 the likely financial impact of Covid-19 was taken into consideration and budget provisions were made accordingly. The policy contingency budget of (0.340m) includes funding for anticipated lost income and additional costs of Covid-19 in the 202021/2022 financial year. In addition, the Council received £0.720m in Covid-19 grant and has claimed £0.113m from the Sales, Fees and Charges compensation for the period to 30 June 2021. The forecast financial costs and loss of income associated with Covid-19 continue to be recorded and are shown in Table 3 as a memorandum item. These impacts are assumed within the overall forecast.

Table 3: Covid Impacts included in the 202021/2022 Outturn

Covid Costs 202021/2022	£m
Environment and Place	0.659
Customers, Org. Dev. And Resources	0.019
Adults and Housing Services	0.000
Public Health and Wellbeing	0.074
Comm. Dev. Assets and Inv.	1.969
Subtotal Directorates	2.721
Executive Matters	(0.833)
Policy Contingency	0.000
Total	1.888

Note: Executive Matters holds the General Covid funding received.

3.14 Report Details

Environment and Place

Environment and Place are reporting an overspend of £1.059m against a budget of £9.608m (11%). This overspend includes £0.729m base budget costs, £0.548m in savings non-delivery and (£0.218m) of mitigations detailed in table 2 above.

Environment and Waste	Environmental Services are reporting a variance of £1.143m for 202021/2022. This a direct result of continued pressure within Car Parks. There is a £1.111m reduction in car park income, (£0.598m of the deterioration is estimated to be due to the impact of COVID-19).
Variation £1.143m overspend	

Variance to
January's
forecast
(£0.016m)

The pressure within Waste and Recycling of £0.171m is a result of a number of factors. A reduction in income including from the delayed garden waste subscription service of £0.584m, this is partially offset by (£0.491m) saving in employee costs due to a non-recruitment to posts and a reduction in gate fee charges plus other small variances across the service of £0.078m.

The saving within Street Scene and Landscape Services of (£0.162m) is made up of (£0.044m) in employee costs as a result of a number of vacancies, (£0.025m) in contractor costs, (£0.092m) additional income from Street Scene Repairs and additional S106 contribution compared to budget.

There is a small overspend within Street Cleansing due to the under recovery of income of £0.023m

This outturn also includes return of budget to reserves in 2021/2022 to be released in 2022/2023 of which is £0.015m for Bicester Depot Redevelopment and £0.050m of the Country Parks Reserves. In addition a £0.026m Grant and £0.010m match funding for Heat Network Delivery Units to be carried forward in to 2022/2023.

Planning &
Development

Variation
(£0.155m)
underspend

The underspend is made up of (£0.075m) growth deal funding that was given up in 20/21 and (£0.080m) savings committed to mitigate Environment and Place overspend in the current year.

Challenging recruitment conditions have been temporarily overcome by using a combination of agency and consultancy resources.

Variance to
January's
forecast
(£0.076m)

Income surpassed the forecast and made it possible to deliver all savings.

The Local Plan reserve was topped up with (£0.142m) to fund the additional work needed in 2022/2023.

Growth &
Economy

Variation
£0.071m
overspend

Growth and Economy are reporting an overspend of £0.071m which is a (£0.099m) improvement on the previously reported forecast overspend of £0.170m.

The overall overspend is made up of £0.035m consultancy costs, £0.160m costs associated with the remediation works on the Town Centre House roof and £0.061m corporate costs for the Oxford to Cambridge ARC and annual Growth board contribution. Offsetting the overspends are (£0.055m) of staff savings, (£0.100m) cessation of

Variance to January's forecast (£0.099m)	to	the Kidlington Masterplan and (£0.030m) savings within the Recovery and Prosperity Strategy. These underspends have been managed in order to offset the non-delivery of saving proposals relating to officer recharges to capital and increased spend on repairs and maintenance as a consequence of Town Centre House.
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The improvement since the January forecast is due to identifying additional housing related income (£0.059m) and other minor variations.

Customers, Organisational Development and Resources

Customers, Organisational Development and Resources are reporting an underspend of (£0.125m) against a budget of £6.922m (1.8%). This underspend includes (£0.200m) base budget costs, savings non-delivery of £0.187m and mitigations of (£0.112m) detailed in table 2.

HR/IT/Comms/ Customer Services		An underspend of (£0.068m) in HR of which (£0.040m) has been offered up as a mitigation to the overall in year Council overspend and non-delivery of savings. A further (£0.028m) is made up of various minor underspends across the service
Variation (£0.160m) overspend		Customer Services and land charges are showing an underspend of (£0.112m) comprising (£0.050m) carry forward from 2021/2022, (£0.016m) due to IT costs being lower than estimates from 2020/2021 and (£0.046m) on various minor underspends across the service.
Variance to January's forecast (£0.167m)	to	

Comms Strategy & Insight are reporting a (£0.128m) underspend due to making in year savings as follows:

- 1) (£0.016m) further in year savings (mitigation to the overall in year overspend and non-delivery of savings for the Council).
- 2) (£0.094m) further savings due to a lower than budgeted costs for joint staff.
- 3) (£0.018m) lower than expected consultancy fees.

An overspend of £0.148m within IT is due to:

- 1) non delivery of savings of £0.103m
- 2) Small overspends across the service of £0.026m
- 3) COVID costs of £0.019m due to supplier shortages and associated rising costs

Finance		Minor variations against budget have been identified across the service.
Variation £0.035m overspend		

Variance to
January's
forecast
(£0.020m)

Adults and Housing Services

Adults and Housing Services are reporting an underspend of (£0.586m) against a budget of £1.898, (30.9%). This underspend includes (£0.521m) base budget costs, £0.030m in savings non-delivery and mitigations of (£0.095m) detailed in table 2 above.

Housing &
Social Care

Housing is reporting an underspend of (£0.586m) which is a (£0.271m) improvement on the previously reported of (£0.315m).

Variation
(£0.586m)
underspend

This change is due to the recognition of reimbursement from the Home Office for forward funded costs in relation to the Syrian Refugee Scheme of (£0.210m).

Variance to
January's
forecast
(£0.271m)

Within the last quarter the service received more income from HIA (Home Improvement Agency) fees of (£0.040m) than previously forecasted.

Contributing to the overall underspend is the application of Hardship grant to fund the Debt and Money Advice contract (£0.215m) and Homelessness Prevention Grant to fund the Connections Outreach contract (£0.050m).

Savings have also been achieved on salaries and mileage due to staff retirement and restructure (£0.031m) and finally the receipt of greater than budgeted Housing Benefit payments in relation to temporary accommodation (£0.040m).

Public Health & Wellbeing

Public Health & Wellbeing are reporting an underspend of (£0.008m) against a budget of £3.281m (0.2) %. This includes £0.085m within the base budget costs, £0.057m in savings non-delivery and mitigations totaling (£0.150m) detailed in table 2 above.

Wellbeing

Wellbeing is reporting an overspend of £0.006m which consists of additional utility costs of £0.942m for the leisure centres. Of which (£0.465m) of Policy Contingency was used to mitigate part of this, as well as a reduction of (£0.249m) of the Unitary Charge which gives a net position of £0.210m. Also contributing to the overspend is the under recovery of sport pitch income of £0.027m.

Variation
£0.006m

Variance to
January's
forecast
£0.140m

These are offset by savings on Parkwood's contract fees for Woodgreen Leisure centre (£0.050m) and additional income from the County Council of (£0.080m) for joint usage of the leisure centres and Cherwell Leisure of (£0.101m) profit share.

Healthy Place Shaping		Healthy Place Shaping are reporting an underspend of (£0.014m) which is as a result of savings on joint staff costs.
Variation (£0.014m)		
Variance to January's forecast (£0.014m)		

Commercial Development, Assets and Investments

The Directorate is reporting an underspend of (£0.870m) against a budget of £1.190m (73.1%). This forecast underspend includes (£0.749m) base budget costs, £0.052m in potential savings non-delivery and mitigations of (£0.173m) detailed in table 2 above.

Property		Castle Quay is underspent by (£0.251m) at year end. Overall, operational savings of (£0.476m) have mitigated the loss of commercial income and additional void costs of £0.224m resulting from empty units following construction delays ; plus loss of income from Lock29 due to additional government restrictions in 2021 following new Covid variant resulting in lower-than-expected footfall at the centre.
Variation (£0.782m) underspend		
Variance to January's forecast (£0.399m)		Property is reporting an underspend of (£0.530m) which is a £0.080m improvement on the previously reported underspend of (£0.450m). This variance is due to additional commercial income received than previously forecast for Pioneer Square. The overall underspend is made up of (£0.500m) commercial income and staff savings (£0.030m)

Procurement		Procurement are reporting a small underspend against budget.
Variation (£0.004m) underspend		
Variance to January's forecast (£0.000m)		

Law and Governance		There is a £0.083m pressure on income recovery, slightly offset by an underspend elsewhere in the service.
Variation £0.078m overspend		

Variance to January's forecast (£0.028m)	
Growth and Commercial	The underspend forecast is due to savings on a vacant post.
Variation (£0.048m) underspend	
Variance to January's forecast £0.000m	
Regulatory Services	Regulatory Services is reporting an underspend by (£0.114m) resulting from savings on staff costs due to vacant posts and reduced mileage (£0.108m) and more discretionary income than anticipated (£0.059m). This is offset by £0.053m forecast loss of licensing income due to the impact of Covid.
Variation (£0.114m) underspend	
Variance to January's forecast (£0.014m)	

Executive Matters

Executive Matters is overspent by £0.145m against the budget of (0.186m) 78.0%.

Interest	This surplus is made up of a savings of (£0.186m) due to lower interest rate on borrowings and (£0.027m) due to Interest adjustment S106 for 20/21
Variation (£0.215m) underspend	
Variance to last month's forecast £0.055m	
Corporate	The main variation within this area relates to £0.206m Pension costs being more than budgeted as well as earmarked reserves of £0.394m not being drawn down, reduction in grant monies of £0.158m which is mitigated by (£0.250m) surplus funds in relation to CSN Resources closedown, Sales Fees and Charges Income received (£0.113m) and small variations across the service that amount to (£0.035m).
Variation £0.360m overspend	
Variance to January's forecast £0.524m	

Policy Contingency

The movement in policy contingency is shown in the table below: -

Policy Contingency	Budget	Income Received	Notes
	3.486		
Inflation Contingency	-0.332		Used to fund pay award
Leisure Contract & Utilities	-0.465		Available to mitigate pressures in Leisure
Pension Fund & Redundancy	-0.250		
Commercial Income	-1.603		Budgeted contingency for commercial risks
New Burdens Funding	0.228		Additional income received by the government
VAT Interest	-0.066		Interest charge related to VAT Payments
Interim & Separation Costs	-0.100		
Bad Debt Provision	-0.411		See below
Windfall Income not recognised in previous years		-0.341	
Transfer to Projects reserve	-0.828		Unused contingency budget returned to reserves
	-0.341	-0.341	

The revised net income budget £0.341m has been delivered due to recognising income which had been received by the Council in recent years, but not recognised as income.

Following a review of aged debt, the Council's bad debt provision has been increased by £0.411m.

3.15 Earmarked Reserves and General Balances at March 2022

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

Reserves	Balance 1 April 2021	Original Budgeted use/ (contribution)	Changes agreed since budget setting	Changes - February & March 2022	Forecast Balance 31 March 2022
	£m	£m	£m	£m	£m
General Balance	(5.520)	0.000	0.000	0.000	(5.520)
Earmarked	(21.328)	(0.461)	(0.120)	(1.782)	(23.691)
Ringfenced Grant	(31.556)	22.073	4.869	(11.519)	(16.133)
Subtotal Revenue	(58.404)	21.612	4.749	(13.301)	(45.344)
Capital	(0.756)	0.000	0.000	0.050	(0.706)
Total	(59.160)	21.612	4.749	(13.251)	(46.050)

3.16 Government Grants

No additional grant funding received in March.

3.17 Capital

There is an in-year underspend of (£19.372m), of which £15.865m is to be reprofiled in future years. There is an overall forecast decrease in the total cost of schemes of (£3.489m).

Capital Spend 202021/2022

Directorate	Budget £m	Outturn 2021/22 £m	Re- profiled beyond 2021/22 £m	Variance to Budget £m	Prior Month Variance £m
Housing Total	4.975	4.301	0.299	(0.375)	(0.375)
Comm Dev Assets total	28.602	12.824	12.499	(3.280)	(1.000)
Customers, Org Dev & Resources Total	1.314	0.594	0.570	(0.133)	(0.074)
Environment and Place Total	9.308	6.912	2.240	(0.155)	(0.191)
Public Health Wellbeing Total	0.315	0.512	0.257	0.454	(0.004)
Total	44.514	25.143	15.865	(3.489)	(1.644)

3.18 Variances

Housing:

Housing have spent £1.700m on DFG at year end, funded from the Better Care Fund and £0.110m on discretionary grants funded from Council resource. Also, a total of £2.491m has been spent on Growth Deal Affordable Housing delivery, which is funded through a combination of Growth Deal grant from OCC and S106 commuted sums. The underspend of (£0.375m) of base budget is due to utilisation of the Better Care Fund in the first instance.

Commercial Development, Assets & Investments:

Property have spent £12.824m by year end. The variance of (£3.280m) mainly relates to Castle Quay Waterfront lease incentives and have been treated as a long-term debtors and payments for the incentives will be made over the lifetime of the leases.

Customers, Organisational Development & Resources:

ICT are reporting a (£0.072m) underspend overall. The bulk of this (£0.060m) is because the budgets in Customer Excellence & Digital transfer and Legacy I-world system migration are no longer required and can be returned.

Finance is reporting a (£0.061m) underspend mainly due to the Cashier finance project budget not being required due to direct award through the Procurement Portal in 2022/2023.

Environment and Place:

Growth and Economy have spent £4.704m at year end. There is an underspend of (£0.173m) mainly as a result of releasing capital budget for the Cropredy Shared Ownership property, which can be funded from a capital reserve if the need arose to repurchase the property. Offsetting the underspend is £0.078m of retention payments due to be paid to developers next year.

Environmental Services are reporting a spend of £2.208m across various capital schemes during 202021/2022. A reprofile of £1.237m is required in to 202022/2023.

Public Health & Wellbeing:

Wellbeing have spent £0.512m of which the majority of spend is on community projects wholly funded from approved S106 schemes. Although budget has not been allocated against the individual projects, approval to spend is gained through the S106 procedure regulations and has been assumed approved.

3.19 Re-profile beyond 202021/2022

Housing

£0.103m Discretionary grants - This budget supports a number of discretionary grants, all of which are reactive/demand led. Landlords Home Improvement Grants (which secure nomination-rights over improved private rented accommodation for otherwise homeless households) are responsible for the largest spend, but we are currently experiencing lower demand at this stage of the year than expected.

£0.196m unspent DFG to be reprofiled to continue to support the programme alongside future Better Care Fund allocations.

Commercial Development, Assets & Investments:

£7.565m Castle Quay - reprofiling of the budget beyond 2021/2022 is necessary because retention payments will be due following the 12-month defect period from September 2021. Also delays to the project caused by Brexit and reduced productivity to maintain social distancing and supply chain challenges have contributed to the delayed spend.

£0.100m Banbury Health Centre - refurbishment of ventilation, heating & cooling system. Engagement with the tenant was required, and due to pressures with the decarbonisation works the delivery of this project has been delayed.

£0.048m Housing & IT Asset system (joint with OCC) – work has begun on procuring and building the new IT system. Reprofiling of monies required to continue the project in 202022/2023.

£0.055m Horsefair, Banbury - Due to pressures with the Decarbonisation works the delivery of this project has been delayed.

£0.071m Bodicote House Fire Compliance - The scope is being reviewed to ascertain actual requirements. The delay is also linked to prioritisation of the delivery of the Public Sector Decarbonisation Scheme works.

£0.050m Corporate Asbestos Surveys - Final phase of works need to be carried out but due to the pressures with the decarbonisation works the delivery of this project has been delayed.

£0.122m Works from Compliance Surveys - due to pressures with the decarbonisation works, delivery of this project has been delayed.

£0.100m Feasibility of utilisation of proper space - Bodicote House plans are being considered due to complexities that have been identified in the project

£0.020m Community Centre Works - 3 remaining projects postponed to 2022/2023 due to weather as mainly roofing works

£0.210m Bicester East Community Centre - works on track. Reprofiled monies required in 2022/2023

£0.027m Bicester Dovecote – Main works completed in April 2022, still pending installation of the new electrical supply, due in July 2022

£0.035m Thorpe Place Roof Works - Due to pressures with the Decarbonisation works, delivery of this project has been delayed.

£0.127m H&S Works to Banbury Shopping Arcade - Due to pressures with the Decarbonisation works, delivery of this project has been delayed.

£0.077m Banbury Museum Pedestrian Bridge - Slight delay caused by decarbonisation works but works instructed for March 22 start (roofing works put back due to winter weather).

£0.156m Retained Land - works are being carried out in 2022/2023

£3.721m PSDS projects - All works have now been instructed and are on site and completion on the leisure centres due June 2022 with Salix approval

£0.015m Enable Agile Working - despite work commencing, the capital budget allocated specifically for the new equipment required to enable agile working has not been decided upon. Therefore, the funding will be required in 2022/2023.

Environment and Place:

Growth and Economy

£0.149m BUILD! Essential Repairs & Improvement (Town Centre Affordable Rent roof repairs) - A new structural engineer consultant has been appointed and further survey work is required to establish the specification for the tender documents.

£0.006m Phase 1b - Creampot Crescent Cropredy formally completed and sold under shared ownership but retention payments due to developer beginning of 2022/2023

£0.017m Phase 2 - Bullmarsh Close formally completed early May 2021 and therefore retention payment is due in May 2022.

£0.706m Phase 1b - Admiral Holland formally completed September 2020 and retention payment is due September 2022 (£0.061m). Bicester Library received planning consent at September's Planning Committee, as a result 97% of the budget has been reprofiled beyond 2021/2022. This will be continually reviewed in line with the project programme

£0.118m Fairway Flats Refurbishment - planning consent granted May 2022. Therefore, the main capital expenditure will happen when works commence in 2022/2023.

Environmental Services

£0.074m Car Park Refurbishments - Reprofile of this budget in to 2022/2023 is required due to delays as a result of covid-19, staffing and progression of pay on exit sites and additional sites slower than anticipated.

£0.018m Off Road Parking - Reprofile of this budget in to 2022/2023 is required due to delays as a result of covid, staffing and progression of pay on exit sites and additional sites slower than anticipated.

£0.502m Vehicle Replacement Programme - Reprofile of the remainder of this budget in to 2022/2023 is required to allow for further investigation into electric vehicles, decarbonisation of the fleet and correct infrastructure implemented. Events vehicle commitment delayed until 2022/2023 due to delivery lead times.

£0.015m Urban City Electrical Installations - Reprofile of the budget in to 2022/2023 is required due to delays with procurement process.

£0.018m On Street Recycling Bins - Reprofile of this budget is to allow for a review of current on street containers in urban centres and due to delivery lead times.

£0.158m Thorpe Lane Depot Capacity Enhancement - Due to delays of the food and garden waste roll out, slippage of this budget is required in to 2022/2023 to allow for further development of site requirements.

£0.024m Street Scene Fencing Street Furniture - Reprofile of this budget in to 2022/2023 is a consequence of ongoing lease and landowner issues.

£0.175m Car Park Action Plan Delivery - Reprofile of this budget in to 2022/2023 is required due to delays as a result of covid, staffing and progression of pay on exit sites and additional sites slower than anticipated.

£0.035m Depot Fuel System Renewal - Reprofile in to 2022/2023 is required due to delays with Bicester depot redevelopment.

£0.165m Burehyll - Bicester Country Park - Reprofile in to 2022/2023 is required due to delays in recruitment; halting progression and further development.

£0.053m Solar Panels at Castle Quay - Reprofile in to 2022/2023 is required due to resources being limited, the project is being led by the joint climate action team.

Customers, Org Dev & Resources:

£0.100m Project Manager for HR/Payroll system – required for HR system improvements, project expected to conclude end Q3 2022/2023

£0.050m 5 Year Rolling HW/SW Replacement Prog – required for hardware refresh, delayed due to Covid and council wide remote working. Anticipate refresh Q3 2022/2023

£0.020m Joint Performance System - required for further system enhancements, expected Q3 2022/2023

£0.162m IT Council Website & Digital Service – project anticipated to end Q3 2022/2023 in order to further enhance digital services

£0.238m IT Shared Services - the programme of work is to extend into 2022/2023 Financial Year. The supplier payments will be aligned with timeline.

Wellbeing:

£0.183m North Oxfordshire Academy Astro turf - The delivery of a new Astro turf pitch at North Oxfordshire Academy has been complicated by issues arising from securing appropriate and timely developer contributions. Officers are working closely with colleagues in planning to finalise the position and determine the most appropriate course of action and funding.

£0.029m Bicester Leisure Centre Extension - The majority of the spend will take place in 2022/2023.

£0.045m Corporate Booking System - Approval has been given by S151 Officer to repurpose the capital budget for future funding of Longford Park public art works in 2022/2023.

4.0 Conclusion and Reasons for Recommendations

This report provides an update on progress made during January 2022, to deliver the Council's priorities through reporting on Performance, Leadership Risk Register and providing an update on the Financial Position. The Council is committed to performance, risk and budget management and reviews progress against its corporate priorities on a monthly basis. Executive is recommended to agree a change in the use of reserves in accordance with the Council's Reserves Policy and to agree the revised Con29 Fee for 2022/23 as set by Oxfordshire County Council.

5.0 Consultation

5.1 This report sets out performance, risk, and budgetary information for end of the financial year 2021/22 and as such no formal consultation on the content or recommendations is required.

6.0 Alternative Options and Reasons for Rejection

6.1 The following alternative options have been identified and rejected for the reasons as set out below.

Option 1: This report illustrates the Council's performance against the 2021-22 Business Plan. Regarding the monitoring aspects of the report, no further options have been considered. However, members may wish to request that officers provide additional information. Regarding the recommendation to approve changes in use of reserves, members could choose not to reject the change of use, however, the request is in accordance with the council's Reserves Policy and within existing budgets. If members chose not to agree to the changes in transfers to reserves, then this would mean resource would need to be found for these projects separately in future years.

7.0 Implications

Financial and Resource Implications

- 7.1 Financial and Resource implications - Are detailed within section 3.9 to 3.19 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 Legal Implications –There are no legal implications from this report.

Comments checked by:

Shahin Ismail, Interim Assistant Director Law and
Governance, Shahin.Ismail@cherwell-dc.gov.uk

Risk Implications

- 7.3 Risk Implications - This report contains a full update with regards to the Council's risk position at the end of March 2022.

Comments checked by:

Celia Prado-Teeling, Interim Assistant Director - Customer Focus, Tel: 01295
221556
Celia.prado-teeling@cherwell-dc.gov.uk

Equalities and Inclusion Implications

- 7.4 Equalities and Inclusion Implications - The report must show how “in planning, delivering, monitoring and evaluating our work, equality and diversity issues are appropriately considered from the outset”. New proposals must be screened for relevance against our statutory duties to promote equality and where relevant an impact assessment.

Comments checked by:

Celia Prado-Teeling, Interim Assistant Director - Customer Focus, Tel: 01295
221556 Celia.prado-teeling@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 This report supports all Corporate Priorities

Lead Councillor

Councillor Adam Nell – Portfolio Holder For Finance

Document Information**Appendix number and title**

- Appendix 1 – Leadership Risk Register March 2022

Background papers

None

Report Author and contact details

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