

Cherwell District Council

Executive

5 December 2022

Monthly Performance, Risk and Finance Monitoring Report October 2022

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

This report is public

Purpose of report

To update the Executive on the Council's Performance, Risk and Finance positions as at the end of October 2022.

1.0 Recommendations

The meeting is recommended to:

- 1.1 Note the Performance, Risk and Finance Monitoring Report for October 2022.

2.0 Introduction

- 2.1 The Council actively and regularly monitors its performance, risk and budget positions to ensure it can deliver its corporate priorities and key services to residents but also respond effectively to new issues arising in the district.
- 2.2 The Council does this on a monthly basis so it can identify potential issues at the earliest opportunity and put measures in place for mitigating and addressing them.
- 2.3 The Council produces a single report that summaries its budget, risk and performance positions given the implications and interdependencies between them and this is the summary for October.

3.0 Report Details

3.1 This report is split into three sections:

- Finance – to present the year-end forecast position for 2022/2023

- Performance – to provide a summary of the council's progress towards its priorities
- Risk – to highlight any significant risks to progress and service delivery

3.2 There are eight appendices to this report:

- Appendix 1 – Finance Capital October 2022
- Appendix 2 – Forecast Detailed Revenue Narrative October 2022
- Appendix 3 – Virements October 2022
- Appendix 4 – Funding October 2022
- Appendix 5 – Use of reserves and grant funding October 2022
- Appendix 6 – 2022/23 Business Plan
- Appendix 7 – Monthly Performance October 2022
- Appendix 8 – Leadership Risk Register October 2022

4.0 Finance Update

4.1 The Council's forecast position for 2022/2023 is an overspend of £0.969m shown in Table 1. The majority of the forecast overspend is due to the continued impacts of the Covid-19 pandemic resulting in forecast losses of car parking income and also relating to the cost-of-living crisis linked to increasing fuel and energy costs along with decoupling costs from Oxfordshire County Council.

Report Details

Table 1: Forecast Year End Position

Service	Original Budget £m	Current Budget £m	Forecast October 2022 £m	October Variance (Under) / Over £m	% Variance to current budget %	September Variance (Under) / Over £m	Change since Previous (better) / worse £m
HR & OD	0.822	0.855	0.855	0.000	0.0%	0.000	0.000
Wellbeing & Housing	3.339	4.173	4.453	0.280	6.7%	0.160	0.120
Customer Focus	1.606	1.853	1.988	0.135	7.3%	0.175	(0.040)
Chief Executive	5.767	6.881	7.296	0.415	6.0%	0.335	0.080
Finance	2.850	3.220	3.306	0.086	2.7%	0.087	(0.001)
Legal & Democratic	1.709	1.887	1.997	0.110	5.8%	0.058	0.052
ICT	1.235	1.253	1.467	0.214	17.1%	0.214	0.000
Property	(3.196)	(1.172)	(1.331)	(0.159)	13.6%	(0.179)	0.020
Resources	2.598	5.188	5.439	0.251	4.8%	0.180	0.071
Planning & Development	1.752	2.147	2.113	(0.034)	-1.6%	(0.027)	(0.007)
Growth & Economy	0.336	1.156	1.146	(0.010)	-0.9%	0.035	(0.045)

Environmental	4.057	4.662	5.314	0.652	14.0%	0.237	0.415
Regulatory	1.112	1.286	1.306	0.020	1.6%	0.000	0.020
Communities	7.257	9.251	9.879	0.628	6.8%	0.245	0.383
Subtotal for Directorates	15.622	21.320	22.614	1.294	6.1%	0.760	0.534
Executive Matters	4.316	0.135	0.142	0.007	-5.2%	0.209	(0.202)
Policy Contingency	3.554	2.037	1.706	(0.332)	-16.3%	(0.332)	0.000
Total	23.492	23.492	24.462	0.969	4.1%	(0.123)	(0.202)

FUNDING	(23.492)	(23.492)	(23.492)	0.000	0.0%	0.000	0.000
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(Surplus)/Deficit	0.000	0.000	0.969	0.969	0.637	0.332
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Note: A positive variance is an overspend or under recovery of income and a negative is an underspend or over recovery of income. Green represents an improvement and red represents a decline compared to the previous month's forecast.

Table 2: Analysis of Forecast Variance – October 2022

Breakdown of current month forecast	Forecast Variance	Forecast Base Budget Over/ (Under)	Savings Non-Delivery
	£m	£m	£m
Chief Executive	0.415	0.354	0.061
Resources	0.251	0.028	0.223
Communities	0.628	0.237	0.391
Subtotal Directorates	1.294	0.619	0.675
Executive Matters	0.007	0.007	0.000
Policy Contingency	(0.332)	(0.332)	0.000
Total	0.969	0.294	0.675

FUNDING	0.000	0.000	0.000
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(Surplus)/Deficit	0.969	0.294	0.675
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Table 3 – Budget compared with Forecast

The graph below shows the Forecast for October and September compared to budget for the financial year.

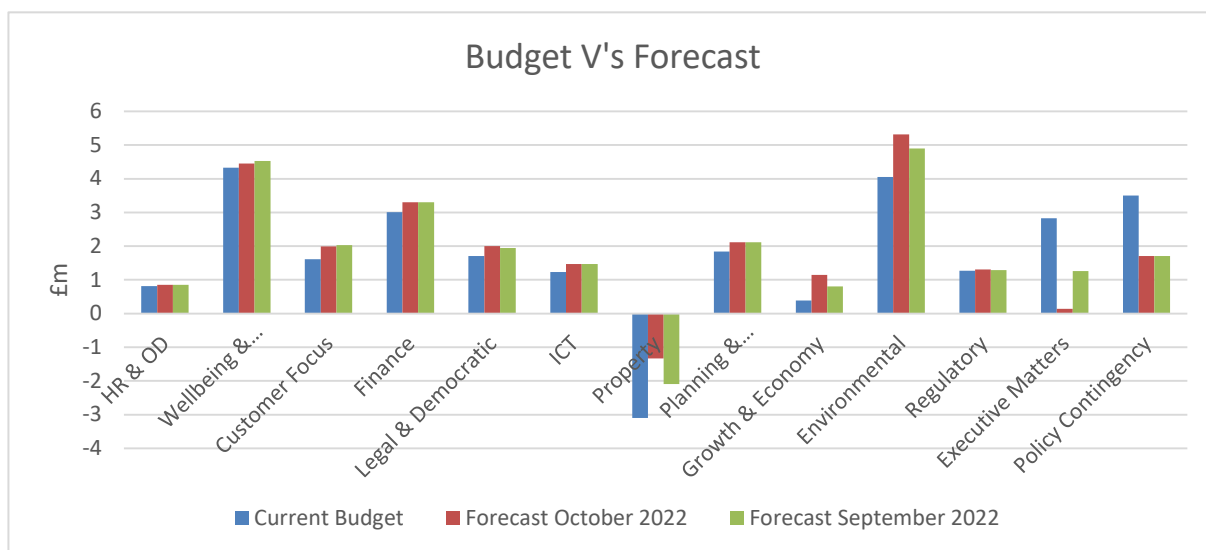


Table 4: Top Five Major Variances:

Portfolio	Current Budget	Variance	% Variance
Car Parks	(0.949)	0.364	-38.4%
Waste & Recycling	2.940	0.268	9.1%
Leisure	0.160	0.285	178.1%
Performance	0.197	0.189	95.9%
Legal	1.887	0.110	5.8%
Total	4.235	1.216	

Car Parks: -

This is largely due to the continued pressure within Car Parks of £0.364m. There is a £0.280m reduction anticipated in car park income largely due to reduced demand. Other variances across the service totalling £0.084m is due to an increase in premises costs and the delay to implement the new car park management contract.

Waste & Recycling: -

The forecasted pressure of £0.268m within Waste and Recycling is as a result of multiple factors.

This is largely due to a pressure of £0.218m in employee costs due to increased use of agency staff for backfilling vacant posts and several long-term sick. A net increase of £0.081m in additional transports costs largely fuel of £0.121m is partially offset by savings of (£0.040m) on vehicle maintenance and mileage. An increase of £0.086m on gate fees for glass recycling & food waste being a higher rate per tonne than originally budgeted.

However additional income of (£0.314m) due to the higher than anticipated take up of garden waste subscriptions offsets under recovery on credits, sale of materials, bulky waste collections and sale of trade sacks resulting in a net (£0.161m). This forecast is all made up of other minor variances across Waste and Recycling totalling £0.044m.

Leisure: -

The overspend has increased this month and can be attributed to the continuing higher utility costs and an existing pressure in our affordable rent stock moved to the Housing service for future operational effectiveness and oversight.

Performance: -

In the last month Customer Focus has managed to reduce the overspend predicted at year end by £0.040m through holding on to vacancies and reducing its costs to external suppliers. It is now predicting a year-end overspend of £0.135m which is largely from the costs of establishing a new service to support and enable the Council to achieve its business plan aims, following the decoupling from OCC.

Legal: -

Law and Governance are forecasting an overspend of £0.110m. The costs within District Elections are £0.018m over budget and the remaining £0.040m is primarily as a result of staff costs within Democratic Process because extra resources are now required. The remaining overspend is as a result of additional costs incurred within Information Governance staffing as a result of decoupling.

Policy Contingency

Policy Contingency is planned to meet affordable housing, commercial pressures, separation costs and inflation. There is a currently projected release of (£0.332m) for inflation to partially mitigate some of the inflationary costs that the Council is experiencing.

Table 5 - Earmarked Reserves and General Balances at October 2022

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

	Balance 1 April 2022	Original Budgeted use/ (contribution)	Changes agreed since budget setting	Changes proposed October 2022	Forecast Balance 31 March 2023
	£m	£m	£m	£m	£m
General Balance	(5.950)	(0.500)	0.000	0.000	(6.450)
Earmarked	(23.691)	2.262	(0.678)	0.000	(22.107)
Ringfenced Grant	(16.215)	11.205	1.141	0.000	(3.869)
Subtotal Revenue	(45.856)	12.967	0.463	0.000	(32.426)
Capital	(8.049)	0.000	0.000	0.000	(8.049)
Total	(53.905)	12.967	0.463	0.000	(40.475)

For further detail on the reserves please see Appendix 5.

4.2 Capital

There is a forecast in-year underspend of (£7.481m), of which £5.998m is to be reprofiled in future years. There is an overall forecast decrease in the total cost of schemes of (£1.483m).

Table 7 - Capital Spend 2022/2023

Directorate	Budget £m	Outturn 2022/23 £m	Re- profiled beyond 2022/23 £m	Variance to Budget £m	Prior Month Variance to Budget £m
Chief Executives	4.445	2.826	1.617	(0.002)	(0.002)
Resources	12.992	9.831	2.299	(0.862)	(0.877)
Communities	7.665	4.964	2.082	(0.619)	0.020
Total	25.102	17.621	5.998	(1.483)	(0.859)

Table 7 – How the Capital Programme is financed

Financing	22/23 Budget	Future Years
Borrowing	17.007	9.312
Reserves	1.200	0
External Financing - Capital Grants and S106	6.895	0
	25.102	9.312

Table 8 – Total Capital Project Forecast

There is a total capital project forecast for the council of £34.414m resulting in an underspend of (£1.498m).

Directorate	Budget £m	Total Outturn 2022/23 £m	Variance to Budget £m	Prior Month Variance to Budget £m
Chief Executives	5.165	5.163	(0.002)	(0.002)
Resources	12.992	12.115	(0.877)	(0.877)
Communities	16.257	15.638	(0.619)	0.020
Total	34.414	32.916	(1.498)	(0.859)

For further detail please view appendix 1 Finance Capital October 2022.

Table 9 - Top Five in Year Capital Variances: -

Code	Assistant Director	Top 5 In-Year Variances	Budget Total £'000	Reprofile to 23/24 £'000
40131	Nicola Riley	S106 Capital Costs	1,744	1,310
40144	Andrew Low	Castle Quay	3,257	1,052
40262	Andrew Low/Nicola Riley	Affordable Housing	1,200	800
40028	Ed Potter	Vehicle Replacement Programme	1,166	566
40239	Andrew Low	Bicester East Community Centre	1,450	500
			8,817	4,228

S106 Capital : -

£0.480m Adderbury PC Milton Rd community Facility & Sport Pitch project -will now be delivered in 2023/24,

£0.215k Ambrosden Community facility project - still on track to be delivered this year

£0.030m Banbury indoor tennis centre - will now be delivered in 2023/24

£0.360m artificial pitch at NOA - will now be delivered in 2023/24

£0.014m Spiceball leisure centre - will now be delivered in 2023/24,

£0.050m Bicester leisure Centre - will now be delivered in 2023/24,

£0.100m Woodgreen leisure centre - is still on track to be delivered this year,

£0.020m Kidlington leisure centre improvements - will now be delivered in 2023/24

£0.110m Horley Cricket club pavilion project - will now be delivered in 2023/24,

£0.052m Graven Hill sport project - will now be delivered in 2023/24,

£0.035m Improvement to Bloxham recreation ground - still on track to be delivered this year,

£0.060m Whitelands Sports ground improvements - still on track to be delivered this year,

£0.010m Launton Playing field association - still on track to be delivered this year

£0.014m Ardley & Fewcott village hall project - still on track to be delivered this year,

£0.020m Grimsby Community Centre - will now be delivered in 2023/24,

£0.174m Hanwell Fields Community centre projects - will now be delivered in 2023/24.

Castle Quay: -

A number of Capital Projects are being reviewed to ensure they meet the strategic direction for Castle Quay and remain relevant to meet the challenges of the changing retail market. This has resulted in reprofiling a number of projects that will be delivered in 2023/2024.

Affordable Housing: -

We have received the design costs from the consultant which is due to be instructed in the 2nd week of November 2022.

Vehicle Replacement Programme: -

£0.566m is required to be slipped in to 2023/24 due to supply chain issues and availability of electric vehicles.

Bicester East Community Centre: -

Preparing final design. Planning application submitted mid-August. Working with the tenant on their design requirements to ensure smooth transition into the new premises. £0.500m slippage as works will not be on site until the end of Q4 2022/2023 for a 9-month project completion in Q4 2023/2024.

5.0 Performance Summary

- 5.1 The Council reports monthly on its performance against 16 Business Plan Measures, 33 measures quarterly and 35 every six months. Full details, including commentary against each measure can be found in Appendix 7.
- 5.2 During October 2022, from a total of 16 measures, 12 reported Green, two Amber (slightly behind the target - worse than target by up to 10%) and two Red (off target - worse than target by more than 10%).

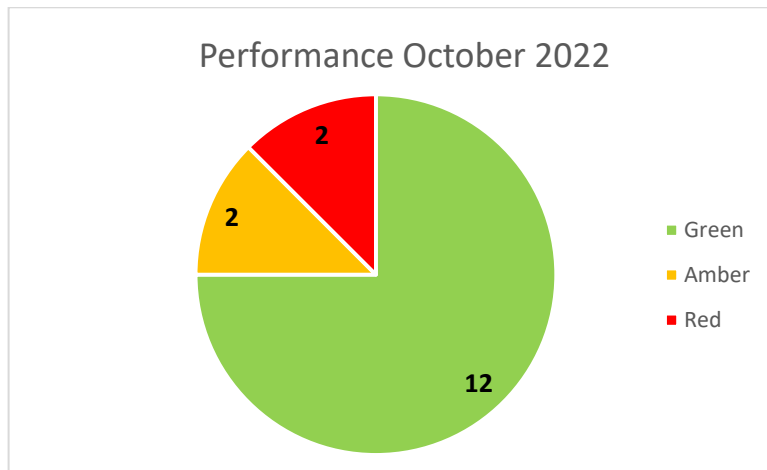


Figure 1: Performance Summary October 2022, out of the 16 measures: 12 Green, 2 Amber and 2

5.3 Performance Exceptions

Number of Homeless Households living in Temporary Accommodation (TA)

Priority: Housing that meets your needs

Service: Wellbeing and Housing Services

Assistant Director: Nicola Riley

Reporting Red for October and Green for Year to date (39 against a target of 35 – less is better).

Comments from service: The number of people in emergency and temporary accommodation has reduced this month in comparison with September. The team have worked, and continue to do so, with clients and providers to ensure more moves are achieved.

Mitigating Actions: The number of homelessness presentations is linked to many external factors out of our control. We are working with registered

Financial Year to date performance		
April (Green)	May (Green)	June (Green)
July (Green)	August (Green)	September (Red)
October (Red)	November	December
January	February	March

providers and anticipate that reducing the length of time homes stand empty before being re-let will not change materially over the next quarter.

Number of Housing Standards interventions

Priority: Housing that meets your needs

Service: Wellbeing and Housing Services

Assistant Director: Nicola Riley

Reporting Amber for October and Green for Year to date (52 against a target of 55).

Comments from service: Performance is slightly below target due to lower-than-expected number of incoming service requests. However, this does allow the team to focus more of their efforts on proactive enforcement work.

Mitigating Actions: This indicator is running ahead of target for the year to date, with 487 interventions so far (monthly average = 70). Therefore, no mitigations are required at this stage. Please note this measure is under review, as per the commentary, because it is entirely dependent on the number of requests received.

Financial Year to date performance		
April (Green)	May (Green)	June (Red)
July (Red)	August (Green)	September (Red)
October (Amber)	November	December
January	February	March

% of Business Rates collected, increasing NNDR Base

Priority: An Enterprising Economy with strong and vibrant local centres

Service: Finance – Revenues and Benefits

Assistant Director: Michael Furness

Reporting Red for October and Green for Year to date (8.14% against a target of 10.80%).

Comments from service: In-month collection rates were lower than target, however, the cumulative collection for 2022/23 is 67.37% which exceeded the year-to-date target of 67%

Mitigating Actions: Recovery action has continued throughout October with outbound calls taking place and issuing reminders and summonses to prompt payment when necessary.

Financial Year to date performance		
April (Amber)	May (Green)	June (Amber)
July (Green)	August (Red)	September (Green)
October (Red)	November	December
January	February	March

% of Waste Recycled and Composted

Priority: Supporting Environmental Sustainability

Service: Environmental Services

Assistant Director: Ed Potter

Reporting Amber for October and Year to date (53.3% against a target of 56%).

Comments from service: The recycling rate is currently down 3.2% and will mean an end of year recycling rate of 52%. The main reasons for this are: reduction in dry recycling caused by the cost-of-living crisis and recession, which is being reported nationally; and particularly dry spring and summer.

Financial Year to date performance		
April (Amber)	May (Green)	June (Green)
July (Amber)	August (Amber)	September (Amber)
October (Amber)	November	December
January	February	March

reducing the amount of garden waste collected year to date.

Mitigating Actions: On dry recycling we have limited control on tonnages recycled, we are always promoting, encouraging and providing guidance to our residents on recycling through news and events.

5.4 Performance Highlights

▪ **Housing that meets your needs**

- ✓ Homelessness and Domestic Abuse help – The number of people in emergency and temporary accommodation reduced during October in comparison with September. We continue offering support to prevent people needing to move out of their homes. We also, where relevant, help people move into alternative accommodation, provide them advice if they are victims of domestic abuse, and help them overcome problems paying the rent.
- ✓ Cost-of-living crisis – We are continuing our work to help our communities through the cost-of-living crisis. We know that many of our residents are affected by this, and our support includes helping them access grants, benefits and debt advice. We have launched a warm welcome scheme, which is a network of community venues willing to offer local residents an opportunity to meet others and stay warm. We've also made food vouchers available to 3542 residents who were in receipt of Housing benefit on 5th October. The Overview and Scrutiny Committee Food Insecurity Group meet regularly and will report back to the main committee at the end of November to enumerate the steps taken to support the Community food Network members and consequently residents who struggle to make ends meet



▪ **Support Environmental Sustainability**

- ✓ Recycle your electrics – During October we have been informing our residents about how to recycle electronic gadgets that are beyond repair, which can be left out for recycling in a carrier bag on top of any bin on people's normal collection day. The same goes for used batteries which residents can leave in a clear bag on top of the bins. The waste and recycling crew will store them in a cage on the side of their lorry on their rounds before returning them to the depot. We have been advising people not to leave batteries and electronics on top of their silver food waste caddies. The vehicles that collect food waste don't have the side cage and items left on top of silver caddies can slow our food waste crews down.
- ✓ What happens to waste collected from silver caddies? – It is taken to an anaerobic digester where it's broken down by bacteria. This process turns food waste into two valuable resources:
 - Bio-fertilisers that help our farmers enrich the UK's soils
 - Green electricity to power local homes and businesses, which could power a TV in every household in the district for 15 hours a week.



▪ **An enterprising economy with strong and vibrant local centres**

- ✓ Successful litter prosecution – A landowner in Banbury has been landed with a £10,000 bill after the council prosecuted his company for failing to keep the prominent town centre walkway tidy. Oxford Magistrates' Court heard our case on Friday 7 October. The owner pleaded guilty on his behalf to five offences and the magistrates ordered the company to pay fines and costs. The company was also fined £1,000 per offence for five breaches of community protection notices and needs to pay a £500 victim surcharge. Cherwell's street cleansing service covers publicly owned areas of Banbury town centre and empties bins on behalf of Banbury Town Council. But private landowners are in charge of emptying bins and clearing waste on their land. The council can step in and take action when this responsibility is not met.



- **Healthy, resilient and engaged communities**

- ✓ Success of continued partnership with British Cycling – We have a new British Cycling community developer based in our leisure and sport team. She will be working with local schools to help develop their resources and make cycling more accessible for children and young people. She is also delivering inclusive activities like Breeze Rides for women. Research shows that participation in cycling amongst women and people from minority ethnic backgrounds in cycling is not as high as it could be and one of the aims of our partnership with British Cycling is to help overcome the barriers to participation in the sport.
- ✓ Banbury Michaelmas Fair – The fair ran from 19th – 21st October and was declared officially open by our chairman Councillor Les Sibley and Banbury town mayor Councillor Jayne Strangwood. Ever year the fair counts on the support of our street scene team, who supports road closures and the set-up of the fair; and our street cleansing team who clean up overnight, leaving the town centre spotless by the Saturday morning.



6.0 Risk Update

- 6.1 The Council maintains a Leadership Risk Register. This document contains strategic risks that are significant in size and duration and will 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 latest available version of the risk register at the date this report is published, is included in this report.
- 6.2 The heat map shows the overall position of all risks contained within the Leadership Risk Register for October 2022.

Risk Scorecard – Residual Risks

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

Figure 2: Risk scorecard showing the risk scores in the Leadership Risk Register for October 2022.

- 6.3 The Leadership Risk Register has been thoroughly reviewed, including re-organisation of the numbering as a consequence of risks closed in the last 6 months, also, as part of the end of year review each risk has been reviewed throughout.
- 6.4 The Leadership Risk Register is reviewed by the Corporate Leadership Team as part of the monthly reporting process, but this is a live document that gets updated as and when required at any point during the month.
- 6.5 During October the Leadership Risk register had no score changes. Two risks have been now closed L17 Post Covid-19 Recovery and L18 Cessation of joint working between CDC and Oxfordshire County Council.

7.0 Conclusion and Reasons for Recommendations

This report provides an update on the Council's progress during October 2022, to deliver its priorities, manage its budget and identify and mitigate any risks that could impact on their delivery.

8.0 Consultation

This report sets out performance, risk, and budgetary information for the sixth month of this financial year and as such no formal consultation on the content or recommendations is required.

9.0 Alternative Options and Reasons for Rejection

- 9.1 This report illustrates the Council's performance, risk and budget positions for the month of October. These monthly reports ensure the council stays on track to deliver its priorities for the year by taking any corrective action at the earliest opportunity to address any issues. Therefore there is no alternative option.

However members can ask officers to provide additional information they would consider helpful for including into these standard reports.

10.0 Implications

Financial and Resource Implications

10.1 As detailed within section 4.0 to 4.2 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

10.2 There are no legal implications from this report.

Comments checked by:

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

Risk Implications

10.3 There are no risks arising from this report.

Comments checked by:

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

Equalities and Inclusion Implications

10.4 There are no direct equalities and inclusion implications as a consequence of this report.

Comments checked by:

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

11.0 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 Richard Mould – Portfolio Holder for Corporate Services

Councillor Adam Nell – Portfolio Holder for Finance

Document Information**Appendix number and title**

- Appendix 1 – Finance Capital October 2022
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Background papers

None

Report Author and contact details

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

Shona Ware, Assistant Director – Customer Focus

Shona.Ware@Cherwell-dc.gov.uk