

# **Cherwell District Council**

## **Executive**

**6 February 2023**

## **Monthly Performance, Risk and Finance Monitoring Report December 2022**

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

This report is public

#### **Purpose of report**

To update Executive on the council's performance, risk and financial positions for the period up to the end of December 2022.

#### **1.0 Recommendations**

The meeting is recommended:

- 1.1 To note the Performance, Risk and Finance Monitoring Report for December 2022.
- 1.2 To approve the return of £0.025m to the Country Parks Reserve as it is no longer required this financial year.
- 1.3 To approve the return of £0.023m of unspent Queens Jubilee Grant fund back to reserves.

#### **2.0 Introduction**

- 2.1 The council actively and regularly monitors its performance, risk and financial positions to ensure it can deliver its corporate priorities and key services for residents but also to respond effectively to emerging issues.
- 2.2 This takes place on a monthly basis to identify potential issues at the earliest opportunity and put measures in place for mitigating and addressing them.
- 2.3 The updates are summarised into a single report given the implications and interdependencies between them, and this is the summary for December.

### 3.0 Report Details

3.1 This report is split into three sections:

- Finance
- Performance
- Risk

3.2 The Finance section presents the year-end forecasts for the 2022/2023 financial year, based on actual income and expenditure figures up to the end of December.

3.3 The Performance section sets out the council's progress towards achieving its 2022-23 Business Plan (see Appendix 6) by reporting on the actions, projects and programmes for delivering against its strategic themes and priorities. It also sets out the measures we are taking to address performance exceptions, where measures are slightly behind target but within tolerance (10%), or outside of the agreed tolerance (more than 10% off target).

3.4 The Risk section highlights any risks within the council's Leadership Risk Register that have changed in the last month and the mitigating actions to address them. It also includes the latest risk scorecard of all the Leadership risks.

#### Finance Update

3.5 The council's forecast position for 2022/2023 has improved since November by (£0.156m) and it is now predicting an overspend of £0.141m as shown in Table 1 below. This is as a result of continued work within departments to find solutions to reduce the councils predicted overspend.

Finance report details

Table 1: Forecast Year End Position

Service	Original Budget	Current Budget	December Forecast	December Variance (Under) / Over	% Variance to current budget	November Variance (Under) / Over	Change since Previous (better) / worse
	£m	£m	£m	£m	%	£m	£m
HR & OD	0.822	0.852	0.852	0.000	0.0%	0.000	0.000
Wellbeing & Housing	3.339	4.27	4.430	0.160	3.7%	0.160	0.000
Customer Focus	1.606	1.848	2.008	0.160	8.7%	0.160	0.000
<b>Chief Executive</b>	<b>5.767</b>	<b>6.970</b>	<b>7.290</b>	<b>0.320</b>	<b>4.6%</b>	<b>0.320</b>	<b>0.000</b>
Finance	2.850	3.210	3.296	0.086	2.7%	0.086	0.000
Legal & Democratic	1.709	1.884	2.008	0.124	6.6%	0.110	0.014
ICT	1.235	1.251	1.415	0.164	13.1%	0.214	(0.050)
Property	(3.196)	(1.173)	(1.266)	(0.093)	7.9%	(0.159)	0.066

<b>Resources</b>	<b>2.598</b>	<b>5.172</b>	<b>5.453</b>	<b>0.281</b>	<b>5.4%</b>		<b>0.251</b>	<b>0.030</b>
Planning & Development	1.752	2.137	1.652	(0.485)	-22.7%		(0.345)	(0.140)
Growth & Economy	0.336	1.154	1.144	(0.010)	-0.9%		(0.010)	0.000
Environmental	4.057	4.647	5.407	0.760	16.3%		0.732	0.028
Regulatory	1.112	1.278	1.278	0.000	0.0%		0.020	(0.020)
<b>Communities</b>	<b>7.257</b>	<b>9.216</b>	<b>9.481</b>	<b>0.265</b>	<b>2.9%</b>		<b>0.397</b>	<b>(0.132)</b>
<b>Subtotal for Directorates</b>	<b>15.622</b>	<b>21.358</b>	<b>22.224</b>	<b>0.866</b>	<b>4.1%</b>		<b>0.968</b>	<b>(0.102)</b>
Executive Matters	4.316	0.034	(0.359)	(0.393)	-1155.9%		(0.339)	(0.054)
Policy Contingency	3.554	2.100	1.768	(0.332)	-15.8%		(0.332)	0.000
<b>Total</b>	<b>23.492</b>	<b>23.492</b>	<b>23.633</b>	<b>0.141</b>	<b>0.6%</b>		<b>(0.671)</b>	<b>(0.054)</b>
<b>FUNDING</b>	<b>(23.492)</b>	<b>(23.492)</b>	<b>(23.492)</b>	<b>0.000</b>	<b>0.0%</b>		<b>0.000</b>	<b>0.000</b>
<b>(Surplus)/Deficit</b>	<b>0.000</b>	<b>0.000</b>	<b>0.141</b>	<b>0.141</b>			<b>0.297</b>	<b>(0.156)</b>

**Note:** A positive variance is an overspend or a reduction in predicted income and a negative is an underspend or extra income received. Green represents an underspend and red represents a overspend for the current month's forecast.

Table 2: Analysis of Forecast Variance – December 2022

<b>Breakdown of current month forecast</b>	<b>Forecast Variance</b>	<b>Forecast Base Budget Over/ (Under)</b>	<b>Savings Non-Delivery</b>
	<b>£m</b>	<b>£m</b>	<b>£m</b>
Chief Executive	0.320	0.129	0.191
Resources	0.281	0.056	0.225
Communities	0.265	(0.052)	0.317
<b>Subtotal Directorates</b>	<b>0.866</b>	<b>0.133</b>	<b>0.733</b>
Executive Matters	(0.393)	(0.393)	0.000
Policy Contingency	(0.332)	(0.332)	0.000
<b>Total</b>	<b>0.141</b>	<b>(0.592)</b>	<b>0.733</b>
<b>FUNDING</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>
<b>(Surplus)/Deficit</b>	<b>0.141</b>	<b>(0.592)</b>	<b>0.733</b>

Table 3 – Budget compared with Forecast

The graph below shows the Forecast for December and November compared to budget for the financial year.

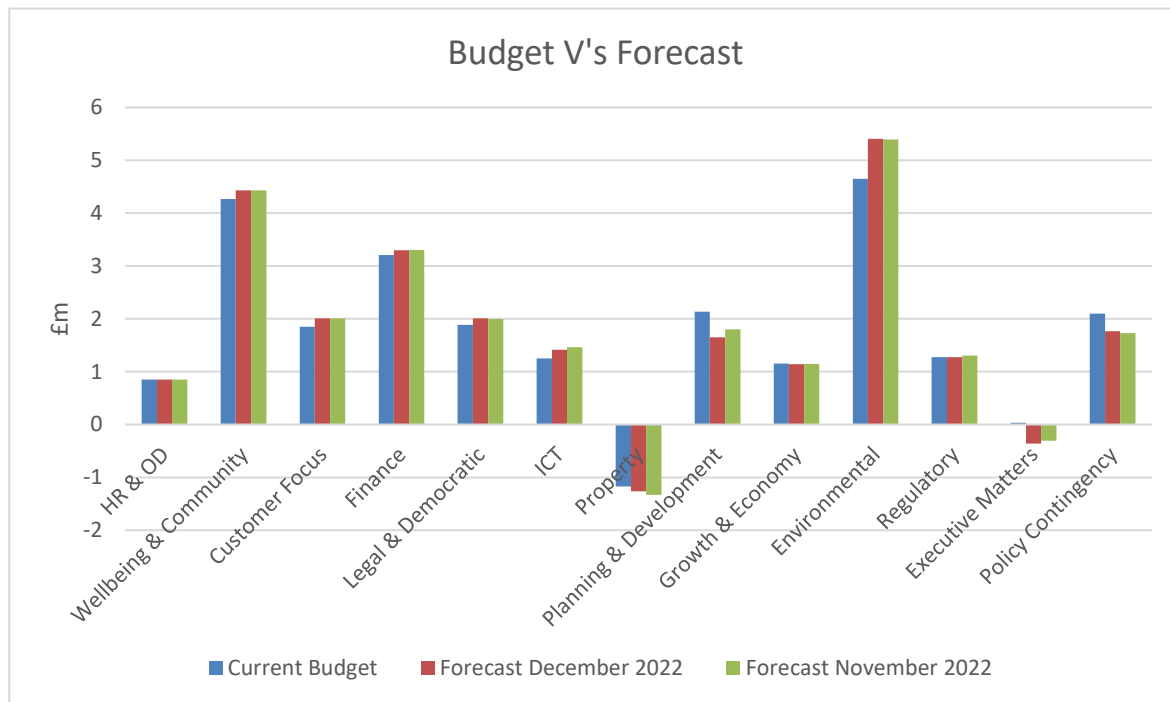


Table 4: Top Five Major Variances:

Portfolio	Current Budget	Variance	% Variance
Car Parks	(0.950)	0.332	-34.9%
Waste & Recycling	2.933	0.459	15.6%
Leisure	0.160	0.209	130.6%
Interest	(2.375)	(0.393)	16.5%
Development Management	0.268	(0.608)	-226.9%
<b>Total</b>	<b>0.036</b>	<b>(0.001)</b>	

The top 5 services are the same as last month although there is an overall improvement of £0.058m.

**Car Parks Variance £0.332m [November Variance £0.339m]: -**

The majority of the predicted £0.333m overspend is due to a drop in usage and consequently a loss of income of £0.280m. The service is monitoring closely the December figures and will report in February.

**Waste & Recycling variance £0.459m [November variance £0.380m (adjusted to be comparable)]: -**

The service is predicting additional income from garden waste and savings on vehicle maintenance and mileage but still expecting an overspend of £0.459m. The majority of this overspend is due to using more agency staff to cover staffing shortages – largely long term

sickness which the service is working with Human Resources on how to improve and increased recycling costs.

**Leisure Variance £0.209m [November Variance £0.209m]: -**

Higher costs for utilities and housing maintenance continue to put pressure on the service budgets but these overspends are at a stable level and not expected to increase significantly over the final quarter.

**Interest Variance (£0.393m) [November Variance (£0.339m)]: -**

Due to increased interest rates the council is anticipating higher than expected income of (£0.393m).

**Planning & Development Variance (£0.485m) [November Variance (£0.345m)]: -**

Planning and Development are presently forecasting a (£0.485m) underspend from generating additional income in Development Management.

**Policy Contingency Variance (£0.332m) [November Variance (£0.332m)]**

A release of inflation contingency of (£0.332m) will partially mitigate some of the inflationary costs the council is experiencing.

Table 5 - Earmarked Reserves and General Balances at December 2022

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

<b>Reserves</b>	<b>Balance 1 April 2022</b>	<b>Original Budgeted use/ (contribution)</b>	<b>Changes agreed since budget setting</b>	<b>Changes proposed December 2022</b>	<b>Forecast Balance 31 March 2023</b>
	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>
General Balance	(5.950)	(0.500)	0.000	0.000	(6.450)
Earmarked	(23.691)	2.262	(0.678)	(0.048)	(22.155)
Ringfenced Grant	(16.215)	11.205	1.141	0.000	(3.869)
<b>Subtotal Revenue</b>	<b>(45.856)</b>	<b>12.967</b>	<b>0.463</b>	<b>(0.048)</b>	<b>(32.474)</b>
Capital	(8.049)	0.000	0.000	0.000	(8.049)
<b>Total</b>	<b>(53.905)</b>	<b>12.967</b>	<b>0.463</b>	<b>(0.048)</b>	<b>(40.523)</b>

For details of proposed changes to reserves please see appendix 5.

**Capital**

3.6 An underspend of (£9.036m) is currently forecast, of which £7.555m is to be reprofiled in future years. This represents an overall decrease in the total cost of schemes of (£1.481m) due to a number of schemes no longer going ahead.

**Table 6 - 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
<b>Chief Executives</b>	4.445	2.826	1.617	(0.002)	(0.002)
<b>Resources</b>	15.416	8.753	5.167	(1.495)	(1.517)
<b>Communities</b>	5.241	4.486	0.771	0.016	0.016
<b>Total</b>	<b>25.102</b>	<b>16.065</b>	<b>7.555</b>	<b>(1.481)</b>	<b>(1.503)</b>

**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
	<b>25.102</b>	<b>9.312</b>

**Table 8 – Total Capital Project Forecast**

3.7 There is a total capital project forecast for the council of £32.883m resulting in an underspend of (£1.497m).

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	15.383	13.871	(1.511)	(1.532)
Communities	13.833	13.849	0.016	0.016
<b>Total</b>	<b>34.381</b>	<b>32.883</b>	<b>(1.497)</b>	<b>(1.518)</b>

For further detail please view appendix 1 Finance Capital December 2022

**Table 9 - Top Five in Year Capital Variances: -**

<b>Code</b>	<b>Assistant Director</b>	<b>Top 5 In-Year Variances</b>	<b>Budget Total £'000</b>	<b>Reprofile to 23/24 £'000</b>
40131	Nicola Riley	S106 Capital Costs	1,744	1,310
40239	Andrew Low	Bicester East Community Centre	1,450	1,250
40262	Andrew Low/Nicola Riley	Affordable Housing	1,200	1,100
40144	Andrew Low	Castle Quay	3,257	1,052
40028	Ed Potter	Vehicle Replacement Programme	1,166	566
			<b>8,817</b>	<b>5,278</b>

The top five variances remain the same as last month however a further £0.750m has been reprofiled into 2023/24, further details below.

**S106 Capital : -**

Of the 16 projects being funded through S106, 10 totalling £1.310m will now be delivered in 2023/24. We expect the remaining six projects totalling £0.434m to still be delivered in 2022/23.

**Bicester East Community Centre: -**

We are expecting tender submissions back in February 2023 and to start on site in Q1 23/24. The project is expected to take up to a year, therefore there will be a £1.25m slippage.

**Affordable Housing: -**

We have engaged design professionals to prepare the specification of works which are required to effect both the repair to the roof and the reinstatement of the living accommodation, which has been affected by the invasive investigative works which we have undertaken. It is anticipated we will be in a position to start the tender process in February 2023 with the aim being to complete the required works within the next 12 – 18 months.

**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.

**Vehicle Replacement Programme: -**

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

## Performance Summary

- 3.8 The council reports its performance against 16 Business Plan Measures monthly, 17 quarterly and two every six months. For the full details and commentary against each measure see Appendix 7.
- 3.9 During December 2022, of the 33 measures (16 monthly and 17 quarterly), 26 were rated green, two amber and four red. There is also one measure where the data will not be available at the moment (BP 1.2.13 Net Additional Housing Completions – Quarterly) a consolidated update will be published at the end of Quarter 4.

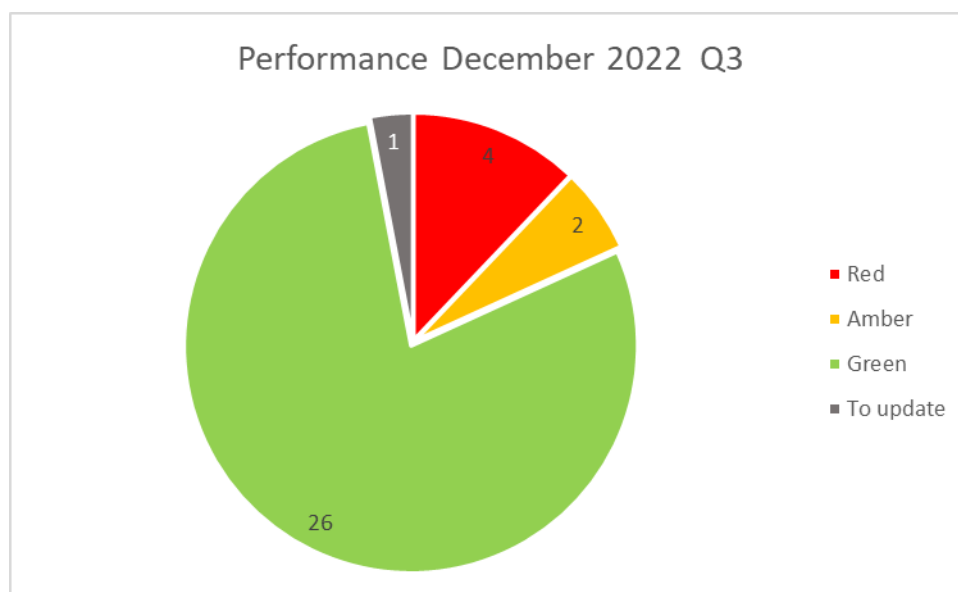


Figure 1: Performance Summary December 2022, 26 measures Green, 2 Amber, 2 Red and 1 to update (mid-January).

### 3.10 Performance Exceptions

#### Homelessness Prevention

**Priority:** Housing that meets your needs

**Service:** Wellbeing and Housing Services

**Assistant Director:** Nicola Riley

Reported Amber for December and Green for Year to date (slightly behind schedule).

**Comments from service:** The Housing Team continues to offer advice and support to clients, as early as possible and ahead of any statutory duties being imposed, to prevent risk of homelessness at the earliest opportunity; however, even with early intervention it is increasingly challenging to resolve the housing situation. Oxfordshire is one of the most expensive areas of the country to live in. Rents, in the private sector, are unaffordable to people on low wages or benefits, and rates of Local Housing Allowances do not cover the amounts landlords in this area can charge. Many landlords and agents will only consider tenants with perfect tenancy-credit history, full employment, and often require guarantors. Many clients can't meet these criteria so securing private rented housing is not a realistic option for them. A further issue is that the demand for social housing far outstrips supply, and waiting times are increasing, on the Housing Register. Housing Register and waiting lists will not provide a quick solution. Given the current economic climate and housing

crisis, it is likely that numbers for emergency assistance will increase, and our ability to prevent homelessness, therefore, continues to be challenging.

**Mitigating Actions:** The Housing Team is working hard to develop initiatives to ensure and provide the service it can; this includes additional triaging of cases, managing expectations of clients and support-workers, and acting as early as possible. We have increased resources, in the Allocations Team, to ensure clients with the most complex housing needs receive bespoke advice and assistance.

### **Number of Homeless Households living in Temporary Accommodation (TA)**

**Priority:** Housing that meets your needs

**Service:** Wellbeing and Housing Services

**Assistant Director:** Nicola Riley

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

**Comments from service:** Due to continued increase in clients approaching in crisis and delays in moving clients to permanent accommodation offers, numbers in temporary accommodation are increasing.

**Mitigating Actions:** We secured five more placements for temporary accommodation to meet the specific needs of survivors of domestic abuse, and other vulnerable women recognising that demand in this area is increasing.

### **Number of Affordable homes delivered including CDC and Growth Deal Targets**

**Priority:** Housing that meets your needs

**Service:** Wellbeing and Housing Services

**Assistant Director:** Nicola Riley

Reported Red for December and Green for Year to date (8 against a target of 12).

**Comments from service:** Four Shared-Ownership homes and four Affordable homes for Rent were delivered. This is below target, but December was a quieter month for developers, in terms of delivery. However, delivery for year-to-date figures is green, and delivering ahead of target (of 120 against a target of 108).

**Mitigating Actions:** we expect to reach our year-end target.

### **% of Waste Recycled and Composted**

**Priority:** Supporting Environmental Sustainability

**Service:** Environmental Services

**Assistant Director:** Ed Potter

Reported Red for December and Amber for Year to date (49% against a target of 56%).

**Comments from service:** Recycling rate for the year to date is at 2% below the set target, due to the cost of living reducing the number of products residents buy and a very hot summer, which resulted in less garden waste produced.

**Mitigation Actions:** This is a national trend and, although Cherwell will do better than most other authorities, our 56% target will be difficult to achieve.

### **% of Building Regulations Applications acknowledged to within 3 working days of deposit (Quarterly)**

**Priority:** An Enterprising Economy with Strong and Vibrant Local Centres

**Service:** Planning and Development

**Assistant Director:** David Peckford

Reported Red for December and Amber for Year to date (80.17% against a target of 90% – more is better).

**Comments from service:** For Q3, 2022/23, we achieved 97/121 acknowledgements within 3 days of receipt which is 80%, against a target of 90%. This shortfall has been due to temporary shortages of resource, compounded by the number of applications received. Previous quarters recorded 82% and 88% making overall average (to date) 83% against the aspirational target of 90%.

### **Improve Leisure & Community Facilities (Quarterly)**

**Priority:** Healthy, Resilient and Engaged Communities

**Service:** Wellbeing and Housing Services

**Assistant Director:** Nicola Riley

Reported Amber for December and Year to date (slightly behind schedule).

**Comments from service:** Outdoor pool remedial works took place to enable it to open later in the year and we are expecting pool covers to be installed in Q4.

**Mitigating Actions:** Proposals were put forward for the modernisation of the swimming pool changing rooms, later in the year at Woodgreen's. We installed a new steam room at Bicester Leisure Centre this quarter to complement the centre's other health suite facilities. Similarly, at Kidlington Leisure Centre, we modernised one of the 'accessible' changing facilities.

## **3.11 Performance Highlights**

- Human Resources - Reduced the council's turnover from over 6% at the start of this year to 2.66% in December
- Finance - Identified over £150,000 of savings to improve the year-end outturn position for the second consecutive month running
- IT - Secured £20,000 of external funding for work needed to inform our emerging IT strategies
- Building control - Launched an online booking system for building control inspections, enabling customers to book these directly through the LABC app on smart devices or through our customer service team. This should lead to improvements in customer satisfaction and the team's capacity to deliver.
- Housing - Increased our temporary housing supply by using funding given to us for supporting victims of domestic violence to fund some units specifically for those seeking refuge.
- Community safety - In partnership with the Police and Crime Commissioner, last year Cherwell was awarded funding from the Home Office Safer Streets Fund for schools educational programmes designed to tackle negative gender based perceptions and increase the confidence of young people to challenge inappropriate behaviour.

Evidence shows that promoting positive gender perceptions in young people can reduce violence and abuse for women and girls. Delivery of three programmes in participating schools around Banbury starting on January.

### Risk Update

- 3.12 The council’s Leadership Risk Register contains a list of the strategic risks that are both significant in size and duration and will impact on its reputation and performance, and its ability to deliver its corporate priorities.
- 3.13 The heat map below shows the overall position of all risks contained within the Leadership Risk Register for December 2022.

### Risk Scorecard – Residual Risks

		Probability				
		1 - Remote	2 - Unlikely	3 - Possible	4 - Probable	5 - Highly Probable
<b>Impact</b>	<b>5 - Catastrophic</b>			L08 (Amber)		
	<b>4 - Major</b>		L09 (Green)	L03-L04-L05- L06-L07- L11-L14 (Amber)	L01 (Red)	
	<b>3 - Moderate</b>		L10-L15 (Green)	L02-L12-L16 (Green)	L13 (Amber)	
	<b>2 - Minor</b>		L02- (Green)			
	<b>1 - Insignificant</b>					

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

- 3.14 The Corporate Leadership Team reviews the Risk Register as part of the monthly reporting process; however, this is a live document that gets updated as and when deemed necessary.
- 3.15 There were no score changes in the leadership risk register during December. Two risks have been proposed for closure (L15 Covid-19 Community and Customers and L16 Covid-19 Business Continuity).

## 6.0 Alternative Options and Reasons for Rejection

- 6.1 This report summarises the council’s performance, risk and financial positions up to the end of December, therefore there are no alternative options to consider. However, members may wish to request further information from officers or for inclusion.

## **7.0 Implications**

### **Financial and Resource Implications**

- 7.1 Financial and Resource implications are detailed within paragraphs 3.5 to 3.7 of this report.

Comments checked by:

Michael Furness, Assistant Director of Finance / Section 151 Officer,  
Tel: 01295 221845, [Michael.Furness@cherwell-dc.gov.uk](mailto:Michael.Furness@cherwell-dc.gov.uk)

### **Legal Implications**

- 7.2 There are no legal implications from this report.

Comments checked by:

Shahin Ismail, Interim Head of Legal Services,  
[Shahin.Ismail@cherwell-dc.gov.uk](mailto:Shahin.Ismail@cherwell-dc.gov.uk)

### **Risk Implications**

- 7.3 This report contains a full update with regards to the council's risk position at the end of December 2022.

Comments checked by:

Celia Prado-Teeling, Performance Team Leader, Tel: 01295 221556  
[Celia.prado-teeling@cherwell-dc.gov.uk](mailto:Celia.prado-teeling@cherwell-dc.gov.uk)

### **Equalities and Inclusion Implications**

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

Comments checked by:

Celia Prado-Teeling, Performance Team Leader, Tel: 01295 221556  
[Celia.prado-teeling@cherwell-dc.gov.uk](mailto:Celia.prado-teeling@cherwell-dc.gov.uk)

### **Sustainability Implications**

- 7.5 There are no direct sustainability implications as a consequence of this report.

Comments checked by:

Ed Potter, Assistant Director Environmental Services  
[Ed.Potter@cherwell-dc.gov.uk](mailto:Ed.Potter@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**

<https://www.cherwell.gov.uk/info/189/performance/934/business-plan-2022-to-2023>

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

**Background papers**

None

**Report Author and contact details**

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