

This report is public	
Performance, Risk and Finance Monitoring Report End of year 2023 - 2024	
Committee	Executive
Date of Committee	10 June 2024
Portfolio Holders presenting the report	Portfolio holder for Finance and Resources, Councilor Lesley McLean / Portfolio Holder for Corporate Services, Councillor Chris Brant
Date Portfolio Holders agreed report	28 May 2024
Report of	Assistant Director of Finance (Section 151 Officer), Michael Furness and Assistant Director – Customer Focus, Shona Ware

Purpose of report

To report to Executive the council's performance, risk, and financial positions at the end of the financial year 2023-2024.

1. Recommendations

The Executive resolves:

- 1.1 To consider and note the contents of the council's performance, risk and outturn for the financial year ended 31 March 2024.
- 1.2 To approve the use of reserve requests held within Appendix 5.
- 1.3 To note the reserves movements made under the S151's delegated powers as part of the audit of prior years' statement of accounts at Appendix 5.
- 1.4 To approve the reprofiled capital budget described in Appendix 1, including corresponding financing from capital reserves, and adjust the 2024/25 capital programme accordingly.
- 1.5 To note outturn for 2023/2024 which is a balanced position after a contribution to reserves of £4.461m.
- 1.6 To approve the use of £0.285m of the Commercial Risk element of Policy Contingency to mitigate the delay in forecast lettings for some properties within 2023/24.

2. Executive Summary

- 2.1 This report is split into three sections:
 - Finance
 - Performance
 - Risk

- 2.2 The Finance section presents the year-end outturn position for the 2023/2024 financial year. We are reporting a balanced position for revenue £0.000m after transferring £4.461m to reserves, a capital in-year underspend of (£15.749m) and a total capital project underspend across all years of the programme totalling (£0.354m).
- 2.3 The Performance section sets out how the council has performed against its priorities for 2023-24, which are set out in its Outcomes Framework.
- 2.4 The Risk section highlights the current risks within the council's Leadership Risk Register, reflecting the final position for 2023-24.

Implications & Impact Assessments

Implications	Commentary			
Finance	Financial and Resource implications are detailed within sections 4.1 and 4.2 of this report. The reserves policy requires Executive to agree transfers to and from earmarked reserves and general balances during the financial year. Michael Furness, Assistant Director of Finance, 08 May 2024			
Legal	There are no legal implications arising directly from this report. Shahin Ismail, Interim Head of Legal Services, 08 May 2024			
Risk Management	This report contains a full update with regards to the council's risk position at the end of 2023/24. Celia Prado-Teeling, Performance Team Leader, 08 May 2024			
Impact Assessments	Positive	Neutral	Negative	Commentary
Equality Impact		X		There are no direct equalities and inclusion implications as a consequence of this report. The report includes a summary on our performance against the Equalities, Diversity, and Inclusion Action plans 2023/24 Celia Prado-Teeling, Performance Team Leader, 08 May 2024
A Are there any aspects of the proposed decision, including how it is delivered or accessed, that could impact on inequality?		X		
B Will the proposed decision have an		X		

impact upon the lives of people with protected characteristics, including employees and service users?				
Climate & Environmental Impact		x		N/A
ICT & Digital Impact		x		N/A
Data Impact		x		N/A
Procurement & subsidy		x		N/A
Council Priorities	This report links to all council's priorities, as it summarises our progress against them during 2023/24			
Human Resources	N/A			
Property	N/A			
Consultation & Engagement	N/A			

Supporting Information

3. Background

- 3.1 The council actively and regularly monitors its performance, risk, and financial positions to ensure it can deliver its corporate priorities and respond effectively to emerging issues.
- 3.2 This monitoring takes place at least monthly for the finance element and quarterly for performance and risk, so the council can identify potential issues at the earliest opportunity and put measures in place to mitigate them.
- 3.3 These updates are consolidated into a single report given the implications and interdependencies between them, and this is the summary for the end of the financial year 2023-24.

4. Details

4.1 Finance Update

The council's outturn position for 2023/2024 is a balanced (£0.000m). This is subject to the agreement of the proposed transfers to reserves of £4.461m as detailed at the bottom of table 1.

Table 1: Year End Position

	Original Budget	Current Budget	March Outturn	March Variance (Under) / Over	% Variance to current budget	January Variance (Under) / Over	Change since Previous (better) / worse	
Service	£m	£m	£m	£m	%	£m	£m	
HR & OD	0.807	0.958	0.960	0.002	0.2%	0.000	0.002	
Wellbeing & Housing	2.286	2.351	2.138	(0.213)	-9.1%	(0.200)	(0.013)	
Customer Focus	2.367	2.512	2.364	(0.148)	-5.9%	(0.130)	(0.018)	
Chief Executive	5.460	5.821	5.462	(0.359)	-6.2%	(0.330)	(0.029)	
Finance	3.303	3.560	3.547	(0.013)	-0.4%	(0.050)	0.037	
Legal, Democratic, Elections & Procurement	1.959	2.104	2.461	0.357	17.0%	0.345	0.012	
ICT	1.526	1.551	1.699	0.148	9.5%	0.025	0.123	
Property	(1.691)	(2.182)	(1.889)	0.293	-13.4%	0.152	0.141	
Resources	5.097	5.033	5.818	0.785	15.6%	0.472	0.313	
Planning & Development	1.890	1.989	1.710	(0.279)	-14.0%	0.231	(0.510)	
Growth & Economy	0.546	0.502	0.393	(0.109)	-21.7%	(0.090)	(0.019)	
Environmental	5.106	6.571	6.700	0.129	2.0%	0.072	0.057	
Regulatory	1.150	1.187	1.135	(0.052)	-4.4%	(0.024)	(0.028)	
Communities	8.692	10.249	9.938	(0.311)	-3.0%	0.189	(0.500)	
Subtotal for Directorates	19.249	21.103	21.218	0.115	0.5%	0.331	(0.216)	
Executive Matters	3.695	3.695	3.117	(0.578)	-15.6%	(0.048)	(0.530)	
Policy Contingency	5.229	3.485	0.352	(3.133)	-89.9%	(1.818)	(1.315)	
Total	28.173	28.283	24.687	(3.596)	-12.7%	(1.535)	(2.061)	
FUNDING	(28.173)	(28.283)	(29.148)	(0.865)	3.1%	1.476	(2.341)	
(Surplus)/Deficit Before proposed Transfers to reserves	0.000	0.000	(4.461)	(4.461)		(0.059)	(4.402)	
Planning monies returned to Reserve				0.209				
Move to Interest Reserve				2.400				
Balance to Market Risk Reserve				1.852				
(Surplus)/Deficit				0.000				

Note: A positive variance is an overspend or a reduction in forecast income and a (negative) is an underspend or extra income received. Green represents an underspend and red represents a overspend for the outturn position.

Table 2: Analysis of Variance – March 2024

Breakdown of current month forecast	March 2024 Forecast £m	Base Budget Over/ (Under) £m	Savings Non-Delivery £m
Chief Executive	(0.359)	(0.403)	0.044
Resources	0.785	0.634	0.151
Communities	(0.311)	(0.314)	0.003
Subtotal Directorates	0.115	(0.083)	0.198
Executive Matters	(0.578)	(0.578)	0.000
Policy Contingency	(3.133)	(3.133)	0.000
Total	(3.596)	(3.794)	0.198
FUNDING	(0.865)	(0.865)	0.000
(Surplus)/Deficit	(4.461)	(4.659)	0.198

Table 3: Budget compared with Outturn

The graph below shows the change from January's forecast to March's outturn position for the financial year.

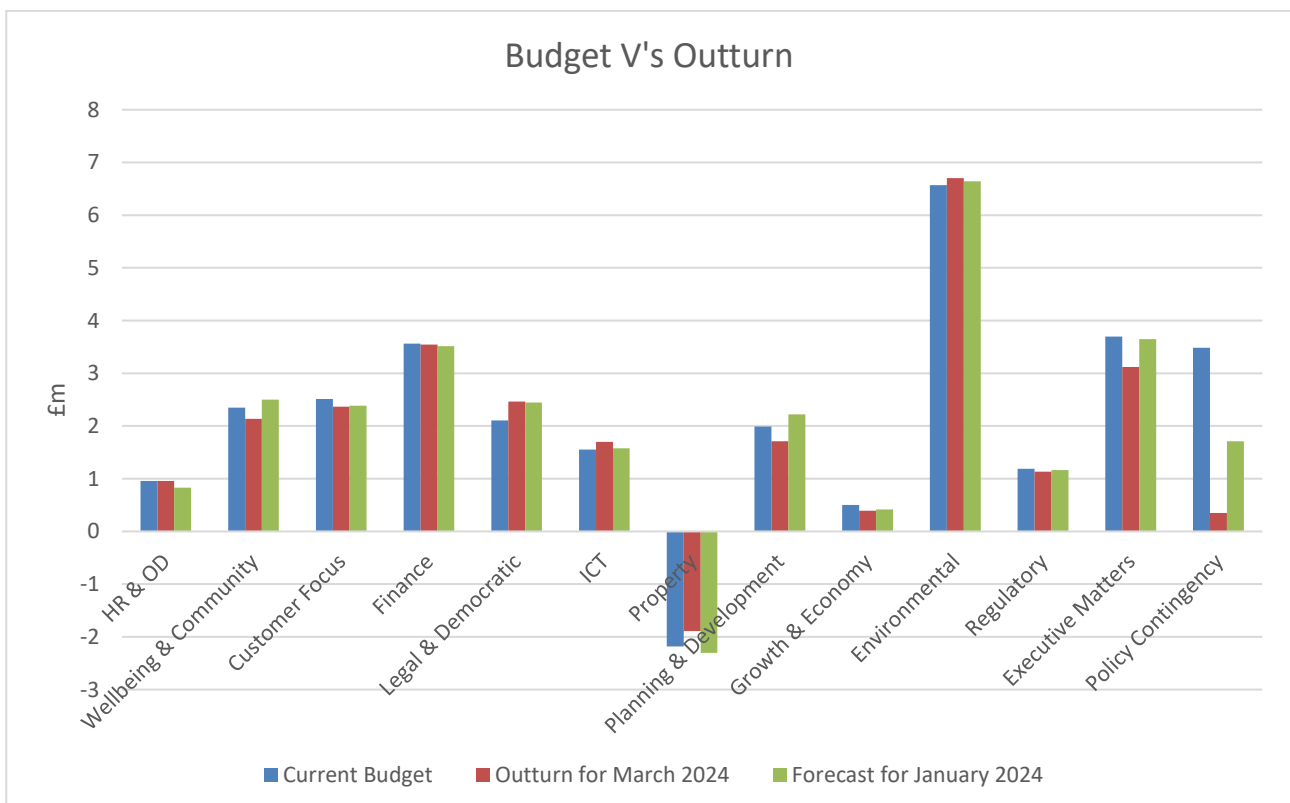


Table 4: Top Major Variances:

Service	Current Budget	Variance	% Variance
Property	(1.889)	0.293	-15.5%
Legal, Democratic, Elections & Procurement	2.104	0.357	17.0%
Planning & Development	1.989	(0.279)	-14.0%
Policy Contingency	3.770	(3.418)	-90.7%
Executive Matters	3.695	(0.578)	-15.6%
Total	9.669	(3.625)	

Property – Overspend £0.293m (January’s Variance Underspend (£0.152m))

The £0.253m overspend in Property is largely as a result of dependency on agency £0.064m, additional surveys and consulting services £0.085m, car park under recovery of income and additional management costs £0.068m. There has also been an increase on spend on repairs and maintenance £0.036m. The £0.068m overspend relating to car parks is a result of historical pressures which have since been identified following the movement of the service in November 2024.

The £0.040m shift mainly comprises higher operational costs than anticipated. Due to some lettings taking longer to conclude than anticipated the Commercial Policy Contingency will be used to mitigate against this income that has not been received, subject to approval. Going forward work continues to maintain and improve income across our properties including Castle Quay where several tenants have agreed terms to renew leases, the final unit at Castle Quay 2 is under offer and marketing is underway to attract pop-up units into some vacant units.

Legal, Democratic, Elections & Procurement Overspend £0.357m (January’s Variance Overspend £0.345m)

Overspend is due to:

- 1) higher than anticipated costs of delivering the District Elections
- 2) an unavoidable reliance on agency staff whilst we continue with recruitment for permanent staff.
- 3) Legal fees and license charges for case management system.
- 4) Under recovery of income due to decrease in s106 fees (because of work being carried out externally).
- 5) The increase in demand for legal services in areas of Planning, Contracts, and Information.

The overspend from last month is largely driven by increased agency costs.

Planning & Development underspend (£0.279m) (January’s Overspend £0.231m)

Planning and Development’s end of year outturn is (£0.279m) which is 14% under budget. Costs in some areas exceeded budget (e.g. agency staffing and planning appeal costs) and income was lower than expected for Building Control and planning pre-application advice. However, this was offset by income from Planning Performance Agreements and other fee receipts, some Government grant, and periodic vacancies. Spend on consultancy and legal fees was also lower than expected in-year for Planning Policy.

Policy Contingency underspend (£3.113m) (January's underspend (£1.818m))

- Inflation Contingency had a budget of (£3.755m) of which £1.001m was allocated leaving (£2.754m)
- Commercial Risk had a budget of (£1.100m) of which only £0.445m was allocated leaving £0.655m
- General Contingency had a budget of £0.375m of which £0.298m was allocated leaving £0.077m
- A general overspend of £0.352m detailed in appendix 2.

All allocations of policy contingency were notified to Executive throughout the year and are detailed in Appendix 2.

Executive Matters underspend (£0.578m) (January's forecast underspend £0.048m)

There is an underspend on Minimum Revenue Provision (MRP) due to the change in methodology that has been adopted as part of the revised MRP policy for 2023/24, which was agreed by Council at the February 2024 meeting. This accounts for (£1.215m).

The council has also received a (£0.500m) dividend payment from Graven Hill as a result of the profits the company has generated. The council had not budgeted to receive this income.

The Council maintains a number of bad debt provisions in the anticipation that debts will become bad, and these once agreed are charged to the relevant provision or cost centre, this year we have increased the provision by £0.424m.

The Council has also set aside £0.828m of interest for ringfenced accounts that must be uplifted in line with interest rates until they have been spent.

Other minor underspends in this area totalling (£0.115m)

Funding overachieved (£0.865m) (January's forecast balanced)

The council is part of the Oxfordshire Business Rates Pool. This aims to minimise the tariff the council pays on its retained business rates. The higher than anticipated outcome of business rates pooling for 2023/24 offset lower than expected S31 grants which resulted in a net balance of (£0.865m).

Reserves

Allocations to and from reserves are made according to the Reserves Policy. Table 5 below summarises the movements which have been requested at 31 March 2024, further detail is provided in Appendix 5.

Table 5: Earmarked Reserves:

Reserves	Balance 1 April 2023	Original Budgeted use/ (contribution)	Changes agreed since budget setting	Changes proposed March 2024	Balance 31 March 2024
	£m	£m	£m	£m	£m
General Balance	(6.150)	0.000	0.000	0.000	(6.150)
Earmarked	(19.898)	(2.469)	(0.912)	(5.045)	(28.324)
Ringfenced Grant	(3.771)	0.711	0.552	(0.044)	(2.552)
Subtotal Revenue	(29.819)	(1.758)	(0.360)	(5.089)	(37.026)
Capital*	(5.849)	1.000	0.000	(1.444)	(6.293)
Total	(35.668)	(0.758)	(0.360)	(6.533)	(43.329)

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

Also provided in Appendix 5 is a summary of the reserves movements made as a result of the audit of prior years' statement of accounts under the S151's delegated powers. The Reserves Policy requires that these are reported to the Executive following the statement of accounts being finalised; the 2021/22 accounts were signed off by external audit in March 2024.

4.2 Capital

There is an in-year underspend of (£15.749m), of which £15.395m is to be reprofiled into future years.

Directorate	Budget £m	Actual Spend 2023/24 £m	Re-profiled beyond 2023/24 £m	Variance to Budget £m	Prior Month Variance to Budget £m
Chief Executives	12.066	7.616	4.286	(0.164)	(0.103)
Resources	13.222	4.547	8.541	(0.134)	(0.134)
Communities	3.782	1.158	2.568	(0.057)	(0.164)
Total	29.070	13.321	15.395	(0.354)	(0.401)

For further detail please view Appendix 1.

Table 7: How the Capital Programme is financed

Financing	23/24 Budget £m	Future Years £m	Total
Borrowing	19.542	12.527	32.069
Grants	9.528	9.006	18.534
Capital Receipts	0.000	1.175	1.175
	29.070	22.708	51.778

Table 8: Total Capital Project Outturn

Directorate	Budget £m	Total 2023/24 £m	Variance to Budget £m	Prior Month Variance to Budget £m
Chief Executives	20.290	19.376	(0.914)	(0.851)
Resources	14.432	14.298	(0.134)	0.143
Communities	17.056	16.999	(0.057)	(0.046)
Total	51.778	50.674	(1.104)	(0.754)

Table 9: Top 5 in-year variances: -

Code	Top 5 In-Year Variances	Budget Total £'000	Reprofile beyond 23/24 £'000	% of in year Budget Variance
40278	Development of New Land Bicester Depot	2.775	2.759	99.42%
40144	Castle Quay	2.795	2.733	97.77%
40028	Vehicle Replacement Programme	1.731	1.162	67.13%
40300	S106 - Bicester Leisure Centre Extension	1.154	1.154	100.00%
40286	Transforming Market Square Bicester	1.000	0.985	98.49%
		9.455	8.793	

Development of New Land Bicester Depot: -

A project team has been established to design and refurbish the site being acquired.

Castle Quay: -

As part of the Castle Quay Development and the regeneration of Banbury, the Council is working closely and in partnership with a number of public and private organisations to repurpose parts of Castle Quay Shopping Centre to deliver a number of complimentary uses enabling the regeneration of Banbury. Once each element has been contractually agreed, work can commence. The Council needs to reprofile because we are continuing discussions with potential occupiers as part of the refocus of the centre from pure retail to mixed uses.

Vehicle Replacement Programme: -

Reprofiling of £1.162m is required in to 2024/25. A review of the programme is continuously undertaken. Nationally there are delays in vehicle supply and thus delivery. Delivery times have risen from 6 months to approximately 12-18 months for small vehicles. Budget re-profiling is required as a result.

S106 – Bicester Leisure Centre Extension: -

Initial stages of feasibility have been completed with high level costings received to deliver the project. Further stages required including detailed business case. Re-profiled beyond 2024-25 as not all S106 funding received so budget not fully available.

Bicester East Community Centre: -

Consultants appointed March 24 and programme of design and stakeholder consultation to be delivered during Q1-Q3 2024/25. The remaining budget of £0.985m for 23/24 to be profiled to allow for delivery of consultancy project in 24/25 and consider the construction phase.

4.3 Performance Summary

During a year full of changes and challenges, our overall performance in 2023-24 remained strong, confirming our commitment to being a high performing council, working hard to embed a culture of continuous improvement, providing excellent services, keeping our residents at the heart of all we do.

4.4 Business Plan Measures

All but one of the 27 Business Plan measures achieved their year-end target or within the agreed tolerance.

The measure that missed its target for 2023-24 was “Net Additional Housing Completions to meet Cherwell Needs” with a provisional figure of 884 completions against a year-end target of 1,142. The final figure, which is expected to be higher, will be available in Q1 24/25, when all the site visits have been completed.

See Appendix 6 for the full list of targeted measures.

- 4.5 There are also seven measures that the council monitors for trend analysis to identify any emerging trends that might require early intervention from ourselves or partners. There are no targets for these measures as they are dependent on external factors.

See Appendix 7 for the end of year data for these seven monitoring measures.

4.6 Annual Delivery Plan Priorities

Of the 12 actions identified for 2023/24, six have been completed and six are ongoing activities, continuing into 2024-25.

See Appendix 8 for end of year updates on the Annual delivery plan.

4.7 Peer Review Action

Of the nine actions for the 2023/24 financial year, one was completed Quarter 4, were achieved, and 8 are ongoing activities, due to continue during 2024-25.

See Appendix 9 for end of year updates for the Peer Review Action Plan

4.8 Equalities, Diversity, and Inclusion Action plans

Please see Appendix 10 to review our progress against the Equalities, Diversity and Inclusion action plans as of end of year 2023-24.

4.9 Risk Update

The overall position as of the end of the financial year of all Leadership risks is as follows:

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

The full Leadership Risk Register is attached in Appendix 11.

5. Alternative Options and Reasons for Rejection

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

Option 1: This report summarises the council's performance, risk and financial positions for the 2023/2024 financial year, therefore there are no alternative options to consider.

6 Conclusion and Reasons for Recommendations

- 6.1 This report provides a summary of the council's delivery against its business plan priorities including its, risk, and financial positions for the 2023/24 financial year.

Decision Information

Key Decision	Yes
Subject to Call in	Yes
If not, why not subject to call in	N/A
Ward(s) Affected	All

Document Information

Appendices	
Appendix 1	Capital March 2024
Appendix 2	Detailed Revenue Narrative on Outturn March 2024
Appendix 3	Virements and Aged Debt March 2024
Appendix 4	Funding March 2024
Appendix 5	Use of reserves and grant funding March 2024
Appendix 6	Business Plan Performance 2023-24
Appendix 7	Business Plan Monitoring measures 2023-24
Appendix 8	Annual Delivery Plan 2023-24
Appendix 9	Peer Review Action Plan 2023-24
Appendix 10	EDI Action Plans 2023-24
Appendix 11	Leadership Risk Register End of year 2023-24
Appendix 12	Annual Report 2023-24
Background Papers	None
Reference Papers	None
Report Author	Celia Prado-Teeling - Performance & Insight Team Leader Leanne Lock, Strategic Business Partner – Business Partnering & Controls
Report Author contact details	Celia.prado-teeling@cherwell-dc.gov.uk , 01295 221556 Leanne.lock@cherwell-dc.gov.uk , 01295 227098