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|---|---|
| <p align="center">This report is public</p> <p align="center">Appendix 5 to the report is exempt from publication by virtue of paragraphs 1, 2 and 3 of Schedule 12A of Local Government Act 1972</p> | |
| Finance Monitoring Report May 2025 | |
| Committee | Executive |
| Date of Committee | 1 July 2025 |
| Portfolio Holder presenting the report | Portfolio Holder for Finance, Property and Regeneration, Councillor Lesley McLean |
| Date Portfolio Holder agreed report | 19 June 2025 |
| Report of | Assistant Director Finance (S151 Officer), Michael Furness |

Purpose of report

To report to the committee the council's forecast yearend financial position as at the end of the May 2025 further detail can be found in the report and its appendices.

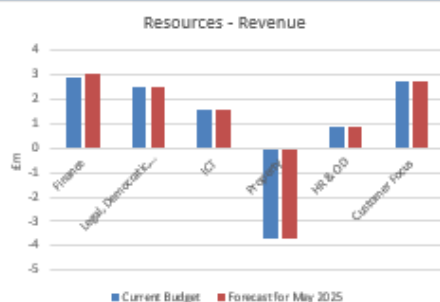
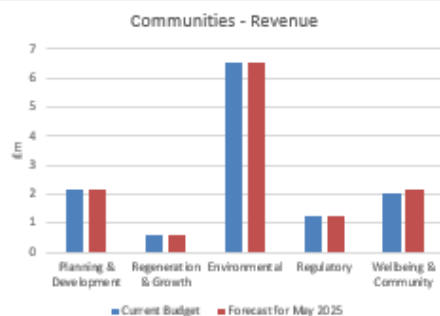
1. Recommendations

The Executive resolves:

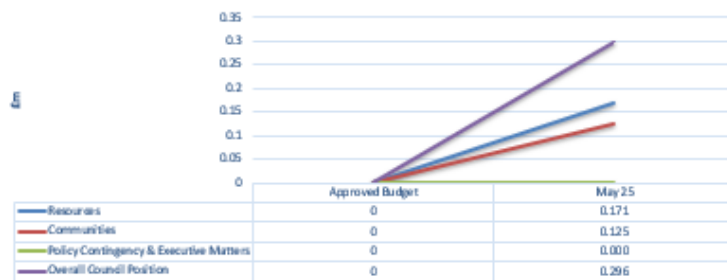
- 1.1 To consider and note the contents of the council's financial management report as at the end of May 2025.
- 1.2 To approve the Use of Reserve and Grant Funding Requests set out in Appendix 4.
- 1.3 To approve the proposed write offs as set out at exempt Appendix 5.

2. Executive Summary

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



Monthly Forecast Variance By Directorate



Current Budget By Service Area

Total Net Budget £26.195m



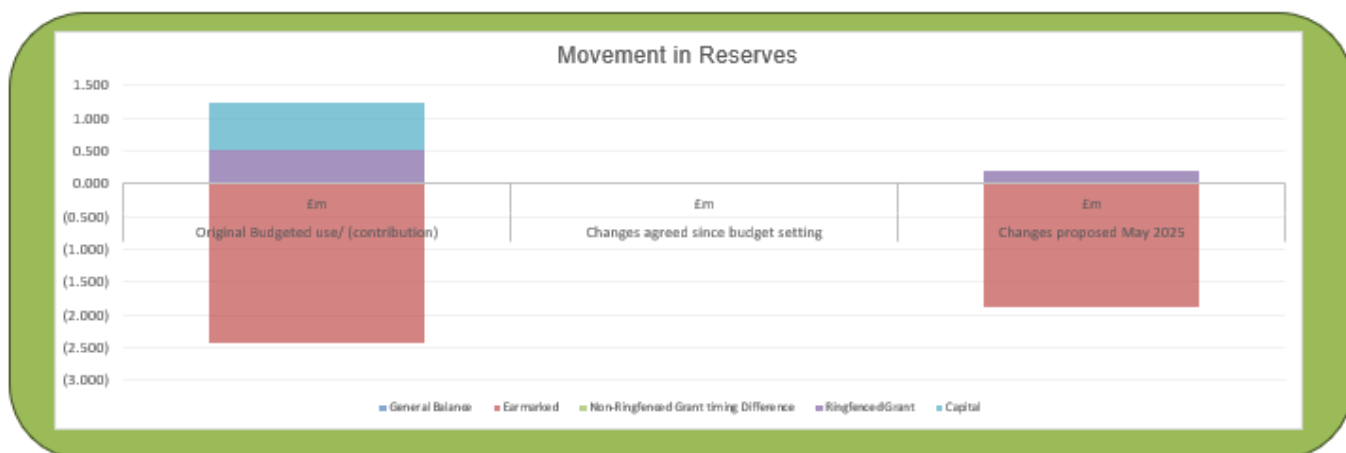
| | |
|-------------------------------|---|
| Finance £2.911 | Legal, Democratic, Elections & Procurement £2.518 |
| ICT £1.575 | Property (£3.681) |
| HR & OD £0.859 | Customer Focus £2.709 |
| Planning & Development £2.140 | Regeneration & Growth £0.609 |
| Environmental £6.561 | Regulatory £1.232 |
| Wellbeing & Housing £2.028 | Executive Matters £4.306 |
| Policy Contingency £2.428 | |

Service Analysis

| Service | Finance | Legal, Democratic, Elections & Procurement | ICT | Property | HR & OD | Customer Focus | Planning & Development | Growth & Economy | Environmental | Regulatory | Wellbeing & Housing | Executive Matters | Policy Contingency | Total |
|---|---------|--|-------|----------|---------|----------------|------------------------|------------------|---------------|------------|---------------------|-------------------|--------------------|--------|
| Budget approved by Council | 2.911 | 2.518 | 1.575 | -3.681 | 0.859 | 2.709 | 2.140 | 0.609 | 6.561 | 1.232 | 2.028 | 4.306 | 2.428 | 26.195 |
| Budget Adjustments approved: | | | | | | | | | | | | | | |
| Current Budget | 2.911 | 2.518 | 1.575 | -3.681 | 0.859 | 2.709 | 2.14 | 0.609 | 6.561 | 1.232 | 2.028 | 4.306 | 2.428 | 26.195 |
| Finance Overspend - Universal credit & fewer court summons delay in overtime policy | 0.147 | | | | | | | | | | | | | 0.147 |
| Top slice of grants & IT license costs | | | | | 0.024 | | | | | | 0.125 | | | 0.024 |
| Current (Under)/Overspends | 0.147 | 0 | 0 | 0 | 0.024 | 0 | 0 | 0 | 0 | 0 | 0.125 | 0 | 0 | 0.296 |

Mitigation Table

| Service | Forecast Overspend | Potential Mitigations | Potential revised Forecast Outturn | Detail on mitigation |
|--|--------------------|-----------------------|------------------------------------|--|
| Finance | 0.147 | -0.126 | 0.021 | "the council has been operating a phased introduction to fully reflect support costs within services based on expectation of new grants (where the grant conditions allow). The council is now ensuring that all support costs are fully reflected and this has led to a larger charge than budgeted for." |
| Resources & Transformation | 0.171 | -0.126 | 0.045 | |
| Wellbeing & Housing | 0.125 | | 0.125 | |
| Communities | 0.125 | 0.000 | 0.125 | |
| Total | 0.296 | -0.126 | 0.170 | |
| Potential Revised Forecast (Surplus)/Deficit | | | 0.170 | |



2.2 The capital forecast yearend position will be reported on a Quarterly basis with the first report being June 2025.

Implications & Impact Assessments

| Implications | Commentary | | | |
|---------------------------|--|---------|----------|---|
| Finance | Financial and Resource implications are detailed within sections 4.1 and 4.2 of this report. The reserves policy requires Executive to agree transfers to and from earmarked reserves and general balances during the financial year. Joanne Kaye, Head of Finance, 19 June 2025 | | | |
| Legal | There are no legal implications arising at this stage. The Council has a fiduciary duty to council taxpayers, which means it must consider the prudent use of resources, including control of expenditure, financial prudence in the short and long term and the need to act in good faith in relation to compliance with statutory duties and exercising statutory powers. The Council has a statutory obligation to maintain a balanced budget and the monitoring process enables Executive to remain aware of issues and understand the actions being taken to maintain a balanced budget. The report sets out as at June 2025 finance position for the Council as part of its fiduciary duty to implement budgetary controls and monitoring. Denzil – John Turbervill, Head of Legal Services, 18 June 2025 | | | |
| Risk Management | There are no risk implications arising directly from this report. Financial resilience and any risks link to it are managed through the Corporate Leadership Risk register. Julie Miles, Performance Analyst & Developer, 18 June 2025 | | | |
| Impact Assessments | Positive | Neutral | Negative | Commentary |
| Equality Impact | | X | | There are no equalities implications arising directly from this report. |

| | | | | |
|--|---|---|--|--|
| | | | | Julie Miles, Performance Analyst & Developer, 18 June 2025 |
| A Are there any aspects of the proposed decision, including how it is delivered or accessed, that could impact on inequality? | | X | | N/A |
| B Will the proposed decision have an impact upon the lives of people with protected characteristics, including employees and service users? | | X | | N/A |
| Climate & Environmental Impact | | X | | N/A |
| ICT & Digital Impact | | X | | N/A |
| Data Impact | | X | | N/A |
| Procurement & subsidy | | X | | N/A |
| Council Priorities | This report links to all council's priorities, as it summarises our progress against them during 2025/26. | | | |
| Human Resources | N/A | | | |
| Property | N/A | | | |
| Consultation & Engagement | N/A | | | |

Supporting Information

3. Background

- 3.1 The council actively and regularly monitors its financial position to ensure it can deliver its corporate priorities and respond effectively to emerging issues.
- 3.2 This monitoring takes place monthly for finance, so the council can identify potential issues at the earliest opportunity and put measures in place to mitigate them.
- 3.3 These updates are consolidated on a quarterly basis where Performance and Finance updates are given due to the implications and interdependencies between them, and this is the summary financial forecast for the end of the financial year position for 2025/26.

4. Details

4.1 Finance Update

4.1.1 The council's overall forecast yearend position for 2025/26 is an overspend of £0.296m. The forecast currently shows an overspend across Directorates with potential mitigations that are currently being investigated totalling (£0.126m) as detailed in the mitigations table above. These mitigations are not part of the forecast.

The projected outturn for the services is summarised below in Table 1 and further details providing explanations for variances can be found in Appendix 2.

Table 1: Forecast Year End Position

| Service | Current Budget £m | May Forecast Outturn £m | May Variance (Under) / Over £m | % Variance to current budget % | |
|--|----------------------|----------------------------|-----------------------------------|-----------------------------------|--|
| Finance | 2.911 | 3.058 | 0.147 | 5.0% | |
| Legal, Democratic, Elections & Procurement | 2.518 | 2.518 | 0.000 | 0.0% | |
| ICT | 1.575 | 1.575 | 0.000 | 0.0% | |
| Property | (3.681) | (3.681) | 0.000 | 0.0% | |
| HR & OD | 0.859 | 0.883 | 0.024 | 2.8% | |
| Customer Focus | 2.709 | 2.709 | 0.000 | 0.0% | |
| Resources & Transformation | 6.891 | 7.062 | 0.171 | 2.5% | |
| Planning & Development | 2.140 | 2.140 | 0.000 | 0.0% | |
| Regeneration & Growth | 0.609 | 0.609 | 0.000 | 0.0% | |
| Environmental | 6.561 | 6.561 | 0.000 | 0.0% | |
| Regulatory | 1.232 | 1.232 | 0.000 | 0.0% | |
| Wellbeing & Housing | 2.028 | 2.153 | 0.125 | 6.2% | |
| Communities | 12.570 | 12.695 | 0.125 | 1.0% | |
| Subtotal for Directorates | 19.461 | 19.757 | 0.296 | 1.5% | |
| Executive Matters | 4.306 | 4.306 | 0.000 | 0.0% | |
| Policy Contingency | 2.428 | 2.428 | 0.000 | 0.0% | |
| Total | 26.195 | 26.491 | 0.296 | 1.1% | |
| FUNDING | (26.195) | (26.195) | 0.000 | 0.0% | |
| Forecast (Surplus)/Deficit | 0.000 | 0.296 | 0.296 | | |

Note: A positive variance is an overspend or a reduction in forecast income and a (negative) is an underspend or extra income received.

Green represents an underspend and red represents a overspend for the outturn position.

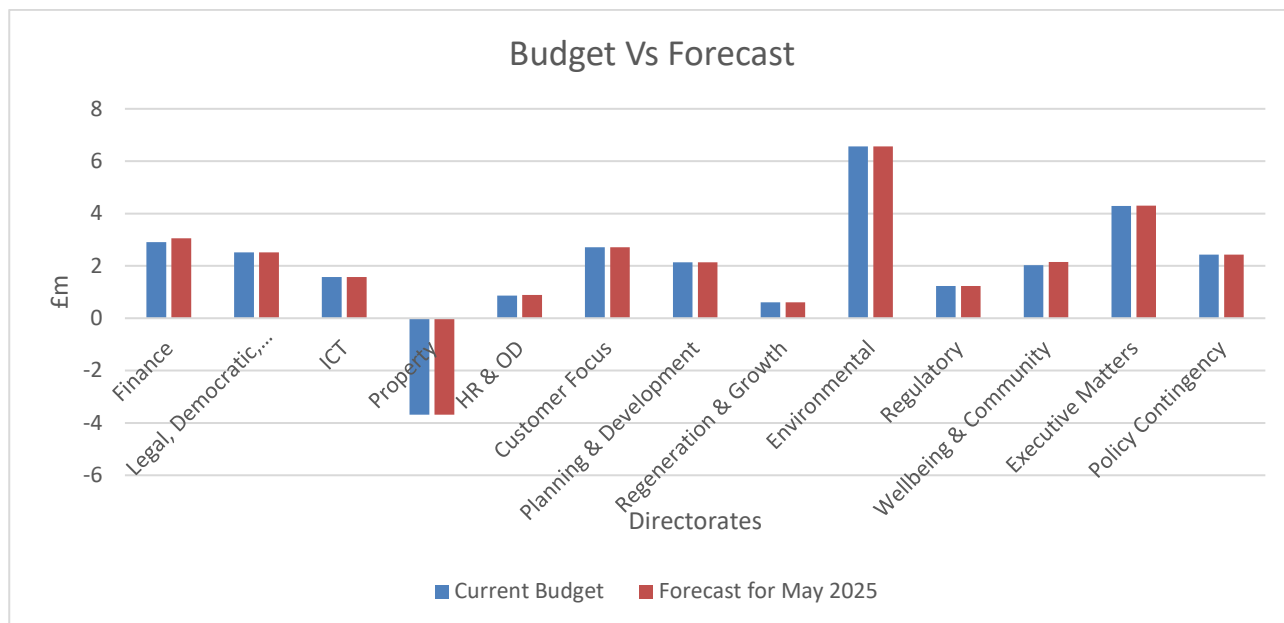
4.1.2 Table 2 below analyses the variances to distinguish between base budget variances and variances resulting from the non-delivery of previously approved savings. The non-delivery of savings has a knock-on impact on the Medium-Term Financial Strategy as failure to deliver on an ongoing basis adds to future pressures.

Table 2: Analysis of Variance – May 2025

| Breakdown of current month forecast | May Forecast Outturn | Base Budget Over/ (Under) | Savings Non-Delivery |
|--|-----------------------------|----------------------------------|-----------------------------|
| | £m | £m | £m |
| Resources | 0.171 | 0.165 | 0.006 |
| Communities | 0.125 | 0.125 | 0.000 |
| Subtotal Directorates | 0.296 | 0.290 | 0.006 |
| Executive Matters | 0.000 | 0.000 | 0.000 |
| Policy Contingency | 0.000 | 0.000 | 0.000 |
| Total | 0.296 | 0.290 | 0.006 |
| FUNDING | 0.000 | 0.000 | 0.000 |
| (Surplus)/Deficit | 0.296 | 0.290 | 0.006 |

4.1.3 The graph below shows the Budget compared with the forecast to the end of the financial year.

Graph 1: Budget compared with Forecast



4.1.4 Table 3 below summarises the major forecast variances for the reporting period. Further details can be found in Appendix 2.

Table 3: Top Major Variances:

| Service | Current Budget | Variance | % Variance |
|---------------------|----------------|--------------|------------|
| Finance | 2.911 | 0.147 | 5.0% |
| Wellbeing & Housing | 2.028 | 0.125 | 6.2% |
| Total | 4.939 | 0.272 | |

Reserves

4.1.5 Allocations to and from reserves are made according to the Reserves Policy. Table 5 below summarises the movements which have been requested as at 31 May 2025, more details can be found within Appendix 4.

Table 5: Reserves forecast:

| Reserves | Balance 1 April 2025 | Original Budgeted use/ (contribution) | Changes agreed since budget setting | Changes proposed May 2025 | Balance 31 March 2026 |
|----------------------------|-------------------------------------|--|--|--|--|
| | £m | £m | £m | £m | £m |
| General Balance | (7.853) | 0.000 | 0.000 | 0.000 | (7.853) |
| Earmarked | (31.264) | (2.444) | 0.000 | (1.635) | (35.343) |
| Non-Ringfenced | (0.033) | 0.000 | 0.000 | 0.033 | 0.000 |
| Grant timing Difference | | | | | |
| Ringfenced Grant | (1.918) | 0.523 | 0.000 | 0.165 | (1.230) |
| Subtotal Revenue | (41.068) | (1.921) | 0.000 | (1.437) | (44.426) |
| Capital | (7.482) | 0.720 | 0.000 | 0.000 | (6.762) |
| Total | (48.550) | (1.201) | 0.000 | (1.437) | (51.188) |

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

5. Alternative Options and Reasons for Rejection

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

Option 1: This report summarises the council's forecast revenue financial position up to the end of March 2026, therefore there are no alternative options to consider.

6 Conclusion and Reasons for Recommendations

- 6.1 The report updates the Committee on the projected year-end financial position of the council for 2025/26. Regular reporting is key to good governance and demonstrates that the council is actively managing its financial resources sustainably.

Decision Information

| | |
|---|-----|
| Key Decision | Yes |
| Subject to Call in | Yes |
| If not, why not subject to call in | N/A |

| | |
|-------------------------|-----|
| Ward(s) Affected | All |
|-------------------------|-----|

Document Information

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| Appendices | |
| Appendix 1 | Detailed Revenue Narrative on Forecast May 2025 |
| Appendix 2 | Virements & Aged Debt May 2025 |
| Appendix 3 | Funding May 2025 |
| Appendix 4 | Use of Reserves and Grant Funding May 2025 |
| Appendix 5 | EXEMPT Write Off Details May 2025 |
| Background Papers | None |
| Reference Papers | None |
| Report Author | Leanne Lock, Strategic Business Partner |
| Report Author contact details | leanne.lock@cherwell-dc.gov.uk 01295 227098 |
| Corporate Director Approval (unless Corporate Director or Statutory Officer report) | Report of Statutory Officer – Section 151 Officer |