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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

Finance Monitoring Report January 2026

Committee	Executive
Date of Committee	3 March 2026
Portfolio Holder presenting the report	Portfolio Holder for Finance, Property and Regeneration, Councillor Lesley McLean
Date Portfolio Holder agreed report	18 February 2026
Report of	Assistant Director of Finance (S151 Officer), Michael Furness

Purpose of report

To report to the Executive the council's forecast year-end financial position as at the end of the January 2026. 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 January 2026.
- 1.2 To approve the Use of Reserves as detailed in Appendix 4.
- 1.3 To approve the Write Offs as detailed in exempt Appendix 5.
- 1.4 To approve the Corporate Debt Policy as set out at Appendix 6.

2. Executive Summary

- 2.1 This report sets out the forecast year-end position for 2025/26, projecting a balanced position to the financial year end.
- 2.2 The capital year-end position will be reported on a Quarterly basis with the final outturn report being March 2026.

Implications & Impact Assessments

Implications	Commentary			
Finance	<p>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.</p> <p>Joanne Kaye, Head of Finance, 11 February 2026</p>			
Legal	<p>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.</p> <p>The report sets out as at November 2025 finance position for the Council as part of its fiduciary duty to implement budgetary controls and monitoring.</p> <p>Denzil Turberville, Head of Legal Services, 11 February 2026</p>			
Risk Management	<p>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.</p> <p>Celia Prado-Teeling, Performance Team Leader, 11 February 2026</p>			
Impact Assessments	Positive	Neutral	Negative	Commentary
Equality Impact		X		<p>There are no equalities implications arising directly from this report.is report.</p> <p>Celia Prado-Teeling, Performance Team Leader, 11 February 2026</p>
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,		X		N/A

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 2025/26.			
Human Resources	N/A			
Property	N/A			
Consultation & Engagement	N/A			

Supporting Information

3. Background

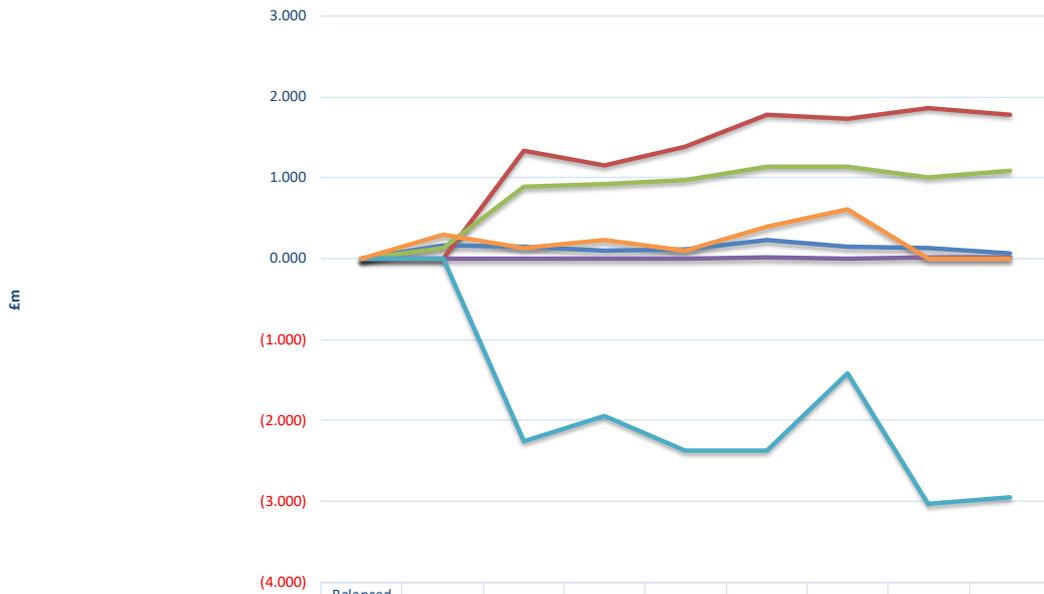
- 3.1 The council actively and regularly monitors its financial position to ensure it can deliver its corporate priorities and respond effectively to emerging issues.
- 3.2 This monitoring takes place monthly for finance, so the council can identify potential issues at the earliest opportunity and put 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 Finance section presents the forecast year-end revenue position for the 2025/26 financial year and in a summary dashboard as detailed below:

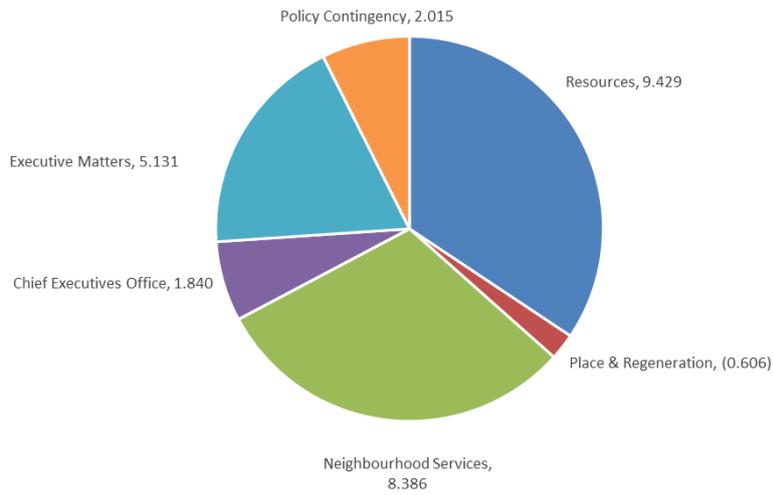
Monthly Forecast Variance By Directorate

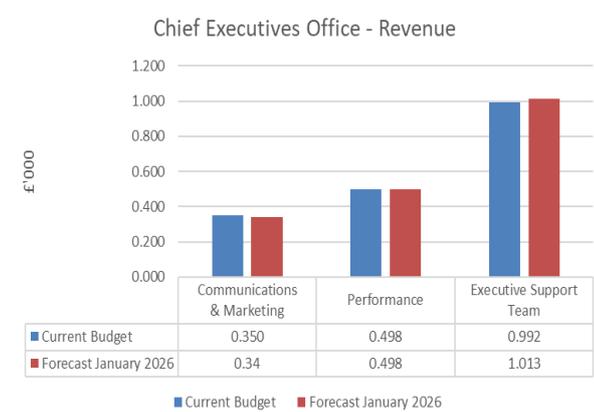
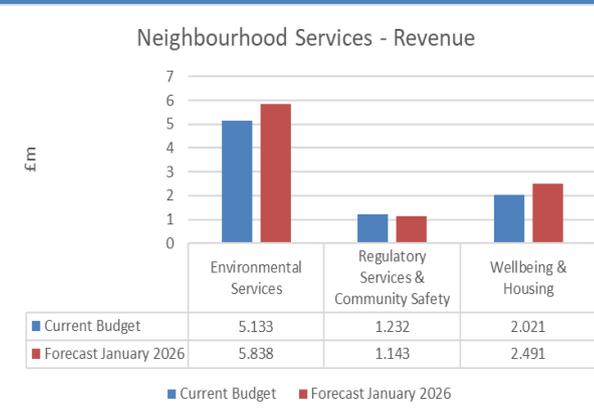
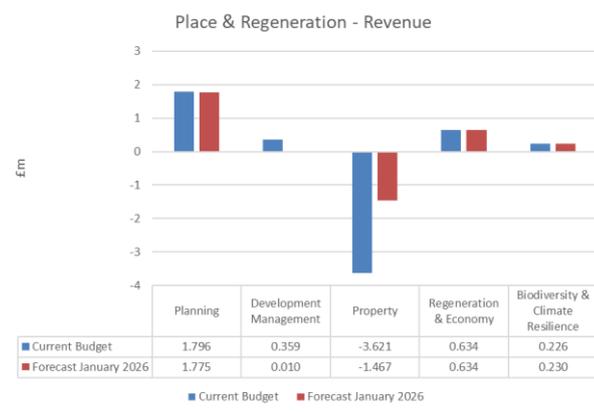
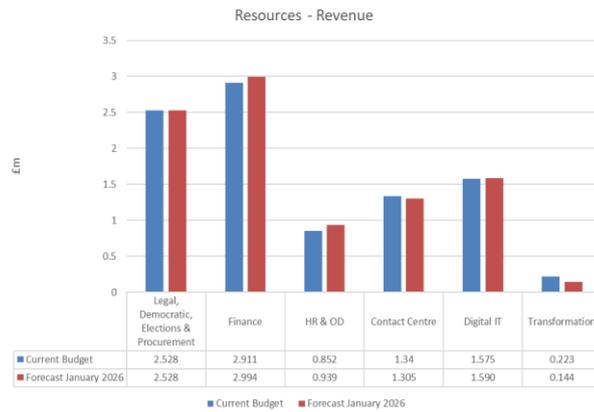


	Balanced Budget	May 25	June 25	Aug 25	Sept 25	Oct 25	Nov 25	Dec 25	Jan 26
Resources	0.000	0.171	0.154	0.108	0.122	0.224	0.153	0.138	0.071
Place & Regeneration	0.000	0.000	1.343	1.154	1.382	1.788	1.728	1.865	1.788
Neighbourhood Services	0.000	0.125	0.894	0.924	0.973	1.132	1.134	1.010	1.086
Chief Executives Office	0.000	0.000	0.000	0.000	0.000	0.011	0.005	0.011	0.011
Policy Contingency & Executive Matters	0.000	0.000	(2.259)	(1.950)	(2.369)	(2.369)	(1.411)	(3.024)	(2.956)
Overall Council Position	0.000	0.30	0.132	0.236	0.108	0.400	0.609	0.000	0.000

Current Budget By Service Area

Total Net Budget £26.195m

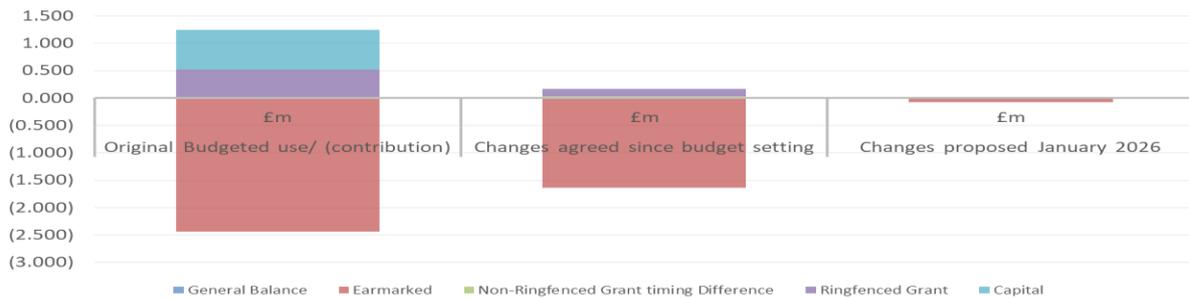




Directorate Analysis

Service	Resources £m	Place & Regeneration £m	Neighbourhood Services £m	Chief Executive Office £m	Executive Matters £m	Policy Contingency £m	Total £m
Budget approved by Council	9.419	-0.747	9.603	1.194	4.307	2.420	26.196
<i>Budget Adjustments approved:</i>							0.000
Move of the EPR Budget to Env Servs			-1.400		1.400		0.000
Remove CLT to Services				0.575	-0.575		0.000
Budget to support The Hill Works			0.040			-0.040	0.000
DocuSign Legal System	0.010					-0.010	0.000
Devolution				0.010		-0.010	0.000
Glass Recycling			0.107			-0.107	0.000
Arts Feasibility			0.050			-0.050	0.000
Carbon Budgeting		0.005				-0.005	0.000
Research & Stakeholder Engagement for Mental Health provision for Young People	0.003					-0.003	0.000
To cover redundancy costs within Biodiversity & Transformation		0.031		0.062		-0.093	0.000
PC to fund Heyford Programme Director		0.025				-0.025	0.000
Climate Action Plan		0.010				-0.010	0.000
PC to fund Property Projects		0.060				-0.060	0.000
Recode Budget to Planning Parish Toolkit		0.015	-0.015				0.000
Roundings		-0.005				0.008	0.003
Current Budget	9.429	-0.606	8.385	1.841	5.132	2.015	26.196
Wellbeing & Housing - Top slice of grants, IT license costs and temporary accommodation costs			0.470				0.470
Environmental - gate fees, agency			1.014				1.014
Property - shortfall in projected income		1.818				-1.100	0.718
Property Maintenance		0.173					0.173
Property - Car Park Overspend		0.163					0.163
Release from Policy Contingency						-0.428	-0.428
Environmental Services - Additional EPR funding			-0.309				-0.309
Treasury					-1.040		-1.040
Dividend					-0.500		-0.500
Provision for bad and doubtful debts					0.112		0.112
Transformation - over recovery of land charges income and vacancies	-0.079						-0.079
Contact Centre - 2 vacant posts and minor underspends	-0.035						-0.035
Planning - Various		-0.021					-0.021
Development Management - Over Recovery of Income		-0.349					-0.349
Regulatory Services underspend - staffing changes & less Contribution to CCTV than anticipated			-0.089				-0.089
Biodiversity & Climate Resilience - Minor overspend		0.004					0.004
IT - Minor overspends across the service	0.015						0.015
HR & OD - Overtime policy changes non-deliver	0.041						0.041
HR & OD - Legal employment advice, Recruitment Costs & Minor Overspends	0.046						0.046
Chief Executives - Minor Overspends across the Directorate				0.011			0.011
Finance - increased expenditure on temporary accommodation & supported accommodation claims	0.152						0.152
Finance - Additional New Burdens Grant Income	-0.069						-0.069
Current (Under)Overspends	0.071	1.788	1.086	0.011	-1.428	-1.528	0.000

Movement in Reserves



4.1.2 The council's overall forecast year-end position for 2025/26 is balanced. The forecast currently shows an overspend across Directorates of £2.956m with potential mitigations that are currently being investigated, 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 1.

4.1.3 The financial forecast for January 2026 shows the council is on track to deliver a balanced year-end position, with the directorate overspend of £2.956m fully offset by underspends within Executive Matters and Policy Contingency. Pressures are concentrated in areas such as Environmental Services, Property, and Wellbeing & Housing, while favourable variances are most notable in Development Management and Transformation. Variations across other services remain modest, and the overall position has seen a small improvement compared with December.

Table 1: Forecast Year End Position

Service	Current Budget £m	January 2026 Forecast to Year End £m	January Variance (Under) / Over £m	% Variance to current budget %	December Variance (Under) / Over £m	Change since Previous (better) / worse £m	
Legal, Democratic, Elections & Procurement	2.528	2.528	0.000	0.0%	0.000	0.000	
Finance	2.911	2.994	0.083	2.9%	0.122	(0.039)	
HR & OD	0.852	0.939	0.087	10.2%	0.087	0.000	
Contact Centre	1.340	1.305	(0.035)	2.6%	(0.014)	(0.021)	
Digital IT	1.575	1.590	0.015	1.0%	0.015	0.000	
Transformation	0.223	0.144	(0.079)	-35.4%	(0.072)	(0.007)	
Resources	9.429	9.500	0.071	0.75%	0.138	(0.067)	
Planning	1.796	1.775	(0.021)	-1.2%	0.008	(0.029)	
Development Management	0.359	0.010	(0.349)	-97.2%	(0.170)	(0.179)	
Property	(3.621)	(1.467)	2.154	-59.5%	1.975	0.179	
Regeneration & Economy	0.634	0.634	0.000	0.0%	0.052	(0.052)	
Biodiversity & Climate Resilience	0.226	0.230	0.004	1.8%	0.000	0.004	
Place & Regeneration	(0.606)	1.182	1.788	-295.0%	1.865	(0.077)	
Environmental Services	5.133	5.838	0.705	13.7%	0.622	0.083	
Regulatory Services & Community Safety	1.232	1.143	(0.089)	-7.2%	(0.058)	(0.031)	
Wellbeing & Housing	2.021	2.491	0.470	23.3%	0.446	0.024	
Neighbourhood Services	8.386	9.472	1.086	13.0%	1.010	0.076	
Communications & Marketing	0.350	0.340	(0.010)	-2.9%	(0.006)	(0.004)	
Performance	0.498	0.498	0.000	0.0%	(0.008)	0.008	
Executive Support Team	0.992	1.013	0.021	2.1%	0.025	(0.004)	
Chief Executives Office	1.840	1.851	0.011	0.6%	0.011	0.000	
Subtotal for Directorates	19.049	22.005	2.956	15.5%	3.024	(0.068)	
Executive Matters	5.131	3.703	(1.428)	-27.8%	(1.350)	(0.078)	
Policy Contingency	2.015	0.487	(1.528)	-75.8%	(1.674)	0.146	
Total	26.195	26.195	0.000	0.0%	0.000	0.000	
FUNDING	(26.195)	(26.195)	0.000	0.0%	0.000	0.000	
Forecast (Surplus)/Deficit	0.000	0.000	0.000		0.000	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.

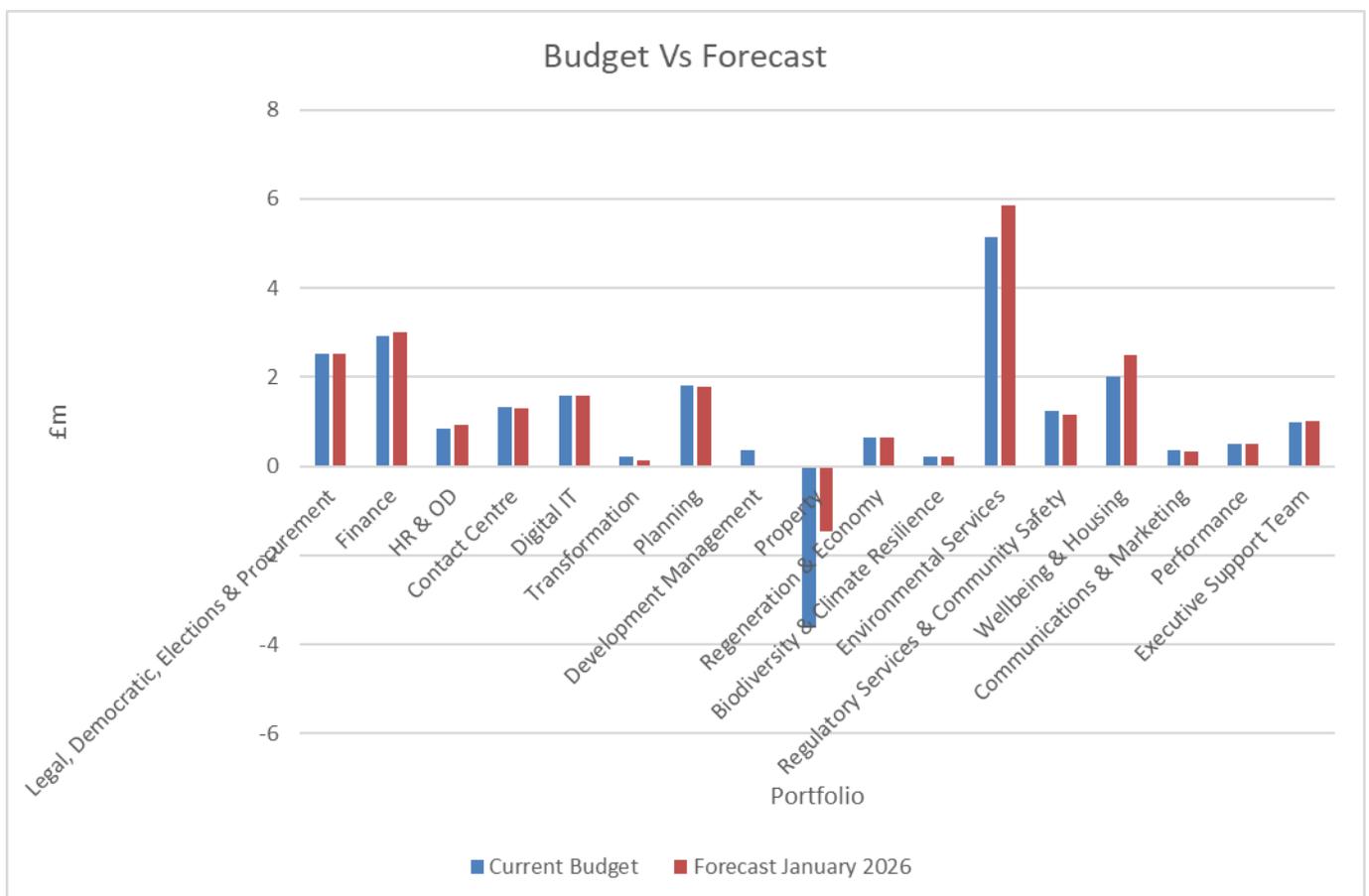
Green represents an underspend and red represents a overspend for the outturn position.

Table 2: Analysis of Variance – January 2026

Breakdown of current month forecast	January 2026 Forecast to Year End £m	Base Budget Over/ (Under) £m	Savings Non-Delivery £m
Resources	9.500	9.429	0.071
Place & Regeneration	1.213	1.115	0.098
Neighbourhood Services	9.472	9.091	0.381
Chief Executives Office	1.851	1.841	0.010
Subtotal Directorates	22.036	21.476	0.560
Executive Matters	3.703	3.703	0.000
Policy Contingency	0.456	0.456	0.000
Total	26.195	25.635	0.560
FUNDING	(26.195)	(26.195)	0.000
(Surplus)/Deficit	0.000	(0.560)	0.560

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

Graph 1: Budget compared with Forecast



4.1.5 Table 3 below summarises the major forecast variances for the reporting period. Further details can be found in Appendix 1.

Table 3: Top Major Service Variances:

Service	Current Budget	Variance	% Variance
Property	(3.621)	2.154	-59.5%
Environmental	5.133	0.705	13.7%
Wellbeing & Housing	2.021	0.470	23.3%
Total	3.533	3.329	

Reserves

4.1.6 Allocations to and from reserves are made according to the Reserves Policy. Table 4 below summarises the movements, for details of reserve requests this month please see Appendix 4.

Table 4: Reserves forecast:

Reserves	Balance 1 April 2025	Original Budgeted use/ (contribution)	Changes agreed since budget setting	Changes proposed January 2026	Balance 31 March 2026
	£m	£m	£m	£m	£m
General Balance	(8.021)	0.000	0.000	0.000	(8.021)
Earmarked	(31.264)	(2.444)	(1.637)	(0.078)	(35.423)
Non-Ringfenced	(0.033)	0.000	0.033	0.000	0.000
Grant timing Difference					
Ringfenced Grant	(1.918)	0.523	0.129	0.000	(1.266)
Subtotal Revenue	(41.236)	(1.921)	(1.475)	(0.078)	(44.710)
Capital	(5.321)	0.720	0.000	0.000	(4.601)
Total	(46.557)	(1.201)	(1.475)	(0.078)	(49.311)

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

4.1.7 Reserves & Grant Funding

- It is estimated there will be a £2.465m shortfall on Business Rates transactions credited to the General Fund at the end of the year, due to a higher levy on growth and lower pooling income than estimated.
- It is estimated there will be a surplus on Business Rates transactions credited to the Collection Fund of £2.859m to offset this but due to statutory accounting requirements this is not available to the Council until 2026/27.

- This timing issue can be mitigated by a transfer from reserves in 2025/26 and replenished in 2026/27 when the income can be recognised.

4.2 Corporate Debt Policy

4.2.1 The Council's Corporate Debt Policy (Appendix 6) has been reviewed and updated to ensure it remains aligned with current legislation and best practice. The revisions reflect the transition from the Housing Benefit Regulations 1987 to the modernised 2006 Regulations, providing clearer, more consistent, and streamlined guidance. This update strengthens the Council's approach to managing debt by ensuring its processes are up to date, legally compliant, and easier for both residents and officers to understand.

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

Appendices	
Appendix 1	Detailed Revenue Narrative on Forecast January 2026
Appendix 2	Virements & Aged Debt January 2026
Appendix 3	Funding January 2026

Appendix 4	Use of Reserves and Grant Funding January 2026
Appendix 5	EXEMPT Write Offs January 2026
Appendix 6	Corporate Debt Policy January 2026
Background Papers	None
Reference Papers	None
Report Author	Leanne Lock, Strategic Business Partner – Business Partnering & Controls
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, S151 Officer