

Cherwell District Council

Executive

3 July 2023

Monthly Performance, Risk and Finance Monitoring Report May 2023

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 2023/24 financial year to the end of May 2023.

1.0 Recommendations

The meeting is recommended:

- 1.1 To note the Performance, Risk and Finance Monitoring Report for May 2023.
- 1.2 To note the Budget Management Report.
- 1.3 To approve the proposed changes in use of reserves in Appendix 5.
- 1.4 To Note the Virements agreed under S151 delegations in Appendix 3.

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 and respond effectively to emerging issues.
- 2.2 This monitoring takes place monthly so the council can identify potential issues at the earliest opportunity and put measures in place to mitigate them.
- 2.3 The updates are summarised into a single report given the implications and interdependencies between them, and this is the summary for May.

3.0 Report Details

- 3.1 This report is split into three sections: Finance, Risk; and, Performance.

- 3.2 The Finance section presents the year-end forecasts for the 2023/2024 financial year, based on actual income and expenditure figures up to the end of May.
- 3.3 The Performance section sets out the council's progress towards achieving its priorities for 2023-24, which are set out in its Outcomes Framework.
- 3.4 The Risk section highlights any changes to the risks on the council's Leadership Risk Register.
- 3.5 Finance Update**

The Council's forecast position for 2023/2024 is an overspend of £0.232m shown in Table 1. The majority of the forecast overspend is due to recycling processor costs rising and a rise in energy labour costs within Waste & Recycling (for further detail please see table 4).

Report Details

Table 1: Forecast Year End Position

Service	Original Budget £m	Current Budget £m	May Forecast £m	May Variance (Under) / Over £m	% Variance to current budget %	
HR & OD	0.807	0.807	0.807	0.000	0.0%	
Wellbeing & Housing	2.286	2.284	2.214	(0.070)	-3.1%	
Customer Focus	2.367	2.367	2.367	0.000	0.0%	
Chief Executive	5.460	5.458	5.388	(0.070)	-1.3%	
Finance	3.303	3.303	3.303	0.000	0.0%	
Legal & Democratic	1.959	2.015	2.015	0.000	0.0%	
ICT	1.526	1.526	1.526	0.000	0.0%	
Property	(1.691)	(1.691)	(1.691)	0.000	0.0%	
Resources	5.097	5.153	5.153	0.000	0.0%	
Planning & Development	1.890	1.893	1.893	0.000	0.0%	
Growth & Economy	0.546	0.546	0.536	(0.010)	-1.8%	
Environmental	5.106	5.191	5.511	0.320	6.2%	
Regulatory	1.150	1.151	1.151	0.000	0.0%	
Communities	8.692	8.781	9.091	0.310	3.5%	
Subtotal for Directorates	19.249	19.392	19.632	0.240	1.2%	
Executive Matters	3.695	3.695	3.687	(0.008)	-0.2%	
Policy Contingency	5.229	5.086	5.086	0.000	0.0%	
Total	28.173	28.173	28.405	0.232	0.8%	
FUNDING	(28.173)	(28.173)	(28.173)	0.000	0.0%	
(Surplus)/Deficit	0.000	0.000	0.232	0.232		

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 – May 2023

Breakdown of current month forecast	May 2023 Forecast £m	Base Budget Over/ (Under) £m	Savings Non-Delivery £m
Chief Executive	(0.070)	(0.090)	0.020
Resources	0.000	(0.010)	0.010
Communities	0.310	0.307	0.003
Subtotal Directorates	0.240	0.207	0.033
Executive Matters	(0.008)	(0.008)	0.000
Policy Contingency	0.000	0.000	0.000
Total	0.232	0.199	0.033
FUNDING	0.000	0.000	0.000
(Surplus)/Deficit	0.232	0.199	0.033

Table 3: Budget compared with Forecast

The graph below shows the Forecast for May 2023 compared to budget.

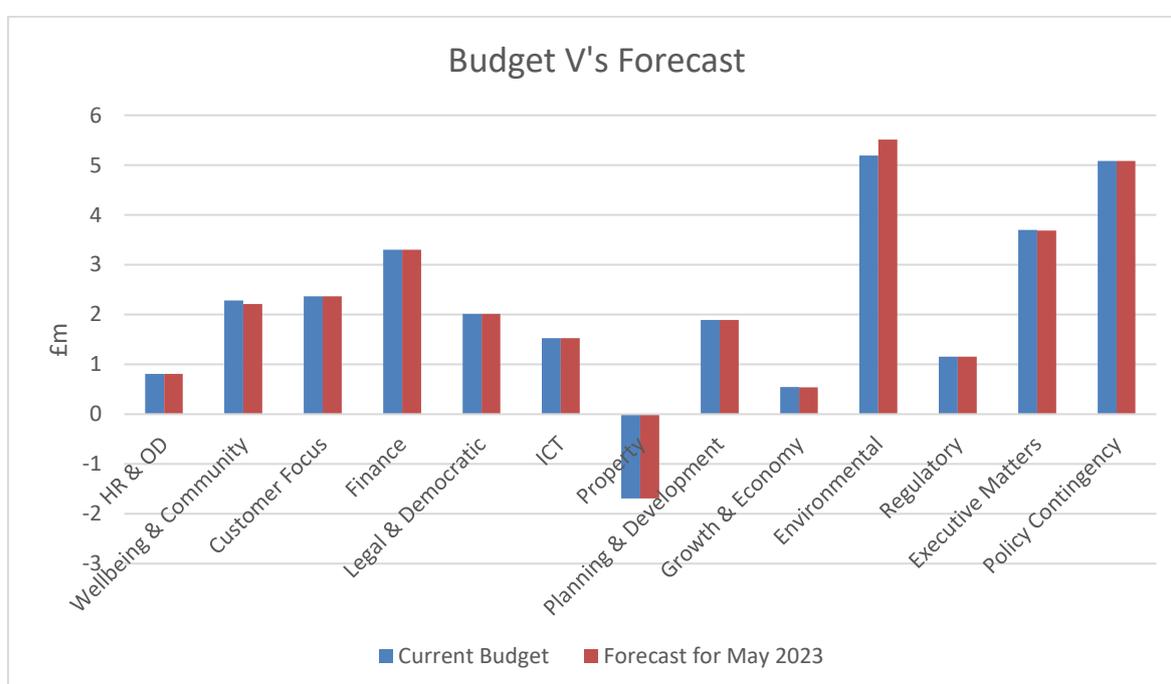


Table 4: Top Major Variance:

Service	Service	Current Budget	Variance	% Variance
Environmental Services	Waste & Recycling	3.755	0.341	9.1%
	Total	3.755	0.341	

Waste & Recycling Variance £0.341m: -

A pressure within Waste and Recycling of £0.341m is a result of a combination of recycling material prices falling as recycling processing costs have increased. An increase in income of (£0.021m) due to additional dry recycling tonnage estimates partially offsets this overspend. Commodity prices are extremely volatile, and this could change during the year. We hold monthly meetings with our recycling reprocessor and monitor individual commodity prices on a monthly basis. The service and directorate will consider what can be done to offset this pressure.

Table 5: Earmarked Reserves and General Balances at May 2023

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

Reserves	Balance 1 April 2023	Original Budgeted use/ (contribution)	Changes Proposed in the Outturn Report for 2022/23	Changes proposed May 2023	Balance 31 March 2024
	£m	£m	£m	£m	£m
General Balance	(6.150)	0.000	0.000	0.000	(6.150)
Earmarked	(28.052)	(2.469)	0.676	0.720	(29.125)
Ringfenced Grant	(4.327)	0.711	0.000	0.344	(3.272)
Subtotal Revenue	(38.529)	(1.758)	0.676	1.064	(38.547)
Capital	(8.049)	1.000	0.000	0.000	(7.049)
Total	(46.578)	(0.758)	0.676	1.064	(45.596)

For further detail on the reserves please see Appendix 5.

3.6 Capital

There is a forecast in-year underspend of (£6.903m), of which £3.029m is to be re-profiled in future years. There is an overall forecast decrease in the total cost of schemes of (£3.874m).

Table 6: Capital Spend 2023/2024

Directorate	Budget £m	Forecast Spend 2023/24 £m	Re-profiled beyond 2023/24 £m	Variance to Budget £m
Chief Executives	5.389	5.077	0.152	(0.160)
Resources	8.593	8.593	0.000	0.000
Communities	9.468	6.591	2.877	0.000
Total	23.450	20.261	3.029	(0.160)

For further detail please view appendix 1.

Table 7: How the Capital Programme is financed

Financing	23/24 Budget	Future Years
Borrowing	17.652	10.222
Grants	5.798	8.763
Capital Receipts	0.000	1.175
	23.450	20.160

Table 8: Total Capital Project Forecast

Directorate	Budget £m	Total Forecast 2023/24 £m	Variance to Budget £m
Chief Executives	11.065	10.905	(0.160)
Resources	8.593	8.593	0.000
Communities	23.952	23.952	0.000
Total	43.610	43.450	(0.160)

Table 9: Top Five in Year Capital Variances: -

Code	Top 5 In-Year Variances	Budget Total £'000	Reprofile to 24/25 £'000	% of in year Budget Variance
40278	Development of New Land Bicester Depot	2,775	2,275	81.98%
40160	Housing Services - capital	160	160	100.00%
40010	North Oxfordshire Academy Astro turf	183	103	56.28%
40222	Burnehyll- Bicester Country Park	159	79	49.69%
40019	Bicester Leisure Centre Extension	79	49	62.03%
		3,356	2,666	

Development of New Land Bicester Depot: -

A project team has been established to develop the site. It is likely that an element of reprofiling will be required in to 2024/25, this will be confirmed as the project progresses.

Housing Services: –

Strategic housing contributions are delayed for North West Bicester due to slower completion rate by the developer.

North Oxfordshire Academy Astro turf: -

Currently waiting for final costings and designs. Next stage is to seek planning approval for the new 3G pitch and procure a delivery partner over the Summer.

Burnehyll- Bicester Country Park: -

Anticipating reprofiling of £0.079m into 2024/25. The budget requires reprofiling due to the project not progressing as predicted when the capital bid was submitted.

Bicester Leisure Centre Extension: -

Reprofiled the capital spend to cover professional fees in 2023/24 because of the UK Shared Prosperity Fund (UKSPF) contribution to the scheme in 2022/23.

The project continues to progress as predicted. Next Milestone is final detailed plans and costing due at the start of July.

3.7 Performance Summary

- 3.8 The council measures its performance against its priorities for the year at least monthly. We measure the progress towards delivering the Business Plan priorities through 37 performance indicators, 13 are reported monthly, a further 19 quarterly, four on a rolling three months' cycle and one twice a year. On a quarterly basis we also monitor our progress towards achieving the actions set out in our Annual Delivery plan, Peer Review action plan and Equalities, Inclusion and Diversity action plans. For the full details and commentary against each measure see Appendix 7
- 3.9 The data for May shows that of the 8 measures with monthly targets, we are on track to achieve, 7, and one is slightly off track but within tolerance. There are also five measures that we monitor to identify any emerging trends that might require action from ourselves or partners, but they do not have targets as they are dependent on external factors

Homes improved through enforcement action: 27 this year to date

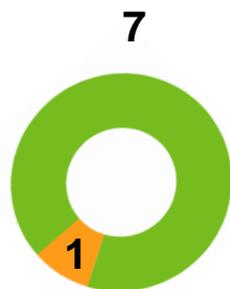
Number of Housing Standards interventions: 123 this year to date.

Number of Illegal Fly Tips: 159 this year to date

Number of enforcement notices issued: 58 this year to date

Number of garden waste subscriptions: 71,245 this year to date

Figure 1 (below): Performance Summary end of May 2023, 7 measures green, one amber, and zero red. Please note this graph excludes the five monitoring measures not targeted



3.9 Performance Exceptions

The following measure was behind target but within the tolerance for May:

Measure: % of electric vehicles in the fleet

May: Amber – 10.75% against an average target of 15%

Year to date: Amber - 10.75% against an average target of 15%

Comments: Additional EV vehicles have been ordered for in year delivery and subject to no supply chain issue, this target is expected to be achieved by year end.

3.10 Performance Highlights

- There was a 7% increase in people using our sports facilities this month, possibly down to a number of new initiatives such as Atlantis Splash (Oxfordshire’s only indoor pool, giant inflatable obstacle course) and half term swimming crash courses.
- Our Customer Service Centre have successfully achieved the CCA-Global accreditation standard, joining industry leaders such as SKY, RAC, Tesco PLC and HP. The CCA recognises the top performers in customer service and say that “Achieving CCA Global Accreditation is an outstanding accolade that requires dedication, hard-work, courage, and ambition”. As an Accredited centre, we will be recognised as a CCA Centre of Excellence, this in our first year post decoupling is a huge achievement.

3.11 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 table below shows the overall position of all the risks contained within the Leadership Risk Register for May 2023 including the impact and probability score.

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

3.14 There were no changes to the risk register during May, other than changing L13, from “Oxfordshire Housing and Growth Deal” to “Major Infrastructure Projects and Programmes”. To review the full Leadership Risk Register, go to appendix 8.

4.0 Conclusion and Reasons for Recommendations

This report provides an update on progress made during May 2023, to deliver the council’s priorities through reporting on its performance, risk and financial positions.

5.0 Consultation

This report sets out the performance, risk, and budgetary positions for the second month of this financial year, therefore no formal consultation or engagement is required.

In line with their respective terms of reference, the Accounts, Audit & Risk Committee reviews the risk register, the Budget Planning Committee undertakes finance monitoring and the Overview and Scrutiny Committee performance monitoring.

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 May, 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 sections 3.5 to 3.6 of this report.

Comments checked by:

Michael Furness, Assistant Director of Finance / Section 151, Tel: 01295 221845

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Legal Implications

- 7.2 There are no legal implications arising directly from this report.

Comments checked by:

Shahin Ismail, Interim Head of Legal Services,

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 May 2023 within sections 3.11 to 3.14

Comments checked by:

Celia Prado-Teeling, Performance and Insight Team Leader r, Tel: 01295 221556

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 and Insight Team Leader r, Tel: 01295 221556

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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

8.0 Decision Information

Key Decision

Financial Threshold Met: Yes

Community Impact Threshold Met: No

Wards Affected:

All

Lead Councillor

Councillor Sandy Dallimore, Portfolio Holder for Corporate Services
Councillor Adam Nell, Deputy Leader & Portfolio Holder for Finance

Document Information

Appendix number and title

- Appendix 1 – Finance Capital May 2023
- Appendix 2 – Detailed Revenue Narrative on Forecast May 2023
- Appendix 3 – Virements May 2023
- Appendix 4 – Funding 2023
- Appendix 5 – Use of Reserves and Grant funding 2023
- Appendix 6 – Business plan 2023 - 24
- Appendix 7 – Performance May 2023
- Appendix 8 – Leadership Risk Register May 2023

Background papers

None

Report Author and contact details.

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