

# **Cherwell District Council**

## **Executive**

**4 December 2023**

### **Performance, Risk and Finance Monitoring Report October 2023**

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

This report is public

#### **Purpose of report**

To update Executive on how well the council is performing in delivering its priorities, managing potential risks, and balancing its finances during October 2023.

#### **1.0 Recommendations**

The meeting is recommended:

- 1.1 To consider and note the contents of the Council's Performance, Risk and Financial report for the month of October 2023.
- 1.2 To approve the use of reserves in Appendix 5.
- 1.3 To approve the use of £0.351m Commercial Risk within Policy Contingency to mitigate the increased recycling processing costs.

#### **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 respond effectively to emerging issues.
- 2.2 This monitoring takes place at least monthly so the council can identify potential issues at the earliest opportunity and put measures in place to mitigate them.
- 2.3 These updates are consolidated into a single report given the implications and interdependencies between them, and this is the summary up to October 2023.

#### **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 2023/2024 financial year, based on actual income and expenditure figures up to the end of October.

3.3 The Performance section sets out the council's progress in achieving its October priorities, which are set out in its Outcomes Framework.

3.4 The Risk section highlights any changes to risks within the council's Leadership Risk Register during October.

### 3.5 Finance Update

The Council's forecast outturn position for 2023/2024 is an overspend of £0.220m shown in Table 1. There has been an improvement in the forecast from the previous update of (£0.514m). This improved forecast position has come about as a result of a significant amount of work carried out throughout October to identify solutions to reduce the forecast overspend from September of £0.734m.

This month's forecast reflects the financial impact to the forecast of the reserve and policy contingency requests, but the budgets have not been adjusted to reflect this until the decisions have been agreed by the Executive

## Report Details

**Table 1: Forecast Year End Position**

	Original Budget	Current Budget	October Forecast	October Variance (Under) / Over	% Variance to current budget	Prior Month Variance (Under) / Over	Change since Previous (better) / worse	
Service	£m	£m	£m	£m	%	£m	£m	
HR & OD	0.807	0.813	0.813	0.000	0.0%	0.000	0.000	
Wellbeing & Housing	2.286	2.597	2.365	(0.232)	-8.9%	(0.120)	(0.112)	
Customer Focus	2.367	2.367	2.322	(0.045)	-1.9%	(0.035)	(0.010)	
<b>Chief Executive</b>	<b>5.460</b>	<b>5.777</b>	<b>5.500</b>	<b>(0.277)</b>	<b>-4.8%</b>	<b>(0.155)</b>	<b>(0.122)</b>	
Finance	3.303	3.376	3.351	(0.025)	-0.7%	0.000	(0.025)	
Legal, Democratic, Elections & Procurement	1.959	2.033	2.255	0.222	10.9%	0.155	0.067	
ICT	1.526	1.526	1.506	(0.020)	-1.3%	0.000	(0.020)	
Property	(1.691)	(1.691)	(1.686)	0.005	-0.3%	0.038	(0.033)	
<b>Resources</b>	<b>5.097</b>	<b>5.244</b>	<b>5.426</b>	<b>0.182</b>	<b>3.5%</b>	<b>0.193</b>	<b>(0.011)</b>	
Planning & Development	1.890	1.893	2.291	0.398	21.0%	0.232	0.166	

Growth & Economy	0.546	0.514	0.424	(0.090)	-17.5%	(0.090)	0.000	
Environmental	5.106	5.191	5.246	0.055	1.1%	0.562	(0.507)	
Regulatory	1.150	1.151	1.151	0.000	0.0%	0.000	0.000	
<b>Communities</b>	<b>8.692</b>	<b>8.749</b>	<b>9.112</b>	<b>0.363</b>	<b>4.1%</b>	<b>0.704</b>	<b>(0.341)</b>	
<b>Subtotal for Directorates</b>	<b>19.249</b>	<b>19.770</b>	<b>20.038</b>	<b>0.268</b>	<b>1.4%</b>	<b>0.742</b>	<b>(0.474)</b>	
Executive Matters	3.695	3.695	3.647	(0.048)	-1.3%	(0.008)	(0.040)	
Policy Contingency	5.229	4.708	4.708	0.000	0.0%	0.000	0.000	
<b>Total</b>	<b>28.173</b>	<b>28.173</b>	<b>28.393</b>	<b>0.220</b>	<b>0.8%</b>	<b>0.734</b>	<b>(0.514)</b>	
<b>FUNDING</b>								
	<b>(28.173)</b>	<b>(28.173)</b>	<b>(28.173)</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>0.220</b>	<b>0.220</b>		<b>0.734</b>	<b>(0.514)</b>	

**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 current month's forecast.

**Table 2: Analysis of Forecast Variance – October 2023**

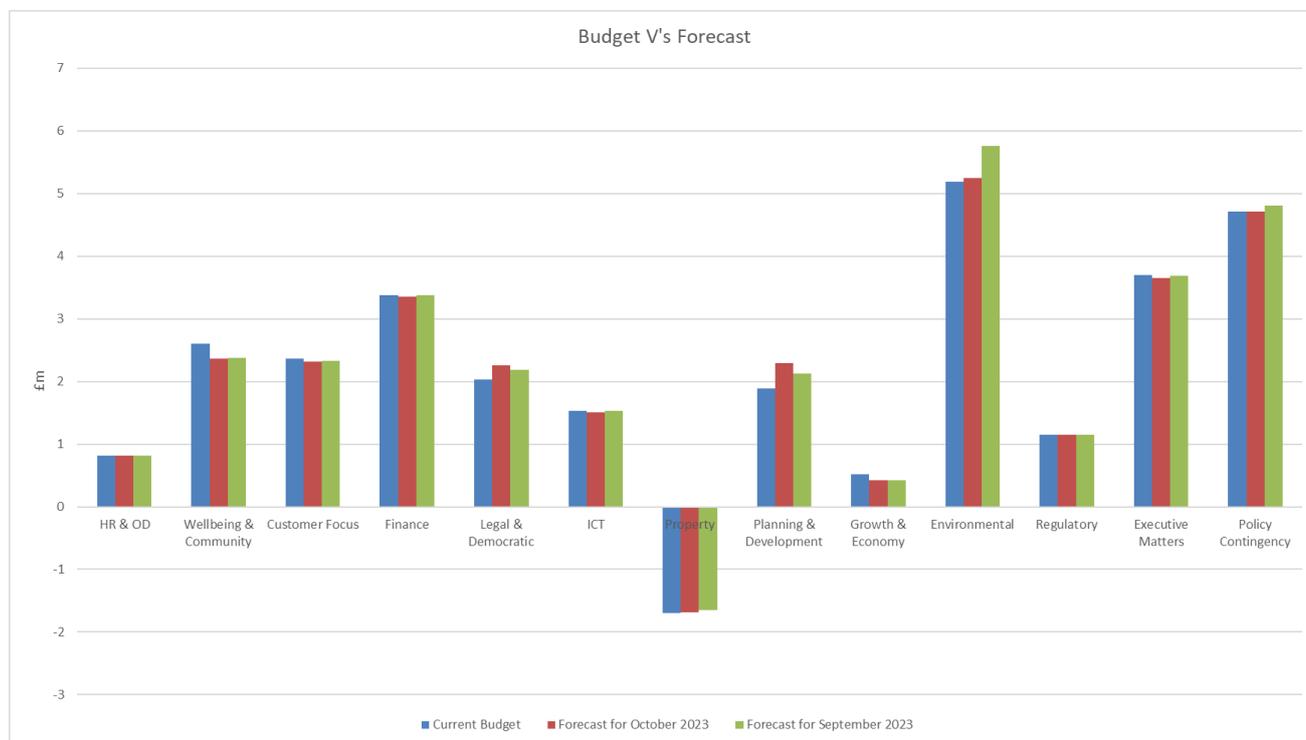
Breakdown of current month forecast	October 2023 Forecast	Base Budget Over/ (Under)	Savings Non-Delivery
	£m	£m	£m
Chief Executive	(0.277)	(0.292)	0.015
Resources	0.182	0.139	0.043
Communities	0.363	0.192	0.171
<b>Subtotal Directorates</b>	<b>0.268</b>	<b>0.039</b>	<b>0.229</b>
Executive Matters	(0.048)	(0.048)	0.000
Policy Contingency	0.000	0.000	0.000
<b>Total</b>	<b>0.220</b>	<b>(0.009)</b>	<b>0.229</b>

<b>FUNDING</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>
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<b>(Surplus)/Deficit</b>	<b>0.220</b>	<b>(0.009)</b>	<b>0.229</b>
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### Table 3: Budget compared with Forecast

The graph below shows the change from September's forecast to October 2023 compared to budget.



### Table 4: Top Major Variances:

Service	Service	Current Budget	Variance	% Variance
Planning & Development	Development Management	0.598	0.398	66.6%
Legal & Democratic	Legal & Democratic	2.033	0.222	10.9%
Environmental Services	Waste & Recycling	3.230	0.055	1.7%
	<b>Total</b>	<b>5.861</b>	<b>0.675</b>	

### Development Management Variance £0.398m (September's Variance Overspend £0.232m)

Planning and Development presently has a projected overspend of £0.398m due to overall income receipts and projections being lower than expected, agency costs also continue to put pressure on the budget and a recruitment process is underway to address but nationwide resource constraints are challenging. In addition, an increase in planning appeals which necessitates legal and consultant representation beyond budget need to be considered. Income levels reflect national construction industry conditions.

The expected outturn is £0.166m different to last month largely due to additional appeal costs (£0.313m of which £0.209m has been offset by appeal reserves) and the retention of agency staff to work on the Community Infrastructure Levy (0.043m). Lower than expected

staffing costs have largely offset lower income expectations. Overall, other minor variations account for the other £0.019m.

Recruitment, agency, consultancy and legal costs will continue to be managed closely but the level of planning appeal work is unpredictable.

### **Legal, Democratic Elections & Procurement Variance £0.222m (September's Variance overspend 0.155m)**

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).

The increase in overspend from last month is largely driven by increased agency costs. A permanent recruitment campaign has been implemented.

### **Waste & Recycling Variance £0.055m (September's Variance over spend £0.562m): -**

The forecasted pressure of £0.055m within Environmental Services is primarily due to an increase in staff resources to overcome a higher than usual long-term absence within Waste and Recycling.

The movement of (£0.507m) is a result of identifying additional in year savings, delayed recruitment to vacant posts and a reduction in non-contractual overtime (£0.057m) and the gate fee pressure of £0.351m being met by Policy Contingency.

In addition to this a small reduction in employee costs as less need for agency and an increase in anticipated income for trade waste collections has resulted in a movement of (£0.029m).

### **Table 5: Earmarked Reserves and General Balances at October 2023**

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

<b>Reserves</b>	<b>Balance 1 April 2023</b>	<b>Original Budgeted use/ (contribution)</b>	<b>Changes agreed since budget setting</b>	<b>Changes proposed October 2023</b>	<b>Balance 31 March 2024</b>
	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>
General Balance	(6.150)	0.000	0.000	0.000	(6.150)
Earmarked	(19.123)	(2.469)	0.736	0.209	(20.647)
Ringfenced Grant	(3.397)	0.711	0.344	0.000	(2.342)
<b>Subtotal Revenue</b>	<b>(28.670)</b>	<b>(1.758)</b>	<b>1.080</b>	<b>0.209</b>	<b>(29.139)</b>
Capital	(8.049)	1.000	0.000	0.000	(7.049)
<b>Total</b>	<b>(36.719)</b>	<b>(0.758)</b>	<b>1.080</b>	<b>0.209</b>	<b>(36.188)</b>

For reserve requests please see appendix 5.

### 3.6 Capital

There is a forecast in-year underspend of (£11.423m), of which £11.553m is to be reprofiled into future years. There is an overall forecast increase in the total cost of schemes of £0.130m.

The in-year Capital programme has been updated to reflect the Council decision in October to Purchase Town Centre House and reflect the requirement for the Fire Safety Works.

**Table 6: Capital Spend 2023/2024**

Directorate	Budget £m	Forecast Spend 2023/24 £m	Re- profiled beyond 2023/24 £m	Variance to Budget £m	Prior Month Variance to Budget £m
Chief Executives	10.277	7.096	3.218	0.037	0.060
Resources	7.264	3.369	3.915	0.020	0.020
Communities	9.628	5.281	4.420	0.073	0.073
<b>Total</b>	<b>27.169</b>	<b>15.746</b>	<b>11.553</b>	<b>0.130</b>	<b>0.153</b>

For further detail please view Appendix 1.

**Table 7: How the Capital Programme is financed**

Financing	23/24 Budget £m	Future Years £m
Borrowing	19.430	12.527
Grants	7.739	9.006
Capital Receipts	0.000	1.175
	<b>27.169</b>	<b>22.708</b>

**Table 8: Total Capital Project Forecast**

Directorate	Budget £m	Total Forecast 2023/24 £m	Variance to Budget £m	Prior Month Variance to Budget £m
Chief Executives	18.501	18.538	0.037	0.060

Resources	7.264	7.284	0.020	0.020
Communities	24.112	24.185	0.073	0.073
<b>Total</b>	<b>49.877</b>	<b>50.007</b>	<b>0.130</b>	<b>0.153</b>

**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
40144	Castle Quay	2.985	2.485	83.24%
40278	Development of New Land Bicester Depot	2.775	2.275	81.98%
40028	Vehicle Replacement Programme	1.731	1.113	64.30%
40300	S106 - Bicester Leisure Centre Extension	1.154	1.096	94.97%
40239	Bicester East Community Centre	1.371	0.600	43.76%
		<b>10.016</b>	<b>7.569</b>	

**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.

**Development of New Land Bicester Depot: -**

Scoping underway. Spend will require re profiling in line with programme - detail to be confirmed as work is undertaken.

**Vehicle Replacement Programme: -**

Reprofiling of £1.113m in to 2024/25. A review of the programme has been undertaken. Nationally there is delay in vehicle supply and thus delivery.

**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.

**Bicester Est Community Centre: -**

Now on site for a 35-week project. £1.371m of capital funding remains allocated to deliver this bespoke community centre for local residents. Some spend requiring to be reprofiled to 2024/25.

### 3.7 Performance Summary

3.8 The council has performed well against its seven KPIs for October, achieving all its targets for the month and year to date.

See appendix 6 for the full list of targeted measures.

### 3.9 October Highlights

- In line with our commitment to help our residents during the cost-of-living crisis, we launched our Community Food Grant scheme with £45,000 available to support groups to provide food provisions to people across the district.
- As part of our efforts to tackle fly tipping, cameras have been set up at the Villiers Road in Bicester and Broome Way in Banbury bottle bank sites, there were selected as a proof of concept for the AI technology, in a project will run for a period of 12 months. Three cameras have been set up at each site, which are continually capturing images (but not recording), the AI works on the principle that if something appears in an image and is still there for 10 or more images later it assumes it has been left, possibly fly tipped, sending an email alert for us to action.
- We have started a monthly 'drop in' service at the Castle Quay community hub, aiming to provide advice and guidance to tenants and landlords, also signposting to wider housing support and advice for issues such as the threat of homelessness.
- Our Play:full programme reached over 245 young people at Banbury's most deprived areas, providing them food and holiday activities through 15 activity sessions delivered during October's half term.

### 3.10 Customer service promise and standards

A review of our customer service promise and standards has been carried out to better reflect the channels customers use to contact us and simplify the language to bring it in line with the recently reviewed Complaints documents.

The document does not seek to replace any statutory provisions concerning timescales, instead it is aimed at giving a realistic general expectation of timescales, standards and behaviours when interacting with officers across the Council.

See appendix 8 for further details

### 3.11 Risk Update

3.12 There are no changes to the risk scores for October. Therefore, the overall position of all Leadership risks for this period remains as follows:

		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					
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The full Leadership Risk Register is attached in appendix 7.

## 4.0 Conclusion and Reasons for Recommendations

This report provides an update on progress made during October, to deliver the council's priorities, manage potential risks and remain within the agreed budget.

## 5.0 Consultation

This report sets out the performance, risk, and budgetary positions for the seventh 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 and risk strategy, 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 for October, therefore there are no alternative options to consider. However, members may wish to request further information from officers 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

[Michael.Furness@cherwell-dc.gov.uk](mailto:Michael.Furness@cherwell-dc.gov.uk)

### 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](mailto:Shahin.Ismail@cherwell-dc.gov.uk)

### Risk Implications

- 7.3 This report contains a full update on the council's risk position at the end of October 2023 within section 3.11.

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

### **Lead Councillors**

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

### **Document Information**

#### **Appendix number and title**

- Appendix 1 – Finance Capital October 2023
- Appendix 2 – Detailed Revenue Narrative on Forecast October 2023
- Appendix 3 – Virements October 2023
- Appendix 4 – Funding October 2023
- Appendix 5 – Use of reserves and grant funding October 2023
- Appendix 6 – Performance October 2023
- Appendix 7 – Leadership Risk Register October 2023
- Appendix 8 – Customer Service Promise and Standards

**Background papers**

None

**Report Author(s) and contact details.**

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