

# **Cherwell District Council**

## **Executive**

**8 January 2024**

### **Performance, Risk and Finance Monitoring Report November 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 November 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 November 2023.
- 1.2 To approve the reserve requests in Appendix 5.
- 1.3 To approve the addition of £1.6m capital spend in relation to Grant agreements that have been concluded with two registered providers of social housing, Sanctuary Housing and South Oxfordshire Housing Association (SOHA) to bring homes forward under the central government resettlement scheme Local Authority Housing Fund Round 2 allocation received by Cherwell.
- 1.4 To delegate authority to Assistant Director Wellbeing and Housing to award grants from the Local Authority Housing Fund Round 2 allocation, in consultation with the Monitoring Officer and s151 Officer, to secure additional social housing in the district with the intention that first let is to refugee families.

#### **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 November 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 November

3.3 The Performance section sets out the council's progress in achieving its November 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 November.

### 3.5 Finance Update

The Council's forecast outturn position for 2023/2024 is an overspend of £0.259m shown in Table 1. Within Executive Matters there is a forecast over recovery of interest amounting to (£0.130m) which we are requesting to be moved to the Market Risk Reserve along with the previous (£1.212m) which has previously been approved by Executive.

### Report Details

**Table 1: Forecast Year End Position**

Service	Original Budget £m	Current Budget £m	November Forecast £m	November Variance (Under) / Over £m	% Variance to current budget %	Prior Month Variance (Under) / Over £m	Change since Previous (better) / worse £m	
HR & OD	0.807	0.813	0.813	0.000	0.0%	0.000	0.000	Green
Wellbeing & Housing	2.286	2.609	2.409	(0.200)	-7.7%	(0.232)	0.032	Green
Customer Focus	2.367	2.443	2.373	(0.070)	-2.9%	(0.045)	(0.025)	Green
<b>Chief Executive</b>	<b>5.460</b>	<b>5.865</b>	<b>5.595</b>	<b>(0.270)</b>	<b>-4.6%</b>	<b>(0.277)</b>	<b>0.007</b>	Green
Finance	3.303	3.376	3.326	(0.050)	-1.5%	(0.025)	(0.025)	Green
Legal, Democratic, Elections & Procurement	1.959	2.033	2.273	0.240	11.8%	0.222	0.018	Red
ICT	1.526	1.526	1.506	(0.020)	-1.3%	(0.020)	0.000	Green
Property	(1.691)	(2.489)	(2.424)	0.065	-2.6%	0.036	0.029	Red
<b>Resources</b>	<b>5.097</b>	<b>4.446</b>	<b>4.681</b>	<b>0.235</b>	<b>5.3%</b>	<b>0.213</b>	<b>0.022</b>	Red
Planning & Development	1.890	1.893	2.242	0.349	18.4%	0.398	(0.049)	Red
Growth & Economy	0.546	0.502	0.412	(0.090)	-17.9%	(0.090)	0.000	Green
Environmental	5.106	6.265	6.348	0.083	1.3%	0.024	0.059	Red

Regulatory	1.150	1.151	1.151	0.000	0.0%	0.000	0.000	
<b>Communities</b>	<b>8.692</b>	<b>9.811</b>	<b>10.153</b>	<b>0.342</b>	<b>3.5%</b>	<b>0.332</b>	<b>0.010</b>	
<b>Subtotal for Directorates</b>	<b>19.249</b>	<b>20.122</b>	<b>20.429</b>	<b>0.307</b>	<b>1.5%</b>	<b>0.268</b>	<b>0.039</b>	
Executive Matters	3.695	3.695	3.647	(0.048)	-1.3%	(0.048)	0.000	
Policy Contingency	5.229	4.356	4.356	0.000	0.0%	0.000	0.000	
<b>Total</b>	<b>28.173</b>	<b>28.173</b>	<b>28.432</b>	<b>0.259</b>	<b>0.9%</b>	<b>0.220</b>	<b>0.039</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>0.259</b>	<b>0.259</b>		<b>0.220</b>	<b>0.039</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 – November 2023**

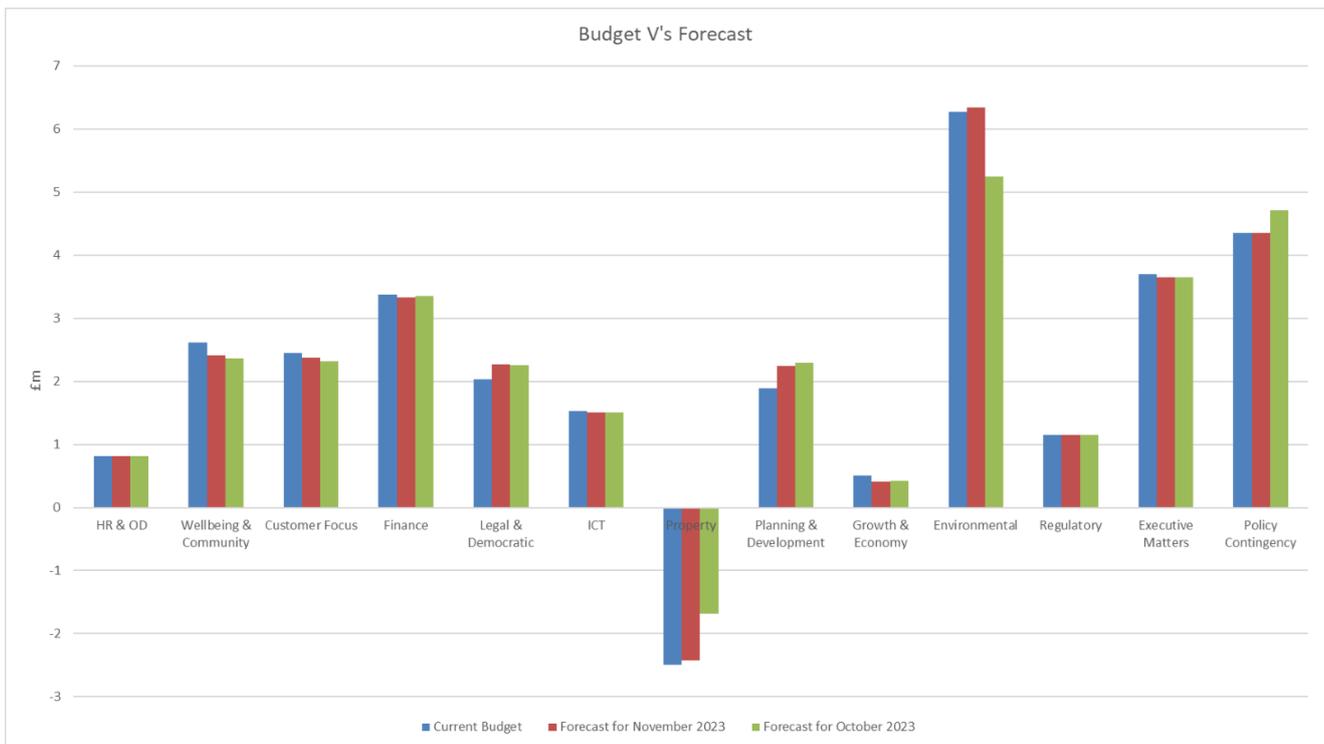
Breakdown of current month forecast	November 2023 Forecast £m	Base Budget Over/ (Under) £m	Savings Non-Delivery £m
Chief Executive	(0.270)	(0.325)	0.055
Resources	0.235	0.024	0.211
Communities	0.342	0.339	0.003
<b>Subtotal Directorates</b>	<b>0.307</b>	<b>0.038</b>	<b>0.269</b>
Executive Matters	(0.048)	(0.048)	0.000
Policy Contingency	0.000	0.000	0.000
<b>Total</b>	<b>0.259</b>	<b>(0.010)</b>	<b>0.269</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>0.259</b>	<b>(0.010)</b>	<b>0.269</b>
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**Table 3: Budget compared with Forecast**

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



**Table 4: Top Major Variances:**

Service	Service	Current Budget	Variance	% Variance
Planning & Development	Development Management	0.598	0.349	58.4%
Legal & Democratic	Legal & Democratic	2.033	0.240	11.8%
Environmental Services	Waste & Recycling	3.230	0.083	2.6%
	<b>Total</b>	<b>5.861</b>	<b>0.672</b>	

**Development Management Variance £0.349m (October's Variance Overspend £0.398m)**

Planning and Development presently has a forecasted overspend of £0.349m for the end of the financial year due to overall income receipts and projections being lower than expected and agency costs exceeding the cost of unfilled establishment posts. The department continues to feel the effect of national construction industry conditions and the reduced availability of planning and building control officers. An increase in planning appeals which necessitates legal and consultant representation is also creating budgetary pressure.

The national increase in planning application fees in December is helping to provide some mitigation and a corporately boosted recruitment process is underway in the interest of filling vacant posts.

The expected outturn is (£0.049m) better than last month helped by the national increase in planning fees and the receipt of planning monitoring fees which are helping to offset additional costs.

The overspend for Building Control has also fallen this month due to lower staffing costs resulting in a £0.050m forecast overspend at year end.

Due to staff vacancies, Planning Policy, Conservation & Design is now expected to be under budget by (£0.015m).

### **Legal, Democratic Elections & Procurement Variance £0.240m (October's Variance overspend 0.222m)**

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)

### **Waste & Recycling Variance £0.083m (September's Variance over spend £0.055m): -**

The forecasted pressure of £0.083m within Environmental Services is primarily due to changes in the global market for recycled materials falling as recycling processing costs have increased.

Commodity prices are currently very volatile, and this could change again during the fourth quarter.

The movement of £0.028m is a result of an increase in gate fees being higher than anticipated for the third quarter. This was identified after the previous months reporting. Monthly meetings with our recycling reprocessor and monitoring of the individual commodity prices allows to estimate gate fees in advance of the quarterly price agreement. Cost savings identified for 2024/25 for direct delivery of food waste have been commenced early. The service is continually reviewing its spend in less critical, front line services.

### **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 November 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)	0.975	(0.130)	(20.747)
Ringfenced Grant	(3.506)	0.711	0.344	0.000	(2.451)
<b>Subtotal Revenue</b>	<b>(28.779)</b>	<b>(1.758)</b>	<b>1.319</b>	<b>(0.130)</b>	<b>(29.348)</b>
Capital	(8.049)	1.000	0.000	0.000	(7.049)
<b>Total</b>	<b>(36.828)</b>	<b>(0.758)</b>	<b>1.319</b>	<b>(0.130)</b>	<b>(36.397)</b>

Please see appendix 5 for reserve requests.

### 3.6 Capital

There is a forecast in-year underspend of (£12.439m), of which £12.435m is to be reprofiled into future years.

**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	10.367	6.968	3.298	(0.101)	0.037
Resources	13.222	6.404	6.961	0.143	0.020
Communities	3.782	1.560	2.176	(0.046)	0.073
<b>Total</b>	<b>27.371</b>	<b>14.932</b>	<b>12.435</b>	<b>(0.004)</b>	<b>0.130</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	19.542	12.527
Grants	7.829	9.006
Capital Receipts	0.000	1.175
	<b>27.371</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	18.591	17.740	(0.851)	0.037
Resources	14.432	14.575	0.143	0.020
Communities	17.056	17.010	(0.046)	0.073
<b>Total</b>	<b>50.079</b>	<b>49.325</b>	<b>(0.754)</b>	<b>0.130</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
40278	Development of New Land Bicester Depot	2.775	2.675	96.40%
40144	Castle Quay	2.985	2.485	83.24%
40300	S106 - Bicester Leisure Centre Extension	1.154	1.154	100.00%
40028	Vehicle Replacement Programme	1.731	1.109	64.07%
40286	Transforming Market Square Bicester	1.000	0.960	96.00%
		<b>9.645</b>	<b>8.383</b>	

**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. This project moved over from Environmental Services to Property in December 2023

**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.

**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.

**Vehicle Replacement Programme: -**

Reprofiling of £1.109m in to 2024/25. A review of the programme has been undertaken. Nationally there is delay in vehicle supply and thus delivery

**Transforming Market Square Bicester: -**

£0.180m approved by Executive (September 2023) for design and consultation work in 2023/24 (for final plans for Market Square Public Realm and full business plan). Design Consultants to be procured February 2024 £0.040m to be spent by end of financial year remaining budget to be reprofiled into 2024/25 for continuation of the project

**3.7 Performance Summary**

3.8 The council has performed well against its seven KPIs for November, having achieved all but one of its targets.

The measure below narrowly missed its target for November:

## Number of Visits/Usage of contracted & directly managed sports facilities

November: **Amber** – 119,984 visits/usage against a target of 123,714 visits/usage.

Year to date: **Green** – 929,107 visits/usage against a target of 893,946 visits/usage (year-end target 1,348,666).

Comments from the service: Usage figures were slightly below target during November; however, we continue to report ahead for this time of the year, and we are on track to deliver our year-end target.

See appendix 6 for the full list of targeted measures.

### 3.9 November Highlights

- We welcomed a further 10 families into the district under the Afghanistan Resettlement and Assistance Programme, working with the Afghan families already settled, and Connection Support to provide a support package, so they can begin to feel part of the community.
- We have worked to encourage Thames Water to take steps to find a long-term solution to the persistent odour issues at Bicester Sewage Treatment Works, finally they commissioned and installed new equipment to help reduce the odours, worth £2.5m. These include a sealed unit and an area with negative pressure, where lorries drive into to dispose the waste straight in; then the air in this area is filtered through several carbon filters before being released into the atmosphere.
- We have prepared a plan for tackling homelessness in the district, and we are now asking for feedback from our residents on this new Homelessness and Rough Sleeping Strategy 2024-2029. The strategy, and its key themes, are focussed on our commitment to build effective partnerships, working to reduce the impact of homelessness and rough sleeping in Cherwell.

### 3.10 Risk Update

3.11 There are no changes to the risk scores for November. 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 - L06	L03-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 7.

## 4.0 Conclusion and Reasons for Recommendations

This report provides an update on progress made during November, 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 eighth 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 November, 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 Officer

[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 November 2023 within section 3.10.

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 November 2023
- Appendix 2 – Detailed Revenue Narrative on Forecast November 2023
- Appendix 3 – Virements November 2023
- Appendix 4 – Funding November 2023
- Appendix 5 – Use of reserves and grant funding November 2023
- Appendix 6 – Performance November 2023
- Appendix 7 – Leadership Risk Register November 2023

**Background papers**

None

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

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