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| This report is public | |
| Finance, Performance and Risk Report January 2024 | |
| Committee | Executive |
| Date of Committee | 4 March 2024 |
| Portfolio Holder presenting the report | Councillor Adam Nell, Portfolio Holder for Finance / Councillor Sandy Dallimore, Portfolio Holder for Corporate Services |
| Date Portfolio Holder agreed report | 19 February 2024 |
| Report of | Assistant Director of Finance, Michael Furness, and Assistant Director -Customer Focus, Shona Ware |

Purpose of report

To update Executive on how well the council is performing in delivering its priorities, managing potential risks, and balancing its finances for the month of January 2024.

1. Recommendations

The Executive resolves:

- 1.1 To consider and note the contents of the Council's Performance, Risk and Financial report for the month of January 2024.
- 1.2 To approve a change in the frequency of reporting from the new financial year onwards from monthly to quarterly.
- 1.3 To approve the reserve requests in Appendix 5.
- 1.4 To note the approval of £0.011m S106 monies for the refurbishment works to Steeple Aston Village Hall under S151 delegation powers.

2. Executive Summary

2.1 This report is split into three sections:

- Finance
- Performance
- Risk

2.2 The Finance section presents the year-end forecasts for the 2023/2024 financial year as of January, we are currently reporting an underspend on revenue of (£0.059m) and Capital in-year underspend of (£14.180m) and a total capital project underspend across years totalling (£0.283m).

- 2.3 The Performance section sets out how the council has performed against its targets for January. Out of the seven measures for January, five were either achieved or within the agreed tolerance for the target and two reported slightly behind target but have achieved their year-to-date targets.
- 2.4 The Risk section highlights any changes to the council's Leadership Risk Register however, there were no changes this month (January 2024).

Implications & Impact Assessments

| Implications | Commentary | | | |
|--|---|---------|----------|--|
| Finance | Financial and Resource implications are detailed within sections 4.1 to 4.2 of this report. Michael Furness, Assistant Director of Finance / Section 151 | | | |
| Legal | There are no legal implications arising from the report. Shahin Ismail, Interim Head of Legal Services | | | |
| Risk Management | This report contains a full update on the council's risk position at the end of January 2024 within section 4.5 Celia Prado-Teeling, Performance Team Leader | | | |
| Impact Assessments | Positive | Neutral | Negative | Commentary |
| Equality Impact | | X | | There are no equality implications arising directly as a consequence of this report. Celia Prado-Teeling, Performance Team Leader |
| A Are there any aspects of the proposed decision, including how it is delivered or accessed, that could impact on inequality? | | X | | |
| B Will the proposed decision have an impact upon the lives of people with protected characteristics, including employees and service users? | | X | | |

| | | | | |
|---|---|--|--|-----|
| Climate & Environmental Impact | | | | N/A |
| ICT & Digital Impact | | | | N/A |
| Data Impact | | | | N/A |
| Procurement & subsidy | | | | N/A |
| Council Priorities | All | | | |
| Human Resources | N/A | | | |
| Property | N/A | | | |
| Consultation & Engagement | This report sets out the performance position for January 2024, therefore no formal consultation or engagement is required. | | | |

Supporting Information

3. Background

- 3.1 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.
- 3.2 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.
- 3.3 These updates are consolidated into a single report given the implications and interdependencies between them, and this is the summary up to January 2024.

4. Details

4.1 Finance Update

The Council's forecast outturn position for 2023/2024 is an underspend of (£0.059m). This is after an underspend within Policy contingency which will offset the lower than budgeted in-year income of S31 grant. The overall forecast position is an improvement of (£0.059m) over the previous month's forecast.

Report Details

Table 1: Forecast Year End Position

| Service | Original Budget £m | Current Budget £m | January Forecast £m | January Variance (Under) / Over £m | % Variance to current budget % | December Variance (Under) / Over £m | Change since Previous (better) / worse £m |
|--|-----------------------|----------------------|------------------------|---------------------------------------|-----------------------------------|--|--|
| HR & OD | 0.807 | 0.833 | 0.833 | 0.000 | 0.0% | 0.000 | 0.000 |
| Wellbeing & Housing | 2.286 | 2.699 | 2.499 | (0.200) | -7.4% | (0.200) | 0.000 |
| Customer Focus | 2.367 | 2.512 | 2.382 | (0.130) | -5.2% | (0.080) | (0.050) |
| Chief Executive | 5.460 | 6.044 | 5.714 | (0.330) | -5.5% | (0.280) | (0.050) |
| Finance | 3.303 | 3.566 | 3.516 | (0.050) | -1.4% | (0.050) | 0.000 |
| Legal, Democratic, Elections & Procurement | 1.959 | 2.102 | 2.447 | 0.345 | 16.4% | 0.287 | 0.058 |
| ICT | 1.526 | 1.551 | 1.576 | 0.025 | 1.6% | (0.020) | 0.045 |
| Property | (1.691) | (2.454) | (2.302) | 0.152 | -6.2% | 0.136 | 0.016 |
| Resources | 5.097 | 4.765 | 5.237 | 0.472 | 9.9% | 0.353 | 0.119 |
| Planning & Development | 1.890 | 1.989 | 2.220 | 0.231 | 11.6% | 0.308 | (0.077) |
| Growth & Economy | 0.546 | 0.507 | 0.417 | (0.090) | -17.8% | (0.090) | 0.000 |
| Environmental | 5.106 | 6.570 | 6.642 | 0.072 | 1.1% | 0.099 | (0.027) |
| Regulatory | 1.150 | 1.187 | 1.163 | (0.024) | -2.0% | 0.000 | (0.024) |
| Communities | 8.692 | 10.253 | 10.442 | 0.189 | 1.8% | 0.317 | (0.128) |
| Subtotal for Directorates | 19.249 | 21.062 | 21.393 | 0.331 | 1.6% | 0.390 | (0.059) |
| Executive Matters | 3.695 | 3.695 | 3.647 | (0.048) | -1.3% | (0.048) | 0.000 |
| Policy Contingency | 5.229 | 3.526 | 1.708 | (1.818) | -51.6% | (1.818) | 0.000 |
| Total | 28.173 | 28.283 | 26.748 | (1.535) | -5.4% | (1.476) | (0.059) |
| | | | | | | | |
| FUNDING | (28.173) | (28.283) | (26.807) | 1.476 | -5.2% | 1.476 | 0.000 |
| | | | | | | | |
| (Surplus)/Deficit | 0.000 | 0.000 | (0.059) | (0.059) | | 0.000 | (0.059) |

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 – January 2024

| Breakdown of current month forecast | January 2024 Forecast £m | Base Budget Over/ (Under) £m | Savings Non-Delivery £m |
|-------------------------------------|-----------------------------|---------------------------------|----------------------------|
| Chief Executive | (0.330) | (0.372) | 0.042 |
| Resources | 0.472 | 0.283 | 0.189 |
| Communities | 0.189 | 0.186 | 0.003 |
| Subtotal Directorates | 0.331 | 0.097 | 0.234 |
| Executive Matters | (0.048) | (0.048) | 0.000 |
| Policy Contingency | (1.818) | (1.818) | 0.000 |
| Total | (1.535) | (1.769) | 0.234 |
| FUNDING | 1.476 | 1.476 | 0.000 |
| (Surplus)/Deficit | (0.059) | (0.293) | 0.234 |

Table 3: Budget compared with Forecast

The graph below shows the change from December 2023 forecast to January 2024 compared to the current budget.

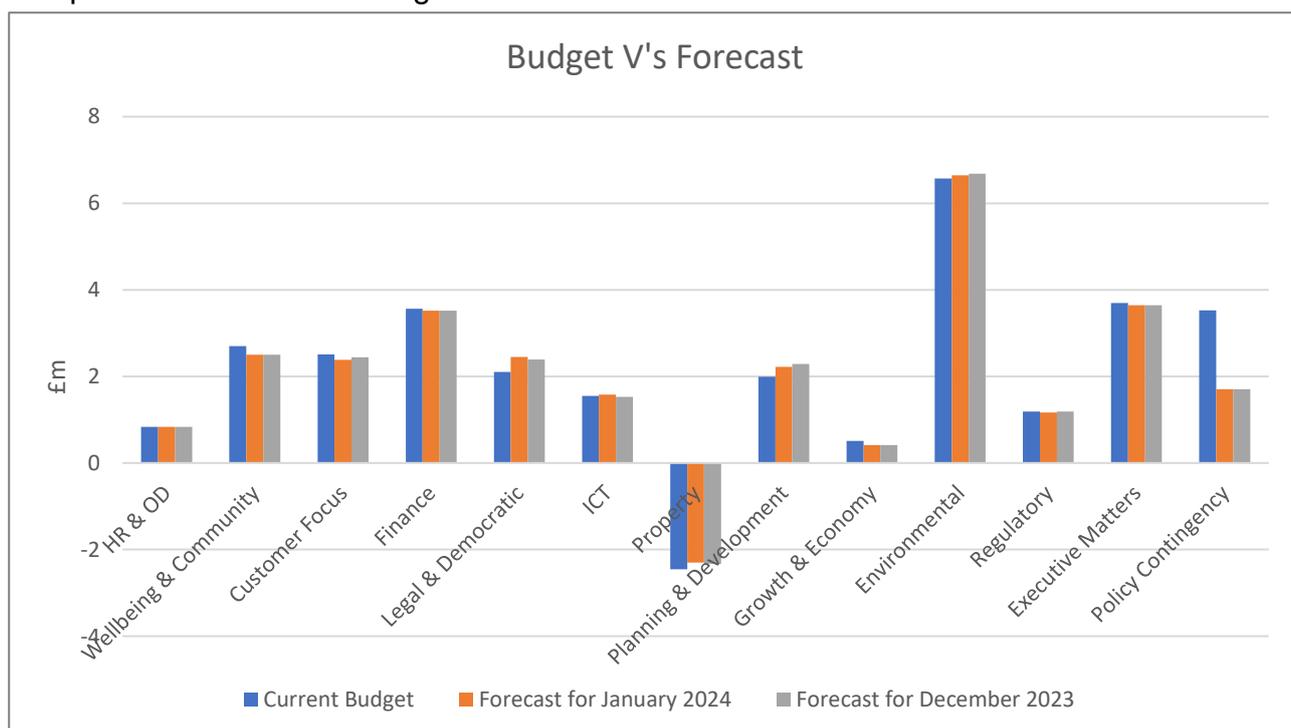


Table 4: Top Major Variances:

| Service | Service | Current Budget | Variance | % Variance |
|------------------------|------------------------|----------------|----------|------------|
| Policy Contingency | Policy Contingency | 3.526 | (1.818) | -51.6% |
| S31 Grant | Funding | (28.283) | 1.476 | -5.2% |
| Legal & Democratic | Legal & Democratic | 2.033 | 0.345 | 17.0% |
| Planning & Development | Development Management | 0.598 | 0.231 | 38.6% |
| Environmental Services | Waste & Recycling | 3.230 | 0.072 | 2.2% |
| | Total | (18.896) | 0.306 | |

Policy Contingency Underspend (£1.818m) (December's Variance underspend £1.818m)

The unallocated inflation contingency underspend forecast this month within policy contingency will mitigate the under-recovery of S31 grant and the remaining offsetting the overspend within directorates.

Funding Overspend £1.476m (December's Variance overspend 1.476m)

There is a lower than budgeted in-year income of S31 grant forecast. This is due to timing issues in the split between S31 grant income for compensation for business rates discounts introduced by the Government and business rates income. When the income is received as business rates income, this will become available in 2024/25 and has been taken into account within the budget process. The in-year shortfall will be mitigated through Policy Contingency surpluses.

Legal, Democratic, Elections & Procurement Overspend £0.345m (December's Variance Overspend £0.287m)

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).

Development Management Overspend £0.231m (December's Overspend £0.308m)

Planning and Development now forecasts an overspend of £0.231m. This is the result of agency staffing costs exceeding the cost of unfilled established posts, the cost of legal and consultant representation for planning appeals and Building Control income forecasts remaining lower than budget.

Waste & Recycling Variance £0.072m (December Variance over spend £0.099m): -

The forecasted pressure of £0.072m 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.

Table 5: Earmarked Reserves and General Balances at January 2024

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

| Reserves | Balance 1 April 2023 | Original Budgeted use/ (contribution) | Changes agreed since budget setting | Changes proposed January 2024 | Balance 31 March 2024 |
|------------------|----------------------|---------------------------------------|-------------------------------------|-------------------------------|-----------------------|
| | £m | £m | £m | £m | £m |
| General Balance | (6.150) | 0.000 | 0.000 | 0.000 | (6.150) |
| Earmarked | (19.123) | (2.469) | 0.175 | (0.391) | (21.808) |
| Ringfenced Grant | (3.506) | 0.711 | 0.344 | (0.489) | (2.940) |
| Subtotal Revenue | (28.779) | (1.758) | 0.519 | (0.880) | (30.898) |
| Capital | (8.049) | 1.000 | 0.000 | 0.000 | (7.049) |
| Total | (36.828) | (0.758) | 0.519 | (0.880) | (37.947) |

Please see appendix 5 for reserve requests.

4.2 Capital

There is a forecast in-year underspend of (£14.180m), of which £13.897m is to be reprofiled into future years.

Table 6: Capital Spend 2023/2024

| Directorate | 2023/24 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 | 12.066 | 8.383 | 3.580 | (0.103) | (0.103) |
| Resources | 13.222 | 5.147 | 7.941 | (0.134) | (0.036) |
| Communities | 3.782 | 1.360 | 2.376 | (0.046) | (0.046) |
| Total | 29.070 | 14.890 | 13.897 | (0.283) | (0.185) |

For further detail please view Appendix 1.

Table 7: How the Capital Programme is financed

| Financing | 23/24 Budget £m | Future Years £m | Total |
|------------------|--------------------|--------------------|--------|
| Borrowing | 19.542 | 12.527 | 32.069 |
| Grants | 9.528 | 9.006 | 18.534 |
| Capital Receipts | 0.000 | 1.175 | 1.175 |
| | 29.070 | 22.708 | 51.778 |

Table 8: Total Capital Project Forecast

| Directorate | Total Budget £m | Total Forecast 2023/24 £m | Variance to Budget £m | Prior Month Variance to Budget £m |
|------------------|--------------------|---------------------------------|-----------------------------|--|
| Chief Executives | 20.290 | 19.437 | (0.853) | (0.851) |
| Resources | 14.432 | 14.298 | (0.134) | 0.143 |
| Communities | 17.056 | 17.010 | (0.046) | (0.046) |
| Total | 51.778 | 50.745 | (1.033) | (0.754) |

Table 9: Top Five in-year Capital Variances: -

| Code | Top 5 In-Year Variances | Budget Total £'000 | Reprofile to Future Years £'000 | % of in year Budget Variance |
|-------|--|-----------------------|--|------------------------------------|
| 40278 | Development of New Land Bicester Depot | 2.775 | 2.750 | 99.10% |
| 40144 | Castle Quay | 2.795 | 2.545 | 91.04% |
| 40028 | Vehicle Replacement Programme | 1.731 | 1.162 | 67.13% |
| 40300 | S106 - Bicester Leisure Centre Extension | 1.154 | 1.154 | 100.00% |
| 40239 | Bicester East Community Centre | 1.371 | 0.871 | 63.53% |
| | | 9.826 | 8.482 | |

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.

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.

Vehicle Replacement Programme: -

Reprofiling of £1.162m 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 East 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.

4.3 Performance Summary

Of the seven measures we monitor on a monthly basis, five were either achieved or within the agreed tolerance for the target. The two measures that were outside tolerance for January have however met their year-to-date targets:

- Number of Homeless Households living in Temporary Accommodation (TA).

January was an exceptionally busy month – 20 new placements into temporary accommodation and a 50% increase in calls and visits to the duty office. However, despite this additional pressure, the service managed to keep the impact on the overall numbers of households in temporary accommodation to a minimum – just nine above the target for the month:

January 2024: 49 against target of 40 – Amber

Year to date: 36 against target of 40 – Green

- Number of Visits to council sports facilities

All our sports facilities, except for Spiceball Leisure Centre saw an increase in visitors in January. These increases were unfortunately not able to offset the decrease in use at Spiceball Leisure Centre, but officers are looking into the factors that may have led to this drop in usage.

January 2024: 123,263 against target of 136,700 - Amber

Year to date: 1,140,142 against target of 1,118,486 – Green

See appendix 6 for the full list of measures for January.

4.4 Reporting cycle

As part of the work to develop our Performance Management Framework for the new financial year 2024-25 officers have been reviewing the council's performance monitoring and reporting cycle. This work has shown that performance generally does not fluctuate very much on a monthly basis and on the rare occasion this happens, has been down to an anomaly that has been rectified the following month.

Moving to quarterly reporting will shift our focus from reacting to (and reporting) anomalies to identifying and addressing escalating trends and significant emerging issues.

This change in frequency will also allow us to align our reporting with national bench marking requirements for example OFLOG.

The change in reporting cycle would come into effect at the start of the new financial year for performance and risk and for finance when committee cycles can be aligned.

4.5 Risk Update

There were no changes to the council's Leadership Risk Register in January 2024.

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 | | L06-L09 | 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.

5. Alternative Options and Reasons for Rejection

5.1 There is no alternative option to consider as this is an update report on the council's performance, risk, and financial positions up to the end of January 2024. However, members may wish to request further information from officers for inclusion.

6 Conclusion and Reasons for Recommendations

6.1 This report provides an update on progress made during January 2024, to deliver the council's priorities, manage potential risks and remain within the agreed budget.

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 | Capital January 24 |
| Appendix 2 | Detailed Revenue Narrative on Forecast January 24 |
| Appendix 3 | Virements January 24 |
| Appendix 4 | Funding January 24 |
| Appendix 5 | Use of Reserves and Grant funding January 24 |
| Appendix 6 | Performance January 24 |
| Appendix 7 | Leadership Risk Register January 24 |
| Background Papers | None |
| Reference Papers | None |
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