

This report is public	
Performance, Risk and Finance Monitoring Report Quarter 1 2024 – 2025	
Committee	Executive
Date of Committee	9 September 2024
Portfolio Holder presenting the report	Portfolio holder for Finance, Property and Regeneration, Councillor Lesley Mclean / Portfolio Holder for Corporate Services, Councillor Chris Brant
Date Portfolio Holder agreed report	20 August 2024
Report of	Assistant Director of Finance (S151 Officer), Michael Furness / Assistant Director – Customer Focus, Shona Ware

Purpose of report

To report to Executive the council's performance, risk, and financial positions at the end of Quarter 1 2024-25.

1. Recommendations

The Executive resolves:

- 1.1 To consider and note the contents of the council's performance, risk and finance Quarter 1 report.
- 1.2 To approve the use of reserve requests held within Appendix 5.
- 1.3 To approve the reprofiling of capital projects beyond 2024/25 held within Appendix 1 and the subsequent update to the programme budget for this financial year.
- 1.4 To note the virement of between capital schemes agreed under officer delegation: £0.045m from 'Banbury Health Centre' to 'Community Centre – Works'.
- 1.4 To approve the use of S106 funding amounting to £0.560m to deliver more self-contained units of temporary accommodation within Cherwell in partnership with South Oxfordshire Housing Association.

2. Executive Summary

2.1 This report is split into three sections:

- Finance
- Performance
- Risk

- 2.2 The Finance section presents the financial position as of the end of Quarter 1 2024-25.
- 2.3 The Performance section sets out how the council has performed against its priorities for 2024-25, which are set out in its Outcomes Framework.
- 2.4 The Risk section highlights the current risks within the council’s Leadership Risk Register, reflecting the final position for Quarter 1 2024-25.

Implications	Commentary			
Finance	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. Michael Furness, Assistant Director – Finance, 12 August 2024			
Legal	There are no legal implications arising directly from this report. Shahin Ismail, Interim Head of Legal Services, 12 August 2024			
Risk Management	This report contains a full update with regards to the council’s risk position at the end of Quarter 1 2024-25. Celia Prado-Teeling, Performance Team Leader, 29 July 2024			
Impact Assessments	Positive	Neutral	Negative	Commentary
Equality Impact		X		There are no direct equalities and inclusion implications as a consequence of this report. The report includes a summary on our performance against the Equalities, Diversity, and Inclusion Action plans during Quarter 1 2024-25 Celia Prado-Teeling, Performance Team Leader, 29 July 2024
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		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 Quarter 1 2024-25			
Human Resources	N/A			
Property	N/A			
Consultation & Engagement	N/A			

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 for the finance element and quarterly for performance and risk, 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 for the end of Quarter 1 2024-25. Please note that this report covers two administrations (before and post-election period), as such the financial element is currently under review by the new administration.

4. Details

4.1 Finance Update

Cherwell District Council

The council's forecast outturn position for 2024/2025 is an overspend of £0.312m. The forecast overspend is due to pressures within certain services and further details can be found in Appendix 2. In line with the principles outlined in the Chief Finance Officer's Section 25 statement that accompanied the 2024/25 budget report, services that are forecasting an overspend are actively looking for solutions to mitigate this. Furthermore, services that are forecasting to operate within their budget are also looking for ways that they could reduce their net expenditure position. This will be supplemented by the Transformation Programme currently underway at the council. Where suitable proposals are identified that can be implemented before the start of the 2025/26 the council will consider this. As such the council is looking to manage the budget in a corporate way that minimises any impact on service provision.

Table 1: Forecast Year End Position

Forecast Outturn - June 2024	Original Budget	Current Budget	June Forecast Outturn	June Variance (Under) / Over	% Variance to current budget	May Variance (Under) / Over	Change since Previous (better) / worse	
	£m	£m	£m	£m	%	£m	£m	
Chief Executive	5.337	5.379	5.349	(0.030)	-0.6%	0.025	(0.055)	Green
Resources	4.382	4.422	4.651	0.229	5.2%	0.048	0.181	Red
Communities	8.996	8.996	9.096	0.100	1.1%	0.000	0.100	Red
Subtotal Directorates	18.715	18.797	19.096	0.299	5.7%	0.073	0.226	Red
Executive Matters	4.293	4.293	4.306	0.013	-0.3%	0.000	0.013	Red
Policy Contingency	3.979	3.897	3.897	0.000	0.0%	0.000	0.000	Green
Total	26.987	26.987	27.299	0.312	1.2%	0.073	0.239	Red
FUNDING	(26.987)	(26.987)	(26.987)	0.000	0.0%	0.000	0.000	Green
(Surplus)/Deficit	0.000	0.000	0.312	0.312		0.073	0.239	Red

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 – June 2024

Breakdown of current month forecast	June 2024 Forecast	Base Budget Over/ (Under)	Savings Non-Delivery
	£m	£m	£m
Chief Executive	(0.030)	(0.120)	0.090
Resources	0.229	0.229	0.000
Communities	0.100	0.034	0.066

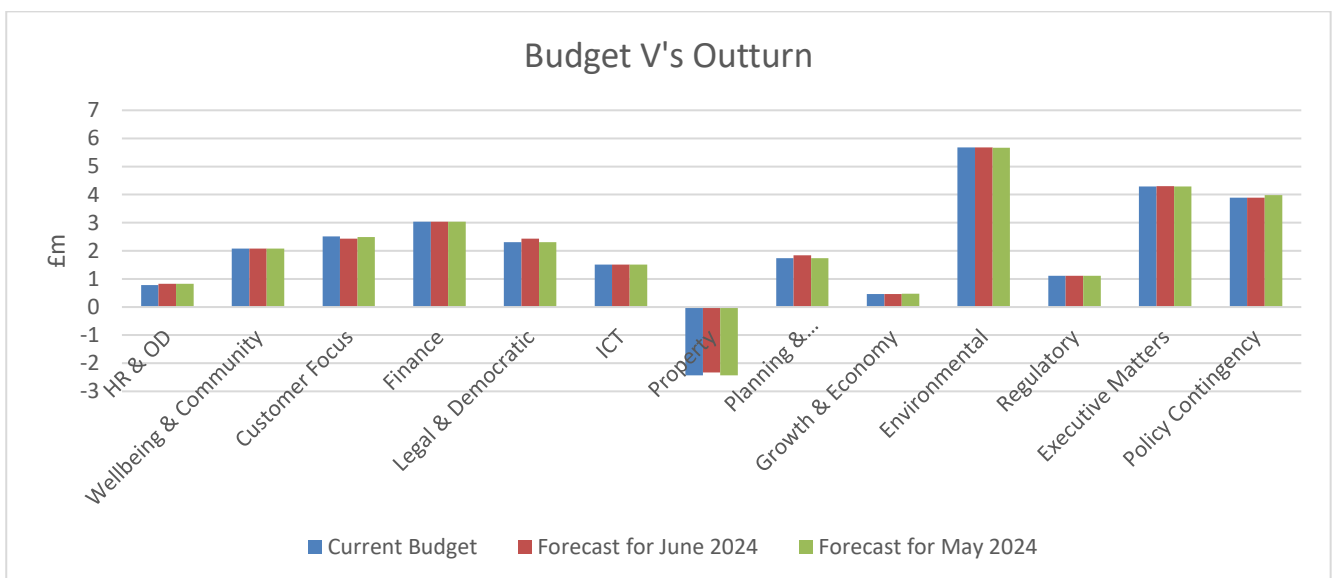
Subtotal Directorates	0.299	0.143	0.156
Executive Matters	0.013	0.013	0.000
Policy Contingency	0.000	0.000	0.000
Total	0.312	0.156	0.156

FUNDING	0.000	0.000	0.000
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(Surplus)/Deficit	0.312	0.156	0.156
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Table 3: Budget compared with Forecast

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



Top Major Variances:

Service	Current Budget	Variance	% Variance
Legal, Democratic, Elections & Procurement	2.305	0.129	5.6%
Planning & Development	1.738	0.100	5.8%
Property	(2.432)	0.100	-4.1%
Total	1.611	0.329	

Legal, Democratic, Elections & Procurement – Overspend £0.129m (May 2024 variance £0.048m)

Professional support obtained through use of locum lawyers and other professional staff makes up the bulk of the overspend. The Monitoring Officer is responsible for securing appropriate and suitable legal advice, investigating and reporting on anything the Council Cherwell District Council

does that has the potential to be an illegal action or investigating and reporting on any action that might count as maladministration. However, the service recognises that it needs to operate within its budget, it has been actively trying to recruit to permanent positions together with demand management measures.

Planning & Development – Overspend £0.100m (May 2024 variance £0.000m)

Planning and Development is forecasting an overall overspend of £0.100m. The forecast for pre-application income has fallen and there are higher staffing costs (agency & consultancy). This is partly offset by income from Planning Performance Agreements and Building Control being higher than expected.

Property – Overspend £0.100m (May 2024 Variance overspend £0.000m)

The £0.100m overspend has occurred due to void costs of holding vacant units. Some units are under offer and lettings are expected to complete soon. This will have the impact of reducing the overspend as the financial year progresses.

Policy Contingency

The council has to fund the costs of a planning appeal that it lost for c£0.5m. These costs are expected to be able to be met from within policy contingency budgets available to the council.

Reserves

Allocations to and from reserves are made according to the Reserves Policy. Table 5 below summarises the movements which have been requested in June 2024, further detail is provided in Appendix 5.

Table 4: Earmarked Reserves:

Reserves	Balance 1 April 2024	Original Budgeted use/ (contribution)	Changes agreed since budget setting	Changes proposed June 2024	Balance 31 March 2025
	£m	£m	£m	£m	£m
General Balance	(6.153)	0.000	0.000	0.000	(6.153)
Earmarked	(28.325)	(0.776)	0.172	0.000	(28.929)
Ringfenced Grant	(2.552)	0.898	0.009	0.342	(1.303)
Subtotal Revenue	(37.030)	0.122	0.181	0.342	(36.385)
Capital	(6.293)	3.250	0.000	0.000	(3.043)
Total	(43.323)	3.372	0.181	0.342	(39.428)

*The Reserves Policy sets out Executive are only required to approve uses of Capital Reserves, not contributions.

Please see appendix 5 for reserve requests.

4.2 Capital

There is an in-year underspend of (£4.757m), of which £0.739m is to be reprofiled into future years.

Directorate	Budget £m	Forecast Spend 24/25 £m	Re-profiled beyond 2024/25 £m	Variance to Budget £m	Prior Month Variance to Budget £m
Chief Executives	6.957	6.519	0.000	(0.438)	(1.250)
Resources	10.204	9.959	0.000	(0.245)	(0.245)
Communities	8.057	3.983	0.739	(3.335)	0.000
Total	25.218	20.461	0.739	(4.018)	(1.495)

For further detail please view Appendix 1.

Table 5: How the Capital Programme is financed

Financing	24/25 Budget £m	Future Years £m	Total
Borrowing	16.839	8.254	25.093
Capital Grants	0.425	5.250	5.675
Capital Receipts	6.143	4.956	11.099
S106 Receipts	1.811	3.082	4.893
	25.218	21.542	46.760

Table 6: Total Capital Project Outturn

Directorate	Budget £m	Total Forecast 2024/25 £m	Variance to Budget £m	Prior Month Variance to Budget £m
Chief Executives	15.536	15.098	(0.438)	(1.250)
Resources	14.671	14.426	(0.245)	(0.245)
Communities	16.553	16.553	0.000	0.000
Total	46.760	46.077	(0.683)	(1.495)

Table 7: Top in-year variances: -

Code	Top In-Year Variances	Budget Total £'000	Reprofile to 24/25 £'000	% of in year Budget Variance
40286	Transforming Market Square Bicester	4.235	4.055	95.75%
40062	East West Railways	0.049	0.019	39.15%
		4.283	4.074	

40286 – Transforming Market Square Bicester - Market Square study to be completed in 2024/25, with approvals and procurement of contractor completed by early Q1 2025/26 and works implemented over Financial year's 2025/26 and 2026/27.

40062 – East West Railways – The capital fund has been set up to enable the Council's costs to be recharged when responding to enquiries and regulatory applications, involving for example environmental and land drainage matters, made in connection with the EWR project. This is in partnership with England's Economic Heartland. The Digital Enhancement Project is a small element of CDC's commitment, involving the transfer of funds in four stages to reflect Network Rail's delivery of the digital infrastructure. The fourth invoice of £26,500 is expected to be received by the end of Q1 2024/25, dependent upon practical progress.

4.3 Performance Summary

- 4.4 The council is performing well against its Quarter 1 objectives, which consist of 27 Business Plan Measures 16 Annual Delivery Plan actions, and 26 Equalities Diversity and Inclusion Action Plan activities.
- 4.5 Of the 57 measures with targets for Quarter 1, the majority were on track or within the agreed tolerance, six were slightly behind target and just one behind target.

4.6 Business Plan Measures

- 4.7 Of the 16 business plan measures with set targets, 13 were either achieved or within the agreed tolerance, two were slightly behind target, and one behind target:

“Number of Homeless Households living in Temporary Accommodation”

There were 68 households living in temporary accommodation against the maximum target of 45.

Temporary Accommodation usage has increased steadily in Q4 23-24 and in Quarter 1 of 2024-25, to 68. The number of new placements is now more comparable to the numbers moving out into other housing options, such as permanent accommodation offers, therefore the increase has shown signs of slowing. Increasing temporary accommodation usage reflects national trends of increases being seen due to rising demand and an increase of vulnerable people requiring temporary accommodation in turn.

“Percentage of Major Applications overturned at appeal”

18.8% of major applications were overturned on appeal against a target of 10% for Quarter 1.

There has been an increase in the number of appeals this year in comparison to previous years, which has resulted in more appeals allowed. The team is reviewing the situation, seeking to ensure that the recommendations provided are up to the highest standard, providing guidance and advice to the planning committee members to ensure they are fully informed when determining applications at planning committee.

“Percentage of Building Control full plans assessed within 5 weeks (or longer with applicant's agreement)”

92.3% of building control full plans were assessed within 5 weeks, or longer as per previous agreement with the applicant, against a target of 95% for Quarter 1.

There has been an increase in the number of applications received - our market share is currently 73% compared with 63% in 2023/24. Our target of 95% has therefore not been reached, please note that where there have been delays, the team is always diligent in contacting the applicant to explain why and agree a response date.

- 4.8 There are also 11 measures that the council monitors to be able to identify any emerging trends that might require early intervention from us or partners. There are no targets for these measures as they are dependent on external factors. During Quarter 1 no particular trends were observed.

Please note some of the graphs included with these measures would not include previous year comparison due to the metrics being new.

See Appendix 6 for the full list of targeted and monitoring measures.

4.9 Annual Delivery Plan Priorities

- 4.10 All Annual Delivery plan milestones set for Quarter 1 (15) were achieved or within the agreed tolerance.

Please note the appendix shows the priority outdented and underneath the quarterly milestones from Quarter 1 to Quarter 4, the status for each milestone will be RAG (Red, Amber, Green) rated to show the status per quarter. If activity starts ahead of time, this will also be RAG rated and will have commentary.

See Appendix 7 for Quarter 1 updates on the Annual delivery plan.

4.11 Equalities, Diversity, and Inclusion Action plans

- 4.12 Of the 26 actions, 22 were achieved or within the agreed tolerance, and four were reported slightly behind scheduled, as follows:

“Work with partners to promote an ethnically diverse representation at our voluntary sector forum”

Reported slightly behind schedule during Quarter 1.

Plans are being made for invitations to the voluntary sector forum to be widened in an effort to hold a more representative event.

“Collaborate with partner organisations to involve young people in volunteering activities and engage with them to undertake active participation in their local communities”

Reported slightly behind schedule during Quarter 1.

Initial discussions with some of our partners has highlighted the costs and challenges

associated with young people undertaking volunteering activities, the next step will be to explore how these challenges can be best supported, with input from schools.

“Raise awareness of the role of councillors and routes to be becoming a councillor targeted at underrepresented group”

Reported slightly behind schedule during Quarter 1.

During Q1 training has been delivered to new members, however specific work to raise awareness across Members has been delayed due to general elections during this period.

“Implement the recommendations proposed by the strategic review of partnerships”

Reported slightly behind schedule during Quarter 1.

The review recommended that Equality, Diversity and Inclusion actions to be incorporated into Terms of reference and service level agreements where Cherwell District Council was the lead organisation, changes will be added accordingly.

See Appendix 8 for Quarter 1 updates on Equalities, Diversity, and Inclusion Action plans.

4.13 Risk Update

- 4.14 The Council maintains a Leadership Risk Register, which contains Strategic risks that could be significant in size and duration and could potentially impact on the reputation and performance of the Council as a whole, and in particular, on its ability to deliver on its corporate priorities. The Leadership Risk Register is reviewed quarterly by the Corporate Leadership Team; however, this is a live document that gets updated as and when required.
- 4.15 Please note risks deemed as high (L01) and medium (L03, L07, L08, L11 and L14) present higher scores, mostly due to the magnitude of the impact these events could have for the organisation, mitigating actions are in place across all of them to reduce the potential severity of the impact, and controls are established to prevent the probability of the risk event happening. The full Leadership Risk Register, including controls and mitigating actions. is attached in Appendix 9.

The overall position as of the end of Quarter 1 of all Leadership risks is as follows:

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

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 financial position up to the end of Quarter 1 2024-2025, therefore there are no alternative options to consider. Regarding the recommendations to approve changes in use of reserves, reprofiling of capital projects and use of S106 funding, members could choose not to reject these requests, however, the requests are in accordance with the councils' policies and within existing budgets. If members chose not to approve the changes, resource would need to be found for these projects separately.

6. Conclusion and Reasons for Recommendations

6.1 To note the contents of the report and approve:

- The reprofiling of capital projects beyond 2024/25 held within appendix 1 and the subsequent update to the programme budget for this financial year.
- The use of S106 funding amounting to £0.560m to deliver more self-contained units of temporary accommodation within Cherwell in partnership with South Oxfordshire Housing Association.

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	Capital June 2024
Appendix 2	Detailed Revenue Narrative on Outturn June 2024
Appendix 3	Virements June 2024
Appendix 4	Funding June 2024
Appendix 5	Use of reserves and grant funding June 2024.
Appendix 6	Business Plan & Monitoring measures Quarter 1 2024-25
Appendix 7	Annual Delivery Plan Quarter 1 2024-25
Appendix 8	EDI Action Plans Quarter 1 2024-25
Appendix 9	Leadership Risk Register Quarter 1 2024-25
Background Papers	None
Reference Papers	None
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