

**CABINET
2024**

**BUSINESS MANAGEMENT AND MONITORING REPORT
March 2024**

Report by the Executive Director of Resources & Section 151 Officer

RECOMMENDATION

1. **The Cabinet is RECOMMENDED to**
 - a) note the report and annexes.

Executive Summary

2. The business management reports are part of a suite of performance, risk and budget documents which set out the council's ambitions, priorities, and financial performance. The [2022 – 2025 Strategic Plan](#) sets out the Council's ambitions. It also shows our priority activities for the current financial year.
3. This report presents the March 2024 performance, risk, and finance position for the council.
4. Further information is provided in the following annexes to the report:

Annex A: Performance as at March 2024
Annex B: Finance as at March 2024
Annex C: (Climate)
Annex D: (EDI)

5. The performance section of this report concentrates on performance exceptions (measures reporting Red (off target), or Amber, (slightly off target, Amber for the last two consecutive months or more). The full performance report is included at Annex A.

Performance Overview

6. The Outcomes Framework for 2023/2024 reports on the council's nine strategic priorities. A further priority relates to running the business and includes the customer contact centre and measures included in the council's Financial Strategy. The Outcomes Framework which sits underneath the strategic priorities is comprised of monthly, quarterly, termly, six-monthly and annual measures which may change as we progress through the year. At the appropriate period, relevant measures will be included in the report.
7. As at the end of March 2024 the indicators were rated as follows:

March 2024	Green	Amber	Red	Monitoring Only/Data Unavailable	Total
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Monthly									
Annual (March)									
Total									

Table 1: Summary of March 2024 performance for all measures. RAG = Green = meets or exceeds target, Amber = misses target by narrow margin and Red = misses target by significant margin.

8. A total of XX measures reported in March 2024 (Table 1), XX monthly measures and XX annual measures (details here).
 - XX (XX%) of the measures were reported as Green (meeting or exceeding target) in March.
 - XX (XX%) were rated as Amber (misses target by narrow margin), of which were Amber or Red for 2+ months.
 - XX (XX%) were rated as Red (misses target by a significant margin).

9. This bi-monthly Cabinet report is the fifth of 2023/2024. The table (Table 2) below compares monthly measures for the 2023/2024 reporting year, please note the numbers of reported measures fluctuates throughout the year.

Reporting Month	Green		Amber		Red		Monitoring Only/ Data Unavailable		Total
April 2023	12	38%	5	16%	4	12%	11	34%	32*
May 2023	27	61%	6	14%	4	9%	7	16%	44
June 2023	17	52%	6	18%	4	12%	6	18%	33*
July 2023	27	57%	8	17%	7	15%	5	11%	47
August 2023	18	56%	4	13%	4	13%	6	19%	32
September 2023	26	60%	6	14%	5	3%	6	19%	43
October 2023	19	59%	5	16%	2	6%	5	16%	32
November 2023	30	63%	5	10%	8	17%	5	10%	48
December 2023	20	63%	5	16%	1	3%	6	19%	32
January 2024	26	58%	8	18%	4	9%	7	15%	45
February 2024	20	63%	5	16%	0	0%	7	21%	32
March 2024									

Table 2: Comparison of monthly reporting measures for Financial Year 2023/2024. *April, June, August, October, December 2023 and February 2024 do not include measures from priority OCC11 (finance).

10. Table 3 lists the performance measures reporting as Red at the end of March 2024. Full details can be found in Annex A.

Performance measures reporting Red for March 2024

Table 3: Red RAG Status Measures March 2024 Reporting Period.

11. This table indicates the direction of travel of measures compared to December (monthly) 2023.

Status changes – February to March 2024	
Red to Green	
Amber to Green	
Red to Amber	
Green to Amber	
Amber to Red	
Green to Red	

Table 4: Change in Performance across February to March 2024.

Performance Exceptions

12. This section of the report details all measures reporting Red or Amber status (*consecutive for two months or more*) with extracted supporting commentary from the Directorate, the full commentary can be seen at Annex A. The exception report focusses on the ten exceptions, four measures have a Red rating and the six measures that have reported an Amber rating for two months or more.

13. **Priority OCC01: Put action to address the climate emergency at the heart of our activities.**

This priority has measures being reported in March 2024: XX are Green and XX Amber.



Figure 1: Priority OCC01 Monthly performance for 2023/2024 financial year

Measure:	February Status:	March Status:	Director:
	Amber	Amber	Bill Cotton

Table 5: Priority OCC01 Measure Exceptions - March 2024

Priority: Detail.



Figure 2: Priority OCC04 Monthly performance for 2023/2024 financial year

Measure:	February Status:	March Status:	Director:
	Amber	Amber	Karen Fuller
	Amber	Amber	Karen Fuller

Table 6: Priority OCC04 Measure Exceptions - March 2024

Priority: Detail.



Figure 3: Priority OCC07 Monthly performance for 2023/2024 financial year

Measure:	February Status:	March Status:	Director:
	Amber	Amber	Lisa Lyons

Table 7: Priority OCC07 Measure Exceptions - March 2024

Priority: Detail.



Figure 4: Priority OCC11 Monthly performance for 2023/2024 financial year

Measure:	February Status:	March Status:	Director:
	Red	Red	Lorna Baxter
	Red	Amber	Lorna Baxter
	Red	Red	Lorna Baxter
	Red	Red	Lorna Baxter
	Amber	Amber	Lorna Baxter
	Red	Red	Lorna Baxter

Table 8: Priority OCC11 Measure Exceptions - March 2024

Please refer to 'Financial Position' Section and Annex B for additional information relating to OCC11: Running the business - Finance.

Performance Highlights

14. This section of the report concentrates on several highlights achieved this period in delivering our strategic priorities.

Put action to address the climate emergency at the heart of our work.

Link:

Here.

Tackle inequalities in Oxfordshire

Link:

Here.

Prioritise the health and wellbeing of residents.

Link:

Here.

Support carers and the social care system

Link:

Here.

Invest in an inclusive, integrated, and sustainable transport network.

Link:

Here.

Preserve and improve access to nature and green spaces.

Link:

Here.

Creating opportunities for children and young people to reach their full potential.

Link:

Here.

Work with local businesses and partners for environmental, economic, and social benefit

Link:

Here.

Strategic Risk Management Overview

15. A strategic risk is a risk to the council's strategic priorities or long-term outcomes; or a risk with a significance that has an impact at the corporate level.
16. The table below provides an overview of the current strategic risk position. Strategic risks are reviewed monthly as part of the Business management and monitoring process. Risks can be added and escalated at any time during the year.
17. Update following...

Table 9: Strategic Risk Overview for March 2024. Please note that a strategic risk regarding resilience in the face of climate change will be forthcoming early in 2024.

(Climate)

18. Annex C sets out...

(EDI)

19. Annex D sets out...

Financial Position

20. As shown below directorates are forecasting an overspend of £12.3m (2.1%). After taking account of an increase in interest receivable on balances held by the council and the use of funding held in contingency and the COVID-19 reserve, the overall forecast is balanced to the net operating budget.

	Latest Budget Jan-24 £m	Forecast Spend Jan-24 £m	Forecast Variance Jan-24 £m	Forecast Variance Jan-24 %	Forecast Variance Nov-23 £m	Change Since Nov-23 £m
Adult Services	229.3	229.3	0.0	0.0%	0.0	0.0
Children's Services	172.0	185.0	13.0	7.5%	12.8	0.1
Environment & Place	75.3	72.4	-2.9	-3.9%	-0.8	-2.1
Public Health	4.1	4.1	0.0	0.0%	0.0	0.0
Community Safety	27.7	28.1	0.4	1.4%	0.5	-0.1
Resources	73.5	75.4	1.9	2.6%	2.0	-0.1
Directorate Total	581.7	594.1	12.3	2.1%	14.4	-2.1
Budgets Held Centrally						
Capital Financing	28.4	28.4	0.0	0.0%	0.0	0.0
Interest on Balances	-16.6	-18.9	-2.2	13.5%	-1.8	-0.4
Contingency ¹ and Inflation	9.2	0.5	-8.7	-94.5%	-7.0	-1.7
Un-ringfenced Specific Grants	-44.0	-44.0	0.0	0.0%	0.0	0.0
Insurance	1.4	1.4	0.0	0.0%	0.0	0.0
Contribution from COVID-19 reserve	-7.4	-8.8	-1.4	19.0%	-1.4	0.0
Contribution from Budget Priority Reserve	-2.4	-2.4	0.0	0.0%	0.0	0.0
Contributions to reserves	20.7	20.7	0.0	0.0%	0.0	0.0
Contribution to balances	7.6	7.6	0.0	0.0%	0.0	0.0
Total Budgets Held Centrally	-3.1	-15.4	-12.3	400.7%	-10.2	-2.1
Net Operating Budget	578.8	578.8	0.0	0.0%	4.2	-4.2
Business Rates & Council Tax funding	-578.8	-578.8	0.0	0.0%	0.0	0.0
Forecast Year End Position	-0.0	0.0	0.0		4.2	-4.2

21. As noted in previous reports, financial risks which include inflation and demand pressures for children's social care, as well as workforce shortages, make it much more challenging for the council to forecast activity and expenditure.

¹ Includes £4.2m one – off funding as set out in the Financial Monitoring Report to Cabinet in May 2023.

22. The overall forecast has reduced by £4.2m since November 2023. This reflects the reduction in the forecast directorate overspend and the use of contingency and additional interest on balances to manage the directorates pressures.
23. The forecast for Adult Services remains balanced to the budget. Risks within the council elements of the pooled budgets are being managed by the service.
24. The forecast overspend for Children's Services has increased by £0.1m since November 2023. Whilst the Home to School transport has remained unchanged from the £3.6m overspend reported to Cabinet in January, additional unbudgeted expenditure of £0.9m is required to fund temporary senior management posts within Education. In addition, there is £0.5m pressure relating to the reallocation of staffing savings. As reported throughout the year on-going underlying pressures are driven by a combination of increased care placements costs, and reliance on agency staff to cover vacancies. Action continues to be taken through a range of organisational, governance and business process controls as well as market management activity to address the underlying pressures but it is taking time for these to have an impact.
25. There is a forecast overspend of £0.4m for Community Safety as a result of reallocated budgeted staffing savings and an increase in training costs. A one-off payment of £0.2m made for a disabling injury/illness is recommended to be funded by a supplementary estimate.
26. The forecast underspend for Environment & Place has increased by £2.1m compared to the November 2023 forecast. There is a reduction in energy costs from lower energy activity, a reduction in waste management costs and additional income from enforcement activity.
27. The forecast overspend for Resources has reduced by £0.1m, mainly due to a number of vacancies in Communications, Strategy and Insight.
28. 73% of the budgeted savings of £10.2m which were not achieved as planned in 2022/23 are currently assessed as delivered or are expected to be delivered in 2023/24. 27% are assessed as amber or red.
29. 81% of the 2023/24 savings are assessed as delivered or are expected to be delivered and 19% are still assessed as amber or red. Action is continuing to be taken to ensure that the delivery of both existing planned savings and new budget reductions is maximised in 2023/24. The anticipated achievement of savings is incorporated into the forecast directorate position. Where relevant savings that are not expected to be achieved have been considered through the Budget & Business Planning Process for 2024/25.
30. The forecast 2023/24 deficit compared to Dedicated Schools Grant (DSG) funding for High Needs is £22.9m. This is £4.6m higher than the £18.3m forecast deficit approved by Cabinet in May 2023. The CIPFA code of practice currently requires negative High Needs DSG balances to be held in an unusable reserve. The forecast deficit would increase the cumulative negative High Needs DSG balance

held in this reserve from £41.1m as at 31 March 2023 to £64.0m at 31 March 2024.

31. £0.5m continues to be held in corporate contingency to meet the cost of pay inflation for vacant posts as they are recruited to. The balance of £8.7m, which includes £4.2m one – off funding, has been used to support directorate pressures. After taking account of the use of contingency and funding from the COVID-19 reserve to support the overall forecast position, as well as supplementary estimates agreed earlier in the year balances would be £29.8m at year end, £0.4m lower than the risk assessed level of £30.2m.

Financial Implications

32. This report includes an update on the forecast financial position and risks for the council along with action being taken to manage the budget within the position agreed by Council in February 2023. Strong and sustained financial management, collective action and oversight continues to be required to ensure that services are managed within budgets for the rest of 2023/24 and on-going in 2024/25.

Comments checked by: Lorna Baxter, Executive Director of Resource and Section 151 Officer.

Legal Implications

33. The Council's constitution at Part 3.2 (Budget and Policy Framework) and Part 3.3 (Virement Rules) sets out the obligations and responsibilities of both the Cabinet and the Full Council in approving, adopting and implementing the council's budget and policy framework.
34. The Council has a fiduciary duty to council taxpayers, which means it must consider the prudent use of resources, including control of expenditure, financial prudence in the short and long term and the need to act in good faith in relation to compliance with statutory duties and exercising statutory powers. The report sets out as at January 2024 performance, risk and finance position for the Council as part of its fiduciary duty to implement budgetary controls and monitoring.

Comments checked by: Anita Bradley, Director of Law and Governance

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