

Agenda

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Finance Panel (Panel of the Scrutiny Committee)

Date: **Tuesday 28 April 2015**

Time: **5.30 pm**

Place: **St Aldate's Room, Town Hall**

For any further information please contact:

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Finance Panel (Panel of the Scrutiny Committee)

Membership

Chair	Councillor Craig Simmons
	Councillor James Fry
	Councillor Roy Darke
	Councillor Jean Fooks

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AGENDA

	Pages
1 APOLOGIES	
Quorum for the Panel is 3 Members. Substitutes are not allowed.	
2 DECLARATIONS OF INTERESTS	
3 BUDGET MONITORING - QUARTER 3	5 - 44
For the Panel to consider the budget monitoring report for quarter 3.	
Please note that this report has already been to CEB and Council. It is included for information and comment.	
4 CAPITAL STRATEGY	45 - 106
For the Panel to pre-scrutinise the Capital Strategy, which is going to CEB for approval on 14 May.	
5 DRAFT EUROPEAN FUNDING REPORT	107 - 112
For the Panel to review a draft of its European Funding report following the item on 5 February.	
Subject to the Panel's approval and any amendments, the report can go to CEB for consideration on 14 May.	
6 WORK PROGRAMME	113 - 114
For the Panel to review and note its work programme.	
7 FUTURE MEETING DATES	
2 July 2015	

DECLARING INTERESTS

General duty

You must declare any disclosable pecuniary interests when the meeting reaches the item on the agenda headed "Declarations of Interest" or as soon as it becomes apparent to you.

What is a disclosable pecuniary interest?

Disclosable pecuniary interests relate to your* employment; sponsorship (ie payment for expenses incurred by you in carrying out your duties as a councillor or towards your election expenses); contracts; land in the Council's area; licences for land in the Council's area; corporate tenancies; and securities. These declarations must be recorded in each councillor's Register of Interests which is publicly available on the Council's website.

Declaring an interest

Where any matter disclosed in your Register of Interests is being considered at a meeting, you must declare that you have an interest. You should also disclose the nature as well as the existence of the interest.

If you have a disclosable pecuniary interest, after having declared it at the meeting you must not participate in discussion or voting on the item and must withdraw from the meeting whilst the matter is discussed.

Members' Code of Conduct and public perception

Even if you do not have a disclosable pecuniary interest in a matter, the Members' Code of Conduct says that a member "must serve only the public interest and must never improperly confer an advantage or disadvantage on any person including yourself" and that "you must not place yourself in situations where your honesty and integrity may be questioned". What this means is that the matter of interests must be viewed within the context of the Code as a whole and regard should continue to be paid to the perception of the public.

*Disclosable pecuniary interests that must be declared are not only those of the member her or himself but also those of the member's spouse, civil partner or person they are living with as husband or wife or as if they were civil partners.

To: City Executive Board
Council

Date: 12 March 2015
13 April 2015

Report of: Head of Finance
Head of Business Improvement and Technology

Title of Report: Integrated Performance Report for Quarter 3
2014/2015

Summary and Recommendations

Purpose of report: To update Members on Finance, Risk and Performance as at the end of Quarter 3, 31st December 2014

Key decision: No

Executive lead member: Councillor Ed Turner, Board member for Finance, Asset Management and Public Health

Policy Framework: Efficient and effective Council

Recommendations: That the City Executive Board:

- a) Note the projected outturn for finance (showing a favourable General Fund position of £1.267 million, a favourable Housing Revenue Account position of £2.565 million and a favourable Capital Position of £3.890 million) and performance as well as the associated risk position as at December 2014;
- b) Recommend to Council a supplementary capital budget £200,000 for welfare facilities at Cowley Marsh depot as detailed in paragraph 5;
- c) Note the risks and potential financial penalties relating to Homes and Communities Agency Grant Funding as outlined in paragraphs 6 and 7; and
- d) Recommend to Council that all end of year revenue surpluses from 2014/15 be transferred into a property investment reserve, subject to c) above, in order that the funds can be invested to provide future income

streams or to further policy objectives including the allocation of £550,000 in relation to the purchase of the freehold of St.Aldate's Chambers.

Appendices

Appendix A – Corporate Integrated Report

Appendix B – City Regeneration Integrated Report

Appendix C – Organisational Development and Services Integrated Report

Appendix D – Community Services Integrated Report

Appendix E1 – General Fund December Forecast Outturn

Appendix E2 – Capital Programme December Forecast Outturn

Appendix E3 – HRA December Forecast Outturn

Executive Summary

1. This report sets out the projected outturn position for finance and performance for 2014/15 as at the end of the third quarter, together with the risks faced. A brief summary is as follows: -
 - **General Fund** – the outturn position is estimated to be a favourable net variance of £1.267 million. Key variances are £0.114 million adverse on Private Sector Housing; £0.553 million favourable commercial rental income; £0.400 million favourable contribution from Direct Services; £0.275 million in Customer Services including an increase in court costs income of £0.150 million; and £0.168 million favourable variance in Human Resources. If the achievement of savings and efficiencies continues as expected, the contingency held against them will be freed up at the end of the year. More detail is available in Appendices A to E1).
 - **Housing Revenue Account** – the HRA is similarly projected to show a favourable variance against the latest budget of £2.565 million. £2.057 million favourable variance relates to reductions in capital financing directly related to slippage in the HRA capital programme; £0.254 million proposed transfer into earmarked reserves; and £0.762 million favourable variances in operating expenditure and income. More detail is available in Appendices B and E3.
 - **Capital Programme** – the capital outturn position shows a net forecast favourable variance against the latest budget of £3.890 million. Key variances are £0.900 million slippage relating to Superconnected Cities; £0.547 million net favourable variance and savings on planned works to the Council's portfolio of property; and £1.548 million slippage relating to re-profiling the Rose Hill Community Centre scheme. More detail is available in Appendix E3.
 - **Performance** – Performance against corporate targets is good with 13 (65%) being delivered as planned, 2 (10%) below target but within acceptable tolerance limits and 4 (20%) not meeting their target which are listed in paragraph 10 and detailed in Appendix A.

- **Risk Management** – there were no corporate red risks and 6 amber risks as at 31st December 2014 which are listed in paragraph 12 and detailed in Appendix A.

Background

2. Finance, Performance and Risk information is reported in an integrated format to the City Executive Board on a quarterly basis.
3. Reports as at the 31st December 2014 are attached at Appendices A to E. The reports use a Red, Amber and Green (RAG) reporting methodology. These reports are available to Members on line via the intranet.

Financial Dials

4. The following tolerances apply to the financial dials in the summary reports:
Green – Forecast outturn is within 100% of the latest approved budget.
Amber – Forecast outturn is within 100% - 105% of the latest approved budget.
Red – Forecast outturn is over 105% of the latest approved budget.
Performance in this area is a potential concern and will be commented on within the report.

General Fund Revenue and Capital

5. There is an issue of note relating to the General Fund Capital Programme:

Direct Services is currently forecasting a favourable overall revenue variance of £0.400 million. It is recommended that £0.200 million of this is used to finance a supplementary estimate to enable improvement works to Cowley Road Depot. The improvements would deliver a new First Aid room, additional office space and meeting rooms for one to ones and appraisals in order to continue to improve staff performance.

Housing Revenue Account Revenue and Capital

6. There is an issue of note relating to the Housing Revenue Account Capital Programme:

Appendix E2 indicates that the revised 2014/15 projected outturn for the Homes and Communities Agency New Build scheme is now £11m. This represents a reduction of £2.100 million from the original estimate. A revised completion schedule suggests the following:

- Leiden Road – All units - 16th February 2015
- Cardinal Close – All units 23rd March 2015
- Lock's Court (Bury Knowle)– All units 30th March 2015
- Minchery Farm
 - Phase 1 units 27 to 42 – March/April

- Phase 2 flat blocks - April
 - Phase 3 units 9 to 20 – April/May
 - Phase 4 units 1 to 8 – April/May
 - Bradlands House – May/June
7. The slippage on the Programme potentially puts at risk payment of the remaining £1.2 million grant which has yet to be received. This is because the grant conditions require that all of the units are practically complete by 31st March 2015. Mitigating action has been put in place, such as phased handover of Minchery Farm, to reduce the impact and there is close communication with the Homes and Communities Agency over progress. If grant is lost then the HRA Capital Programme will need to be cut in 2015/16 to cover the shortfall; projects are currently being identified.
8. The slippage on this scheme and on the Rose Hill Community Centre scheme gives rise to the favourable variance to the Revenue Contributions to Capital budget for 2014/15 as reflected in the revenue monitoring statement at Appendix. This position will need to be reviewed if there is any adverse impact arising on the Homes and Communities Agency Grant position detailed in the paragraph above.

Property Investment Reserve

9. The Council from time to time has opportunities to increase its property portfolio to bring the future revenue streams or to further its policy objectives. Due to the nature of these opportunities it is not always possible to obtain explicit budgetary approval from Council on each deal within the timeframes dictated by the market. It is therefore proposed to set up a property investment reserve from some of the current year's revenue savings.

Performance

10. Corporate and Directorate performance is reported within Appendices A to D. Corporate Performance Indicators that are not meeting their targets are listed below. More detail is contained in Appendix A.
- Affordable homes for rent
 - Council's CO2 emissions
 - Rough sleepers second night out
 - Tenant satisfaction with their estates

Risk

11. Corporate and Directorate risks are reported within Appendices A to D. Risks are measured according to the matrix shown below:

	Probability						
>90%	Almost Certain	5	5	10	15	20	25
50-90%	Likely	4	4	8	12	16	20
30-50%	Possible	3	3	6	9	12	15
10-30%	Unlikely	2	2	4	6	8	10
<10%	Rare	1	1	2	3	4	5
			1	2	3	4	5
		Impact	Insignificant	Minor	Moderate	Major	Catastrophic

12. There are no red Corporate Risks. The six amber Corporate Risks are listed below with more detail contained in Appendix A.
- Resilience of the Information and Communications Technology function
 - Medium Term Financial Plan savings not delivered and pressures not accurately recorded
 - Management of capital projects and contracts
 - Health & Safety of People
 - Risk of fraud against the Council
 - Risk of breaching the Data Protection Act

Climate Change / Environmental Impact

13. There are no issues arising directly from this report

Equalities impact

14. There are no equalities impacts arising directly from this report

Financial Implications

15. All financial implications are covered in the body of this report and the Appendices.

Legal Implications

16. There are no legal implications directly relevant to this report.

Name and contact details of author:-

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Service Area / Department: Finance, Business Improvement and Technology

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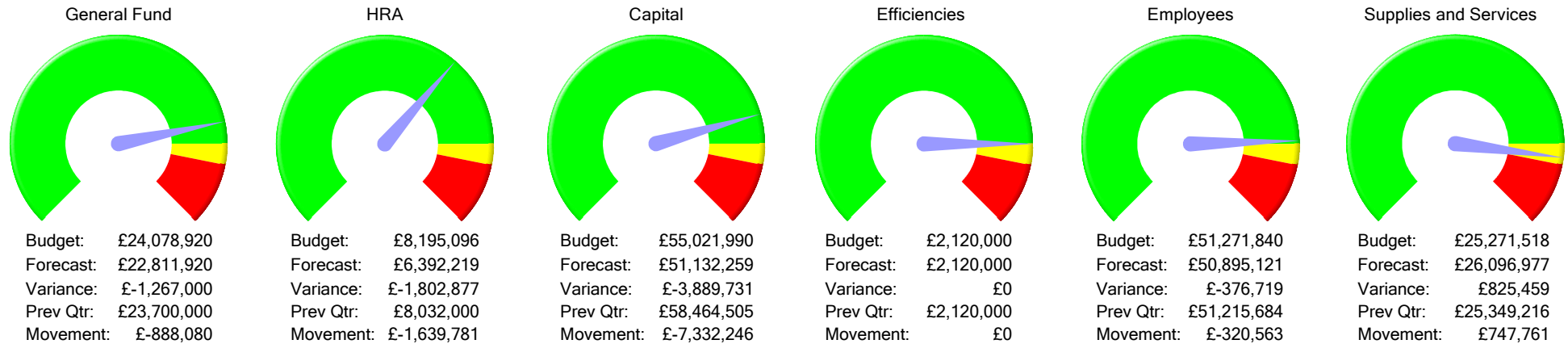
List of background papers: None.

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Appendix A

Corporate Integrated Report Q3 2014/15

Financial Performance



Performance Summary

Priority	No Data	Red	Amber	Green
Vibrant and Sustainable Economy	1 (25%)	0 (0%)	0 (0%)	3 (75%)
Meeting Housing Need	0 (0%)	3 (60%)	1 (20%)	1 (20%)
Strong and Active Communities	0 (0%)	0 (0%)	0 (0%)	2 (100%)
Cleaner Greener Oxford	0 (0%)	1 (20%)	0 (0%)	4 (80%)
An Efficient and Effective Council	0 (0%)	0 (0%)	1 (25%)	3 (75%)
Total	1 (5%)	4 (20%)	2 (10%)	13 (65%)

	No Data	Red	Amber	Green
Previous Quarter	0 (0%)	3 (15%)	1 (5%)	16 (80%)

Direction of Travel

Priority	No Data	Declining	No Change	Improving
Vibrant and Sustainable Economy	0 (0%)	2 (67%)	0 (0%)	1 (33%)
Meeting Housing Need	0 (0%)	1 (20%)	2 (40%)	2 (40%)
Strong and Active Communities	0 (0%)	0 (0%)	1 (50%)	1 (50%)
Cleaner Greener Oxford	0 (0%)	2 (40%)	1 (20%)	2 (40%)
An Efficient and Effective Council	0 (0%)	0 (0%)	1 (25%)	3 (75%)
Total	0 (0%)	5 (26%)	5 (26%)	9 (47%)

Risk Management

Service	No Data	Red	Amber	Green
Cleaner Greener Oxford	0 (0%)	0 (0%)	0 (0%)	1 (100%)
An Efficient and Effective Council	0 (0%)	0 (0%)	6 (60%)	4 (40%)
Total	0 (0%)	0 (0%)	6 (55%)	5 (45%)

	No Data	Red	Amber	Green
Previous Quarter	0 (0%)	0 (0%)	5 (45%)	6 (55%)

Direction of Travel

Service	No Data	Declining	No change	Improving
Cleaner Greener Oxford	0 (0%)	0 (0%)	1 (100%)	0 (0%)
An Efficient and Effective Council	0 (0%)	0 (0%)	9 (90%)	1 (10%)
Total	0 (0%)	0 (0%)	10 (91%)	1 (9%)

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CORPORATE SUMMARY

1 Overall Summary Position

- 1.1 The overall financial position is comfortable with favourable variances being anticipated on both the General Fund and Housing Revenue Account. Improvements to capital project planning and monitoring arrangements are still bedding in.
- 1.2 Of the Corporate performance targets, thirteen (65%) are being delivered as planned, two (10%) are below target but within acceptable tolerance limits and four (20%) are not meeting their target. One target has no data available. Performance is slightly down on Quarter 2 when sixteen were being delivered as planned, one was below target but within acceptable tolerance limits and three were not meeting their target.

2 Finance Overall and Corporate Budgets

General Fund

- 2.1 The forecast General Fund outturn position as at the end of Quarter 3 is a net £1.267 million favourable variance to budget.

General Fund Corporate Budgets

Local Cost of Benefits

- 2.2 Due to positive action within Customer Services, nil variance is now being forecast in relation to the Local Cost of Benefits. However it would only take a few large overpayments to be identified to move the Council back into a subsidy loss position.

Contingencies

- 2.3 Contingencies held in the 2014/15 budget against under achievement of efficiencies, service reductions, and additional fees and charges are £1.028 million. Assuming that the savings and efficiency targets are met at the year-end as currently forecast, some of this contingency will need to be held to make partnership payments to staff. However, the balance will be available at the year end to release to reserves or to fund the capital programme.

Housing Revenue Account (HRA)

- 2.4 The forecast Housing Revenue Account (HRA) outturn position is a net £2.565 million favourable variance as at Q3. £2.057 million of this variance relates to favourable capital financing adjustments, directly related to slippage in the HRA Capital Programme; £0.762 million relates to favourable forecast variances in operating expenditure and income; netted down by £0.254 million unspent revenue implications of HRA major capital projects which are proposed to be transferred into earmarked reserves to fund future commitments including a new HRA ICT system.

Capital

- 2.5 The capital monitoring position as at 31st December 2014 is shown in more detail at Appendix E2. The forecast outturn shows a net underspend of £3.890 million. Key variations are detailed below: -
 - i. A further £0.900 million slippage relating to Superconnected Cities. This has a limited effect on the Council's resources as the scheme is largely externally funded.
 - ii. £0.117 million slippage associated with a number of ICT projects including website implementation, purchase of web services and new telephony solutions for extended mobile working. Procurement associated with these projects is in progress but payments will not be made as originally anticipated.
 - iii. £0.089 million slippage associated with the Cycle Oxford project due to several Park and Ride schemes being deferred until the first quarter of 2015/16.

- iv. £0.547 million of planned works across the Council's portfolio of property that have been slipped until 2015/16 for a variety of reasons, including or will underspend:
 - a. £0.221 million – Covered Market investment including Roof works. Delayed due to negotiations needed to revise estimated costs of works in line with the approved budget.
 - b. £0.043 million Leisure Depot scheme now removed.
 - c. £0.042 million – Investment in Outer City project delayed pending feasibility works
 - d. £0.080 George Street property delayed through the need to get external advice on costs
 - e. £0.128 million Barns Road Car Park dilapidation costs delayed awaiting conclusion of discussions on the cash settlement requested.
 - f. £0.050 million Equity Loan Scheme, delayed due to slow take up by eligible workers
- v. £0.150 million slippage on the Oxford Spires Academy contribution as works now not expected to be completed until December 2015.
- vi. £0.070 million representing contingency provisions on pavilions and delays to the Cutteslowe Lower pavilion due to external funding bids.
- vii. £0.500 million Car Park Oxpens, relating to re-instatement works for the Lodge that will now not take place until 2015/16.
- viii. £0.086 million linked with Dunnock's Way Parking project as a result of land sub-letting issues with the Health Centre.
- ix. £0.157 million Tower Block budget requested to be brought forward from future years to accommodate additional consultancy works that are planned to take place in 2014/15.
- x. £1.548 million slippage associated with Rose Hill Community Centre following re-profiling information received from the Council's contractors.

Savings and Efficiencies

- 2.6 The Council's budget identifies £0.704 million of efficiencies, £0.224 million of service reductions and £1.192 million of additional fees and charges for 2014/15; a total of £2.120 million savings and efficiencies. As at the end of December it is anticipated that £0.022 million efficiencies and £0.005 million of fees and charges will not be delivered, although it is anticipated that there will be mitigating savings to negate their impact and so ensure efficiency targets are achieved for the year.
- 2.7 Cumulative efficiencies, service reductions and additional fees and charges achieved as at the end of December were £1.540 million.

3 Corporate Performance Exceptions

- 3.1 **Overall the Council's performance against its corporate targets is Good** with 13 (65%) being delivered as planned, two (10%) below target but within acceptable tolerance limits and four (20%) not meeting their target. Exceptions to targeted performance are set out below

No Data:

- 3.2 **Vibrant and Sustainable Economy:** To achieve results for Oxford city schools that are 10% above the national average for KS2 by April 2015 – The national target or Key Stage 2 has now changed to include writing as well as reading and maths. This means that data to judge our performance, as set in the target, is no longer possible as data is no longer collected in this way. As pupils are poorer at writing the effect of this amendment is to reduce performance for our project schools to 63%. However, these school have made a 4% increase in the number of children achieving level 2 for reading, writing and maths compared to a 1% increase across Oxfordshire schools generally.

Red:

- 3.3 **Meeting Housing Need:** There was a rough sleeper count in November 2014 which counted 16 new rough sleepers spending a second night on the street, 3 new to rough sleeping and 7 entrenched rough sleepers (a total of 26). There are a number of reasons behind the high street count; the first one is that there is a lack of move on through the pathway, tent sites not being closed down quickly and mild autumn period.

However we are working with the providers to enable move on and also taking a firm approach on landowners with rough sleepers on their site.

- 3.4 **Meeting Housing Need:** Tenant satisfaction with their estates - Satisfaction with the estate as a place to live has declined by 3-percentage points since 2013 from 83%. Furthermore, dissatisfaction has increased by 3-percentage points from 7% in 2013. However, this is not felt to be statistically significant.
- 3.5 **Cleaner Greener Oxford:** The reduction in the City Council's carbon footprint – performance for December is 94 tonnes below the profiled target of 320 tonnes for the year to date. Although performance is below target at present it is still anticipated that the end of year target will be achieved.
- 3.6 **Affordable Homes for rent:** The target of 180 affordable housing units for rent for the year will not be met because a number of schemes which were expected to complete will now slip into 2015/16. These are: Barns Road, Dora Carr Close, Luther Court and Marywood House.

Amber:

- 3.7 **Cleaner Greener Oxford:** The number of individual HMOs subject to agreed licence provisions – The number of HMO applications has been falling , but following targeted door knocking we received double the applications in the month of November. It is still anticipated that the end of year target will be achieved in the last quarter of the year.
- 3.8 **Efficient Effective Council:** The delivery of the council's efficiency savings – current performance is just £0.055 million below the profiled target of £1.590 million for December. Confidence is high that the end of year target will be achieved in the next quarter.

4 Corporate Risk Exceptions

Red:

- 4.1 The Corporate risk register has been reviewed in the third quarter of the year and this has identified no current red risks.

Amber:

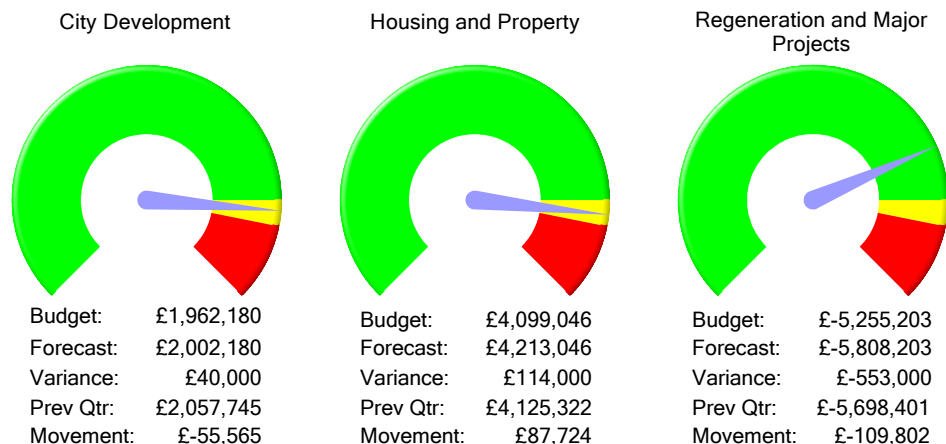
- 4.2 Resilience of the Information and Communications Technology (ICT) function: there are numerous projects running concurrently across the Council all needing ICT support with limited resources and vacant posts within ICT. This gives rise to a risk that there is an inability to provide good quality and consistent service.
- 4.3 Medium Term Financial Plan savings not delivered and pressures not accurately recorded: if savings are not delivered and pressures not accurately recorded this gives rise to a risk that a balanced budget cannot be produced or further savings are needed to be made in the future.
- 4.4 Management of capital projects and contracts: poor governance on major projects could result in cost overruns, non-delivery of projects, and slippage of projects.
- 4.5 Health & Safety of People: not maintaining a robust Health & Safety policy and ensuring it is implemented across all service areas could lead to increased costs, potential financial penalties and potential insurance claims.
- 4.6 Risk of fraud against the Council: fraud against the Council through internal fraud by staff, cyber-attacks on the Council's ICT systems, fraudulent claims for council tax and housing benefits and council tax discounts and fraudulent claims for payment carries the risk of additional costs and a loss of reputation.
- 4.7 Risk of breaching the Data Protection Act: breaches of the Data Protection Act through staff not being aware of the policy or being careless with data carry the risk of a loss of reputation and financial penalties.

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Appendix B

City Regeneration Integrated Report Q3 2014/15

Financial Performance



Performance Summary

Service	No Data	Red	Amber	Green
City Development	0 (0%)	1 (33%)	2 (67%)	0 (0%)
Housing and Property	0 (0%)	2 (29%)	0 (0%)	5 (71%)
Regeneration and Major Projects	0 (0%)	1 (14%)	0 (0%)	6 (86%)
Total	0 (0%)	4 (24%)	2 (12%)	11 (65%)

Risk Summary

Service	No Data	Red	Amber	Green
City Development	0 (0%)	0 (0%)	7 (88%)	1 (13%)
Housing and Property	0 (0%)	0 (0%)	4 (67%)	2 (33%)
Regeneration and Major Projects	0 (0%)	0 (0%)	5 (50%)	5 (50%)
Total	0 (0%)	0 (0%)	16 (67%)	8 (33%)

	No Data	Red	Amber	Green
Previous Quarter	0 (0%)	2 (12%)	2 (12%)	13 (76%)

Direction of Travel

Service	No Data	Declining	No Change	Improving
City Development	0 (0%)	2 (67%)	0 (0%)	1 (33%)
Housing and Property	0 (0%)	1 (14%)	4 (57%)	2 (29%)
Regeneration and Major Projects	0 (0%)	0 (0%)	3 (43%)	4 (57%)
Grand Total	0 (0%)	3 (18%)	7 (41%)	7 (41%)

	No Data	Red	Amber	Green
Previous Quarter	0 (0%)	0 (0%)	16 (40%)	8 (25%)

Direction of Travel

Service	No Data	Declining	No change	Improving
City Development	0 (0%)	0 (0%)	8 (100%)	0 (0%)
Housing and Property	0 (0%)	0 (0%)	6 (100%)	0 (0%)
Regeneration and Major Projects	0 (0%)	1 (10%)	7 (70%)	2 (20%)
Total	0 (0%)	1 (4%)	21 (88%)	2 (8%)

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CITY REGENERATION DIRECTORATE

1. Directorate Overview

- 1.1 Financial performance within City Development overall is favourable with adverse forecasts in City Development and Housing and Property being more than offset by increased rental income from the Council's commercial property portfolio.
- 1.2 For the Directorate as a whole 11 (65%) performance measures are on target with 2 (12%) below target but within tolerance limits and 4 (23%) off target.

2. Directorate Financial Performance

- 2.1 The Directorate is currently estimated to have a projected outturn position of £ 0.407 million against a budget of £0.806 million which is a favourable variance of £0.399 million.

City Development

- 2.2 Building Control fees are expected to be £0.128 million below the budgeted position and additional fees are expected in respect of a Planning Inspection to be carried out in March 2015 (£0.040 million). This is mitigated by additional fee income from Planning Applications (£0.077 million) and Pre-application Advice (£0.040 million) plus savings on supplies and services giving an overall forecast adverse variance of £0.040 million.

Housing and Property

- 2.3 Housing and Property is forecasting a net overall variance of £0.114 million arising from: increased Board and Lodging payments (short stay) (£0.020 million), an increase in temporary staff costs associated with Home Choice (£0.033 million) and an adverse variance on Home Choice rent deposits for vulnerable households the Council is obliged to house (£0.111 million) offset by savings on Private Sector Landlord rent payments to landlords (£0.040 million) and additional Private Sector Leasing income from lower void periods (£0.010 million).

Regeneration and Major Projects

- 2.4 The outturn position is forecast at a favourable net variance of £0.553 million. This variance arises from commercial rent reviews forecast to be £0.464 million, staff turnover savings (£0.060 million), fee income and interest on backdated rent (£0.060 million), increased Service Charges for the Golden Cross Shopping Centre (£0.038 million), and the full letting of units at the Enterprise Centre (£0.032 million). This is offset by additional costs for Barton Centre and Bury Knowle House (£0.033 million) and Covered Market Rent Review Arbitration Fees (£.015 million). It is also anticipated that there will need to be an additional bad debt provision of £0.060 million relating to non-payment of back rent being charged to Covered Market traders following the completion of rent reviews.

Housing Revenue Account

- 2.5 The HRA is forecasting a net favourable variance of £2.565 million. The majority of this relates to Revenue financing of capital expenditure which is now lower due to in-year slippages associated with the HCA capital scheme. This will however, be needed next financial year. Net favourable variations of £0.762 million relating to net operating expenditure and income are considered below.

Income

- 2.6 Dwelling rents – the forecast is for an adverse variance of £0.070 million relating to increased Right to Buy disposals, which at the end of December totalled 39 with 40 being budgeted for the year.
- 2.7 Service charge income from both the general flats stock and those arising from sheltered accommodation is forecast to be £0.130million favourable. This has arisen through a re-assessment of the costs of providing the

service and a consequent impact on the fees charged to customers. Additionally there is some increased income arising from the removal of the service charge limiter following void turnover.

- 2.8 Furniture & Other Rent is forecast at £0.075 million favourable variance due to the sale of small pieces of land, vendor overage and consent payments which have been received plus additional rent due from larger properties and other land.
- 2.9 Major Project Team Fees are anticipated to be lower than budget by £0.100 million due to the lower capital programme activity than previously anticipated that has been experienced until the end of December.

Expenditure

- 2.10 General Management is forecasting £0.100 million favourable variance as a result of Council Tax costs associated with void properties now expected to be significantly lower than budgeted.
- 2.11 Special Services is forecasting a favourable variance of £0.209 million. In the main this relates to utility savings. There are other savings projected, a large element being that related to consultancy advice.
- 2.12 There is an anticipated favourable variance of £0.314 million primarily relating to unused revenue costs (£0.254 million) of 3 major capital projects, namely AHP Affordable Homes, Tower Blocks and Barton social housing provision which are being proposed to transfer into HRA earmarked reserves. The other underspends relate to reductions in anticipated Tower Block consultancy fees of £0.060 million.
- 2.13 Responsive and Cyclical Repairs is forecast as a net favourable variance of £0.104 million relating to an increase in expenditure on voids of £0.215 million, offset by pre-painting joinery costs.

HRA Rent Arrears

- 2.14 HRA arrears, adjusted to exclude debt that is subject to direct payments and excluding rechargeable repairs, totalled £1.182 million at the end of the December 2014, an increase of £0.080 million on last quarter's position of £1.102 million. The arrears for December 2014 are £0.253 million more than the arrears of 12 months previously. Former tenant arrears stood at £0.385 million as at the end of December 2014, which is £0.191 million higher than that for a year previously. Current tenant arrears stood at £0.798 million as at the end of December 2014, which is £0.062 million higher than that for a year previously.

3. Directorate Performance – Exceptions

Red:

Housing and Property

- 3.1 The percentage of Council tenants satisfied with landlord services - Satisfaction with the overall services provided by OCC is down to 84% - 4% lower than in 2013 – which represents a significant decline. There is also a more substantial decline in the proportion of tenants indicating they are very satisfied (47% in 2013 compared to 39% in 2014). That said the Council is currently reviewing its HRA Business Plan and measures can be considered which should boost tenant satisfaction.
- 3.2 Number of affordable homes delivered (gross) – There have been some slippages in the affordable homes programme and the earliest completions will now be in February 2015. As a result, performance at December was zero delivered against a profiled target of 24.
- 3.3 Net additional homes provided – Housing completions at 134 are still slightly below the forecast performance of 152 for December. Performance is expected to improve in 2015 as a number of housing sites in the city are now under construction, or are expected to commence construction in 2015

Regeneration and Major Projects

- 3.4 Number of lease renewals /rent reviews reported – the year to date total of 12 reported reviews is below the target of 34. We are currently in the process of tendering for external organisations to undertake specialist reviews on our behalf

Amber:

City Development

- 3.5 Processing of planning applications for minor applications - The drop in performance to 66% compared to the target of 72% is a result of a high number of planning cases, combined with extensive staff changes in Development Control in recent months. Despite difficulties with recruitment, replacement officers are now in post. The caseload is being actively managed to both clear out-of-time cases and maximise the number of on-time decisions, with a view to return performance to target levels by the end of March 2015.
- 3.6 Processing of planning applications for other application types – Performance has dropped to 77% against a target of 85%, for the same reasons as outlined for minor applications

4. Risk Performance- Exceptions

- 4.1 There were no red risks identified for the Directorate at the end of Q3. However there are 16 amber risks detailed below. All these risks are currently being managed as part of day to day business activity and are not currently expected to rise to a level of red risk

City Development

- 4.2 7 risks relating to Service failure, non-achievement of income targets changes in legislation and delays in projects impacted by outside bodies and workloads

Housing and Property

- 4.3 4 risks relating increased costs of homelessness, backlogs in repairs and maintenance, failure of the HRA Business Plan and tenant participation

Regeneration and Major Projects

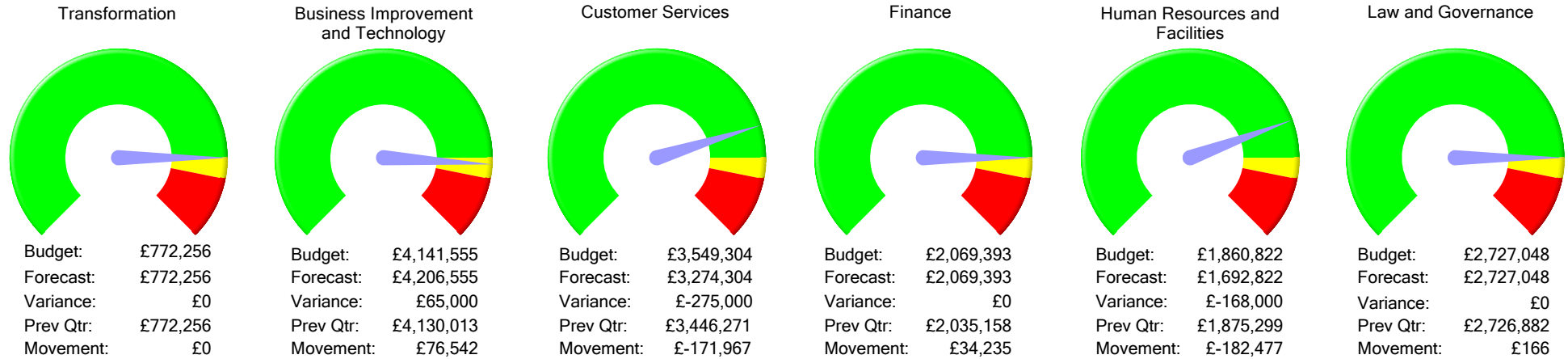
- 4.4 5 risk relating to staff recruitment and retention, impact of property market conditions on disposal values and income, delays on major projects, budget overruns in service.

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Appendix C

Organisational Development and Services Integrated Report Q3 2014/15

Financial Performance



Performance Summary

Service	No Data	Red	Amber	Green
Business Improvement and Technology	0 (0%)	2 (50%)	0 (0%)	2 (50%)
Customer Services	0 (0%)	0 (0%)	2 (33%)	4 (67%)
Finance	0 (0%)	0 (0%)	1 (33%)	2 (67%)
Human Resources and Facilities	0 (0%)	1 (25%)	1 (25%)	2 (50%)
Law and Governance	0 (0%)	0 (0%)	0 (0%)	2 (100%)
Total	0 (0%)	3 (16%)	4 (21%)	12 (63%)
Service	No Data	Red	Amber	Green
Previous Quarter	0 (0%)	7 (37%)	4 (21%)	8 (42%)

Risk Summary

Service	No Data	Red	Amber	Green
Business Improvement and Technology	3 (100%)	0 (0%)	0 (0%)	0 (0%)
Customer Services	1 (14%)	0 (0%)	1 (14%)	5 (71%)
Finance	0 (0%)	0 (0%)	4 (44%)	5 (56%)
Human Resources and Facilities	0 (0%)	0 (0%)	1 (50%)	1 (50%)
Law and Governance	1 (33%)	0 (0%)	1 (33%)	1 (33%)
Total	5 (21%)	0 (0%)	7 (29%)	12 (50%)
Service	No Data	Red	Amber	Green
Previous Quarter	6 (21%)	0 (0%)	10 (30%)	13 (36%)

Direction of Travel

Service	No Data	Declining	No Change	Improving
Business Improvement and Technology	0 (0%)	0 (0%)	2 (50%)	2 (50%)
Customer Services	0 (0%)	0 (0%)	0 (0%)	6 (100%)
Finance	0 (0%)	2 (67%)	0 (0%)	1 (33%)
Human Resources and Facilities	0 (0%)	2 (50%)	0 (0%)	2 (50%)
Law and Governance	0 (0%)	0 (0%)	1 (50%)	1 (50%)
Grand Total	0 (0%)	4 (21%)	3 (16%)	12 (63%)

Direction of Travel

Service	No Data	Declining	No change	Improving
Business Improvement and Technology	3 (100%)	0 (0%)	0 (0%)	0 (0%)
Customer Services	1 (17%)	0 (0%)	2 (33%)	3 (50%)
Finance	0 (0%)	0 (0%)	7 (78%)	2 (22%)
Human Resources and Facilities	0 (0%)	0 (0%)	2 (100%)	0 (0%)
Law and Governance	0 (0%)	0 (0%)	2 (100%)	0 (0%)
Total	4 (18%)	0 (0%)	13 (59%)	5 (23%)

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ORGANISATIONAL DEVELOPMENT AND CORPORATE SERVICES DIRECTORATE

1. Directorate Overview

1.1 Financial performance within Organisational Development and Corporate Services is favourable overall.

1.2 For the Directorate as a whole 12 (63%) of performance measures are on target with 4 (21%) below target but within tolerance limits and 3 (16%) off target. Risk management is currently reporting no red risks for these service areas.

2 Directorate Financial Performance

2.1 The Directorate is currently estimated to have a projected outturn position of £14.742 million, which is a £0.378 million favourable variance against the latest budget of £15.120 million

Business Improvement & Technology

2.2 Business Improvement & Technology are forecasting an adverse variance of £0.065 million arising from the underachievement of procurement savings of £0.050 million and additional recruitment costs of £0.015 million.

Customer Services

2.3 Customer Services are forecasting a favourable variance of £0.275 million due to an increase in court costs income of £0.150 million arising from a number of changes in processes, a £0.050 million favourable variance on the Customer First project, an underspend on the Resilience contract of £0.040 million due to it going out to tender and the balance from improved Administration Grant income. The service is anticipating making some carry forward requests at year end which, if approved, would result in a remaining underspend of £0.080 million.

Human Resources & Facilities

2.4 Human Resources & Facilities is forecasting a favourable year end position of £0.168 million arising from:

- An underspend on the Corporate training budget of £0.068 million caused by contract letting delays; the contracts are now in place but will not be fully spent in this financial year:
- An underspend on and well-being of £0.050 million caused by contract letting delays; the contracts are now in place but will not be fully spent in this financial year and
- An underspend on Apprentices of £0.050 million due to contracts being split over financial years.

The service is currently planning to request a carry forward for these at year end which, if approved, would result in the service being on budget for the year.

Finance

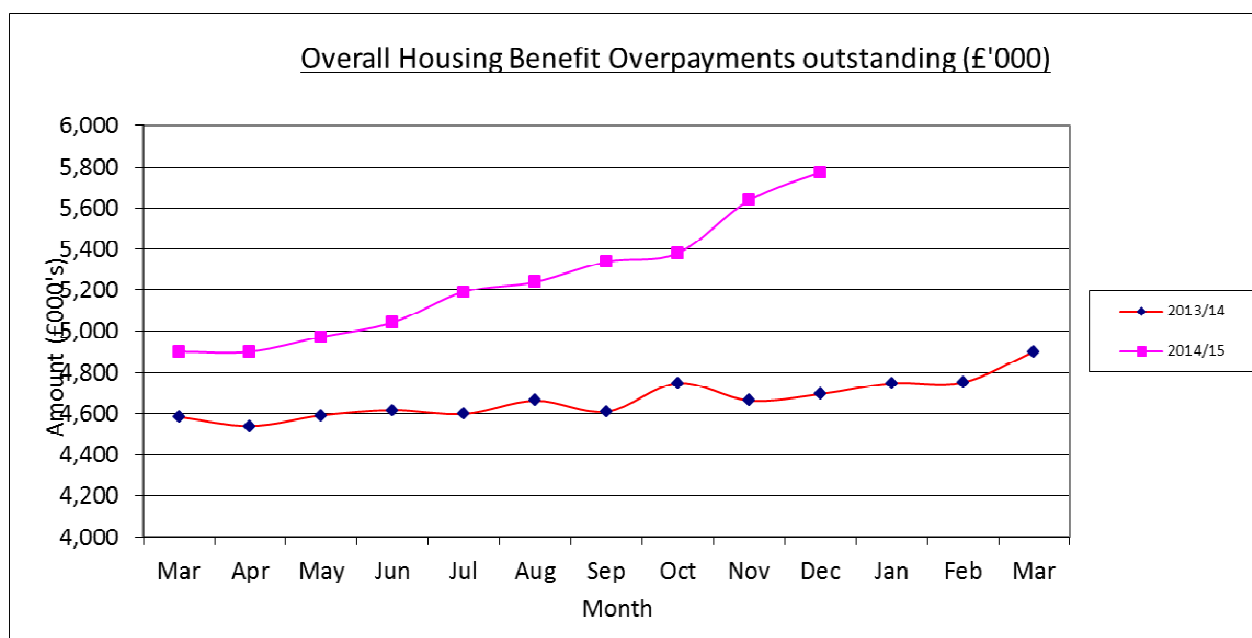
2.5 The Finance service is currently forecasting a year-end break even position, however outside the finance service budgets themselves there are other matters worthy of note as follows.

Treasury Management

2.6 The total amount invested at the end of December is £70.3 million, an increase of the previous month but around the average for the current year. The overall down turn in interest rates returns received is in part due to the Barclays call-account that has been used to keep funds available for capital projects. The Money Market Fund is £9.9 million, although the Council is also holding £4m in a new Barclays call-account. The performance of the property funds continues to boost the overall Treasury rates: the Bank of England base rate remains unchanged at 0.5% but the Council is currently managing to achieve 1.33% overall.

Housing Benefit Overpayments

- 2.7 Housing Benefit overpayments arise primarily through claimant error and to a lesser degree because of local authority error. The latter occurs, for example, when the local authority fails to correct benefit entitlement when it should. Claimant error occurs when, for example, a claimant fails to inform the Council of a change in their personal circumstances which means they are not entitled to as much Housing Benefit. The Council only receives subsidy amounting to 40% on claimant error overpayments. Providing Local Authority Error overpayments are kept within tight parameters, subsidy can be received at 40% or even 100% of the total amount involved.
- 2.8 When a Housing Benefit Overpayment is identified it is raised as a debt payable by the claimant and is recorded as income to the Council. If the debt is recovered in full then the Council can make a profit as subsidy is due at 40% (see above). However, because this debt is very difficult to collect, the Council sets up a bad debt provision against it so that the net income recorded in the Council's accounts is relatively small. For example at the end of 2013/14 the total level of Housing Benefit Overpayment debt was ££4.902 million and the provision was £3.426 million. This therefore means that the maximum financial risk to the Council at that point in time was £1.476 million; this would only become a cost once all of the bad debt provision is used and this is very unlikely. However, if the Council is able to collect more than it was expecting, this would be of financial benefit to the Council.
- 2.9 Overall overpayments of Housing benefit outstanding on April 1st 2014 stood at £4.902 million. Total arrears at 31st December stood at £5.773 million, an increase of 22.96% on the figure 12 months earlier.
- 2.10 In December gross overpayments raised amounted to £0.478 million which included a number of "Real Time Information" cases that have been referred to the Council by the HM Revenue & Customs. This is the main reason why the overall total of overpayments outstanding has increased to its current level at the end of December. Overpayments totalling £0.345 million were cleared in the month either by actual payments or by deductions / offsets of Housing Benefit. The Council's performance under the old BVPI79b for the month worked out at 72.92% and the year to date figure was 75.93%. The equivalent result last year was 80.37% and collection remains below the target of 82% for 2014/15.



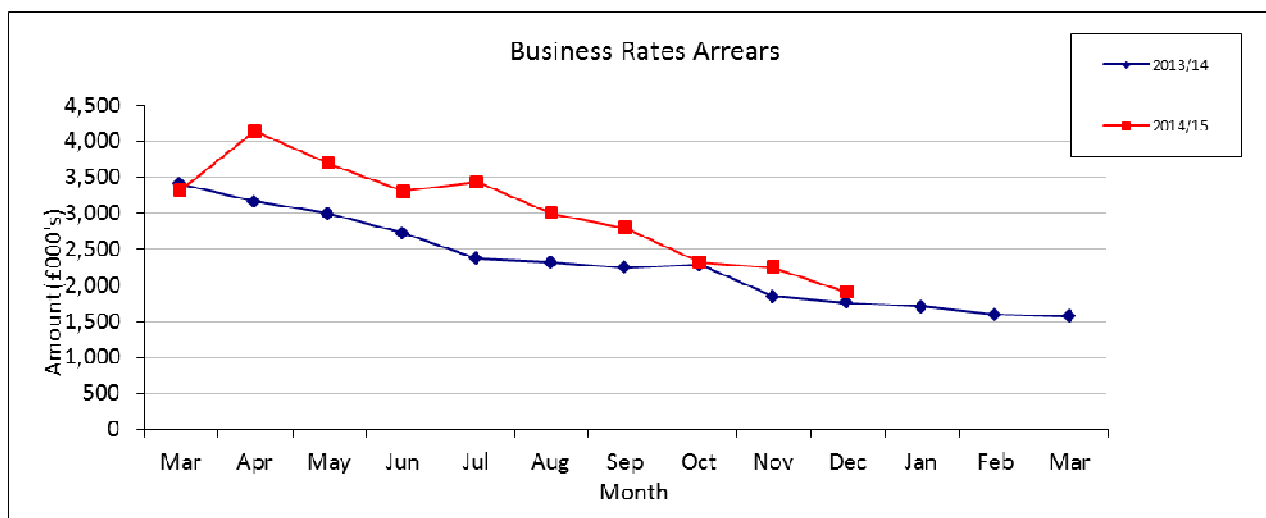
- 2.11 In the future when a case migrates to DWP, the overpayment does not go with it – the debt will stay with the Council. Although the detailed process is still to be determined, it is expected that the existing deductions will not automatically continue and the Council will have to make a new claim for a deduction to be made and

compete with other creditors in this process.

Business Rates Collection

2.12 Business rates debt becomes counted as arrears at the end of the financial year to which it relates. Therefore the opening arrears figures for 2014/15 relate to the level of business rates unpaid as at 31st March 2014.

2.13 Arrears of non-domestic rates at April 1st 2014 were £3.323 million, £0.086 million (2.5%) down on the corresponding figure 12 months earlier.



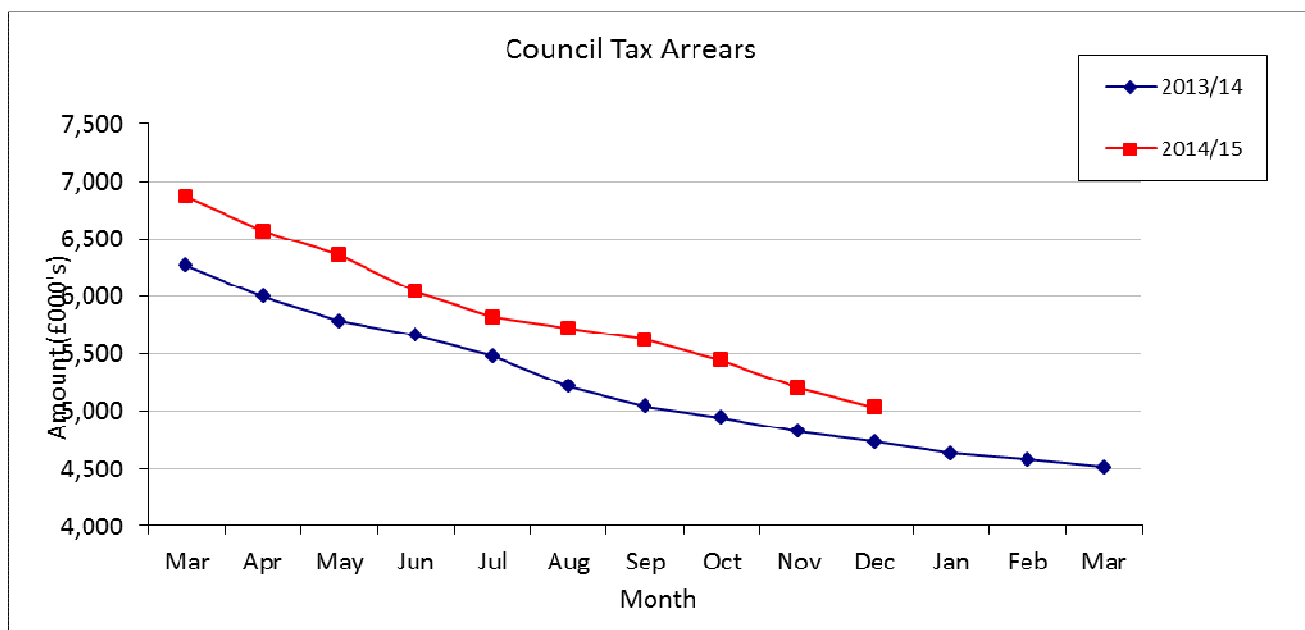
2.14 In December arrears fell by £0.350 million to £1.899 million. This is 42.8% less than the figure on April 1st 2014. The reduction over December was due to write-offs being processed of £0.237 million, payments received, net of refunds, totalling £0.084 million and the balance being debit adjustments (including Rateable Value reductions, exemptions, and empty relief).

2.15 The 2014/15 collection rate was 85.06% by the end of Quarter 3. In December, 9.56% of the year's collectable debit was collected which puts collection comfortably ahead of the profiled target of 82.5%. The end of year target of 99% is still very challenging but it is expected that the Council will finish well above last year's actual collection rate of 97.91%.

Council Tax Arrears Collection

2.16 Council Tax debt becomes counted as arrears at the end of the financial year to which it relates. Therefore the opening arrears figures for 2014/15 relate to the level of council tax unpaid as at 31st March 2014.

2.17 Arrears of Council Tax (i.e. payments due for years 1993-94 up to 2013/14) carried forward on 1st April 2014 were £6.864 million, a 9.5% increase on the corresponding figure 12 months earlier. That total included outstanding Court Costs of £0.628 million.



2.18 Over December the arrears fell by £0.169 million leaving arrears outstanding at the end of Quarter 3 at £5.030 million including Court Costs of £0.569 million. This overall figure is 6.3% higher than the equivalent 12 months previously.

2.19 The collection rate for 2014/15 at 31st December 2014 was 85.15% which is an improvement on the previous year's equivalent of 84.30% and is better than the profiled end of December target of 85%. In cash terms the collection was around £0.111 million better than the target. The collection rate for 2013/14 had moved on from 96.84% at 31st March 2014 to 98.21% at the end of quarter three against a budgeted collection rate for year of 97%.

3. Directorate Performance - Exceptions

Red:

Human Resources and Facilities

- 3.1 Percentage of employees with a disability – performance remains at 8.3% against a target of 9.5%, with one fewer members of staff declaring a disability (104) compared with last month. The Council has now signed the Mindful Employer Charter and the Time to Change Pledge (in partnership with MIND) and this should raise awareness and perhaps the confidence of staff to declare any previously unreported mental health disabilities

Business Improvement & Technology

- 3.2 Average number of days to manage a full EU open tender – year to date performance is 170 days against a target of 140 days. 3 Open Procurements were awarded in the preceding 12 months. Mitigation steps in terms of planning procurements continue to have a positive influence on this performance indicator. The majority of contracts are let using established pan-Government frameworks which explains why the number of contracts let via the EU Open procedure is low.
- 3.3 Level of efficiency savings and income generation identified through service reviews and process/system improvement projects – so far this year £180,000 of efficiencies and savings have been confirmed against a year to date target of £220,000. Further efficiencies have been identified but are awaiting validation. Projects currently underway are expected to achieve the end of year target of £330,000

Amber:

Customer Services

- 3.4 Time to process Changes in Circumstances – During December just over 3,000 changes were processed in an average of 10.05 days. This was our best monthly result since April. The year to date result fell for the fourth consecutive month to 11.76 days and, with expected good results for Feb and March still to come, we are confident of getting very close to the challenging target of 10 days by the end of the current year.
- 3.5 Customers getting through first time the on Councils main service lines – Performance in December was 95.58%, with year to date performance being 92.75%. This is short of the 95% target. An interim plan is in place to improve performance.

Human Resources and Facilities

- 3.6 Percentage of black and ethnic minority (BME) employees – Numbers remain the same at 89 BME staff bringing performance to 7.1% against a profiled target of 7.5%. Anonymised shortlisting has now ended because it was found not to make a difference to results but ongoing recruitment application/ shortlisting / appointment analysis will continue. There will be some outreach events to promote the Council as an employer and to break down any barriers around the application process. These are likely to start in February and March 2015.

Finance

- 3.7 Invoices paid on time – Performance to December was 95.76% against a target of 99%.

4. Risk Performance- Exceptions

- 4.1 There are no red risks in this Directorate but there are 7 amber risks detailed below. All these risks are currently being managed as part of day to day business activity and are not currently expected to rise to a level of red risk.

Customer Services

- 4.2 1 risk relating to the use of voice recognition software roll out.

Finance

- 4.3 4 risks relating to:
- Recruitment and retention of key staff;
 - Safety of Investments;
 - Financial exposure through contracts; and
 - Capacity to provide Finance resource to projects whilst maintaining to day job.

Human Resources and Facilities

- 4.4 1 risk relating to potential failure in internal communication processes

Law and Governance

- 4.5 1 risk relating to failure to secure permanent safe keeping of city archives

Business Improvement & Technology

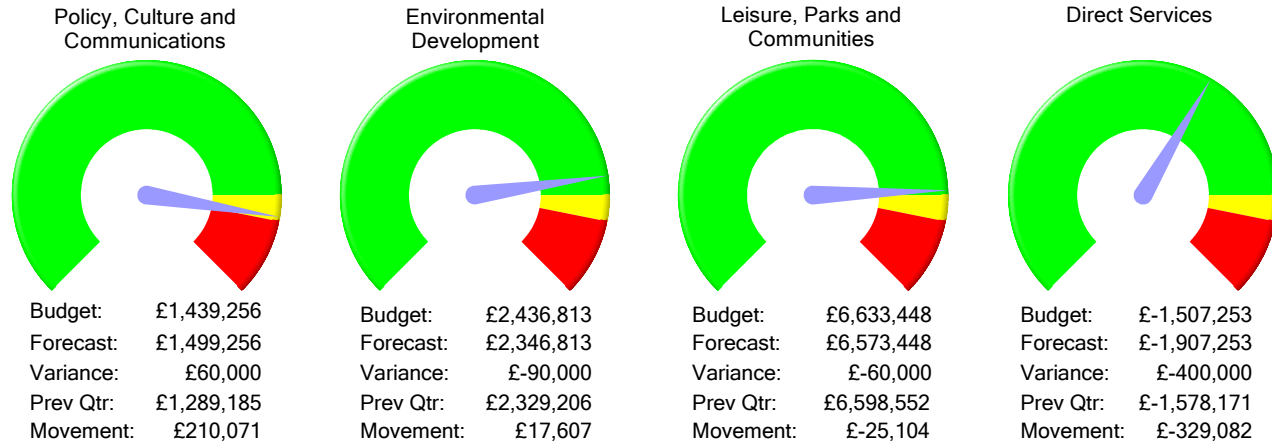
- 4.6 There are no amber risks for this service area.

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Appendix D

Community Services Integrated Report Q3 2014/15

Financial Performance



Performance Summary

Service	No Data	Red	Amber	Green
Direct Services	0 (0%)	1 (11%)	2 (22%)	6 (67%)
Environmental Development	0 (0%)	1 (14%)	0 (0%)	6 (86%)
Leisure Parks and Communities	0 (0%)	0 (0%)	0 (0%)	3 (100%)
Policy Culture and Communications	0 (0%)	0 (0%)	2 (13%)	14 (88%)
Total	0 (0%)	2 (6%)	4 (11%)	29 (83%)

	No Data	Red	Amber	Green
Previous Quarter	0 (0%)	2 (6%)	3 (9%)	30 (86%)

Direction of Travel

Service	No Data	Declining	No Change	Improving
Direct Services	0 (0%)	3 (33%)	2 (22%)	4 (44%)
Environmental Development	0 (0%)	0 (0%)	5 (71%)	2 (29%)
Leisure Parks and Communities	0 (0%)	1 (33%)	1 (33%)	1 (33%)
Policy Culture and Communications	0 (0%)	0 (0%)	5 (31%)	11 (69%)
Grand Total	0 (0%)	4 (11%)	13 (37%)	18 (51%)

Risk Summary

Service	No Data	Red	Amber	Green
Direct Services	0 (0%)	0 (0%)	4 (50%)	4 (50%)
Environmental Development	2 (22%)	0 (0%)	4 (44%)	3 (33%)
Leisure Parks and Communities	0 (0%)	0 (0%)	3 (38%)	5 (63%)
Policy Culture and Communications	0 (0%)	0 (0%)	4 (80%)	1 (20%)
Total	2 (7%)	0 (0%)	15 (50%)	13 (43%)

	No Data	Red	Amber	Green
Previous Quarter	3 (9%)	0 (0%)	15 (33%)	15 (33%)

Direction of Travel

Service	No Data	Declining	No change	Improving
Direct Services	0 (0%)	3 (38%)	5 (63%)	0 (0%)
Environmental Development	2 (22%)	1 (11%)	5 (56%)	1 (11%)
Leisure Parks and Communities	0 (0%)	0 (0%)	8 (100%)	0 (0%)
Policy Culture and Communications	1 (20%)	1 (20%)	2 (40%)	1 (20%)
Total	3 (10%)	5 (17%)	20 (67%)	2 (7%)

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COMMUNITY SERVICES DIRECTORATE

1. Directorate Overview

- 1.1 Financial performance within Community Services overall is favourable with adverse forecasts in Policy, Culture & Communication being more than offset from elsewhere in the Directorate.
- 1.2 For the Directorate as a whole 29 (83%) of performance measures are on target with 4 (11%) below target but within tolerance limits and 2 (6%) off target. Summarising, the Directorate is performing well against its targets; financial management and risk management are similarly being well overseen.

2. Directorate Financial Performance

- 2.1 The Directorate is currently estimated to have a projected outturn position of £8.512 million, which is £0.490 million favourable against the latest budget of £9.002 million.

Policy, Culture and Communications

- 2.2 Policy, Culture and Communication is projecting an adverse variance of £0.060 million relating to the poster board savings pressure of £0.023 million, salary pressures of £0.025 million, and additional expenditure on Your Oxford of £0.012 million. The Educational Attainment programme is being projected to be significantly underspent by around £0.200 million but it has already been agreed that any underspend on this budget is to be carried forward into 15/16 so this is not reflected in the forecast variance.

Environmental Development

- 2.3 Environmental Development has a forecast favourable variance of £0.090 million which is largely the result of the very high turnover of staff within the Service, primarily within the Community Response Team and Anti-social Behaviour Investigation Team teams of Environmental Protection and within the Business Regulation and Private Sector Safety teams of Environmental Health. A significant recruitment drive is in progress for each area and temporary cover is now in place to ensure an acceptable level of service can be maintained.

Leisure, Parks and Communities

- 2.4 Leisure, Parks and Communities are forecasting a £0.060 million favourable variance underspend due to additional income from Cemeteries and Parks together with vacancy savings.

Direct Services

- 2.5 Direct Services is currently forecasting a favourable overall variance of £0.400 million. The service area has made good progress during the first nine months of this financial year and continues to win additional works and major projects in the service area are progressing well. As part of this report to City Executive Board there is a request to create a budget of £0.200 million for improvements to Cowley Road Depot; if approved, this would reduce the favourable overall variance on Direct Services to £0.200 million.
- 2.6 Building Services continues to gain additional works and are currently £0.164 million ahead of the budgeted contribution which is anticipated to be the year end position with the HRA element being repatriated to the HRA.
- 2.7 Commercial Waste continues to gain new customers and is expected to achieve the stretched income targets set for 2014/15. The Waste and Recycling Service is therefore expected to achieve the year-end target.
- 2.8 Motor Transport has had a successful early year auction generating additional income of £0.058 million in excess of budget expectations. £0.020 million of this has been transferred to City ICT to fund the consultancy costs of the integration between Jaama and Agresso P2P for the Fleetplan replacement. Expenditure on fuel is showing favourable variance due to more efficient vehicles being purchased with Euro 6 Engines alongside the

driver training initiatives undertaken and the general reduction of fuel prices. This is expected to achieve an overall in year underspend of approximately £0.050 million.

- 2.9 Engineering are currently successfully winning works and, with the new structure now in place, the expectation is that this service will achieve an additional £0.200million contribution.
- 2.10 Overall car parking income is currently below expectations due largely to road works around the City. Although the park and rides and suburban car parks are doing well, overall car parking income is currently below expectations by £0.088 million. In mitigation, the Worcester Street Car Park rental payment is expected to be £0.50 million below the budgeted expenditure position and the Service Area is reviewing expenditure requirements for Q4 and is endeavouring to bring car parks in on the budgeted position.

3. Directorate Performance – Exceptions

Red:

Direct Services

- 3.1 Average re-let time for properties (excluding time taken for major works) – average time for re-lets was 22 days compared to a target of 20 days. There were 36 voids completed in December with an average re-let time of 20.3 days. Work is continuing to reduce the re-let time to get the result on target for the year end.

Environmental Development

- 3.2 Investment in local economy; the value of work as a result of Environmental Development interventions – the total value of work is just over £1.5 million (20%) below the target total of £7.27 million. A further £384,786 was invested in December.

Amber:

Direct Services

- 3.3 Percentage of Routine Repairs completed on time – performance was 96.31% compared to a target of 96.5%, which represents 46 repair jobs out of a total of 1,247. Performance is down slightly due to reduced working days in December and catching up of external works backlog.
- 3.4 Car park income – Car parks have generated an income of £6.5m. However, there is a current shortfall of £88,000 against the target for December of £6,598,653. This can be attributed to lower than expected usage at Westgate, Worcester Street and Redbridge car parks.

Policy, Culture and Communications

- 3.5 Develop audiences for the Museum's total visitor numbers – Performance is marginally down against target. Projected figures for the year to date of 58,995 were based on the museum being open seven days a week. The Town Hall cannot guarantee to be open on Sundays so we are closed, reducing our opening hours by four and a half hours per week. This has led to the total at December of 58,582, or 0.7% below target.
- 3.6 Produce three city briefings per year – currently two City Briefings have been produced against the December target of three.

4. Risk Performance- Exceptions

- 4.1 There are no red risks in in the Directorate although there are 16 amber risks detailed below. All these risks are currently being managed as part of day to day business activity and are not currently expected to rise to a level of red risk

Direct Services

- 4.2 4 risks relating to impact of failure in ICT, adverse customer satisfaction, the reduction in the income from Highways repairs from the County Council and loss of productivity due to staff sickness.

Environmental Development

- 4.3 5 risks relating to, service failures, public health protection, the night time economy and adverse customer satisfaction

Leisure Parks and Communities

- 4.4 3 risks relating to tree management safety, budget monitoring of major projects, adverse customer satisfaction from service failures

Policy Culture and Communications

- 4.5 4 risks relating to, cuts in government funding, un-achievement of goals and objectives in service delivery, disengagement by partners and failure to achieve sponsorship target income
- 4.6 All these risks are currently being managed as part of day to day business activity and are not currently expected to rise to a level of red risk

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GF Outturn Report 14/15 @ 31st December, 2014	Approved Budget (per Budget book)	Previous Months Budget	Virements	Latest Budget	Expenditure	Income	Actual YTD	Budget YTD	Variance YTD	% Budget Spent to 31st Dec, 2014	Projected Outturn against Latest Budget @ 31st Dec, 2014	PO Variance	PO Variance (Prev Month)	PO Variance Mvt from Previous Month
	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's	%	£000's	£000's	£000's	£000's
Directorates														
City Development	1,250	1,962		1,962	2,592	(1,507)	1,085	1,258	(173)	55%	2,002	40	91	(51)
Housing & Property	4,009	4,141	(42)	4,099	4,600	(1,463)	3,137	3,057	81	77%	4,213	114	101	13
Regeneration & Major Projects	(5,579)	(5,288)	32	(5,255)	2,488	(8,680)	(6,192)	(5,582)	(609)	118%	(5,808)	(553)	(482)	(71)
City Regeneration	(320)	815	(9)	806	9,680	(11,649)	(1,970)	(1,267)	(702)	250%	407	(399)	(290)	(109)
Policy, Culture & Communication	1,383	1,439		1,439	1,149	(270)	879	1,074	(194)	61%	1,499	60	23	38
Environmental Development	2,191	2,436	1	2,437	3,709	(2,020)	1,689	1,779	(90)	69%	2,347	(90)	(90)	
Leisure, Parks & Communities	5,707	6,632	1	6,633	6,612	(1,852)	4,759	4,899	(140)	72%	6,573	(60)	(60)	
Direct Services	(1,578)	(1,523)	16	(1,507)	34,489	(36,536)	(2,047)	(1,584)	(463)	136%	(1,907)	(400)	(400)	
Community Services	7,704	8,985	17	9,002	45,958	(40,678)	5,280	6,168	(888)	338%	8,512	(490)	(528)	38
Transformation Fund	527	772		772	486	(1)	486	550	(65)	63%	772			
Business Improvement & Technology	3,877	4,137	4	4,142	3,296	(101)	3,195	2,996	199	77%	4,207	65	40	25
Customer Services	3,162	3,500	49	3,549	3,655	(803)	2,852	3,092	(240)	80%	3,274	(275)	(80)	(195)
Finance	2,030	2,040	29	2,069	1,562	(166)	1,397	1,408	(12)	67%	2,069			
Human Resources & Facilities	1,792	1,860		1,861	1,835	(741)	1,094	1,407	(314)	59%	1,693	(168)		(168)
Law & Governance	2,622	2,727		2,727	2,284	(304)	1,980	1,993	(13)	73%	2,727			
Organisational Dev & Corp Services	14,010	15,037	83	15,120	13,118	(2,116)	11,002	11,447	(444)	73%	14,742	(378)	(40)	(338)
Directorate Total Excl SLA's & Capital Charges	21,393	24,837	91	24,929	68,756	(54,442)	14,313	16,347	(2,034)	57%	23,662	(1,267)	(858)	(410)
SLA's & Capital Charges	(692)	(769)		(769)						0%	(769)			
Corporate Accounts														
Local Costs of Benefits	(50)	(50)		(50)	48,518	(48,883)	(365)	(38)	(328)	731%	(50)		177	(177)
Corporate & Democratic Core	3,701	3,701		3,701	555		555	2,855	(2,300)	15%	3,701			
Item 8 interest receivable	(7,757)	(7,757)		(7,757)				(5,818)	5,818	0%	(7,757)			
Transfer to Capital Reserve	1,281	782		782		(2,523)	(2,523)	(1,505)	(1,018)	(322%)	782			
Investment Income	(956)	(956)		(956)	1		1	(717)	717	(0%)	(956)			
Interest Payable	6,713	6,713		6,713				5,035	(5,035)	0%	6,713			
New Homes Bonus	(2,020)	(2,020)		(2,020)		(1,533)	(1,533)	(1,515)	(19)	76%	(2,020)			
CRC Allowances	75	75		75		(1)	(1)		(1)	(1%)	75			
Inflation on Utilities	249	189		189						0%	189			
Promotion of Economic growth (City Deal)	150									0%				
Payment to Parish Councils (Precepts)	20	20		20						0%	20			
Revenue implications of Capital Bids	30	30		30						0%	30			
Contingencies														
Pensions provision top-up	200	200		200						0%	200			
Pay Progression	351	351		351						0%	351			
Provision for Pressures, recessions & high risks	1,040	1,028		1,028						0%	1,028			
Redundancy costs contingency	200									0%				
Disabled Transport Contingency	50	50		50						0%	50			
Jobs Club Contingency	42	42		42						0%	42			
Flooding Contingency	56	56		56						0%	56			
Total Corporate Accounts & Contingencies	3,377	2,456		2,456	49,074	(52,940)	(3,866)	(1,701)	(2,165)	-157%	2,456		177	(177)
Net Expenditure Budget	24,079	26,524	91	26,615	117,829	(107,383)	10,447	14,646	(4,199)	39%	25,348	(1,267)	(681)	(587)
Transfer to / (from) Ear Marked Reserves		(2,445)	(91)	(2,537)	(2,523)		(2,523)	(2,523)		99%	(2,537)			
Net Budget Requirement	24,079	24,079		24,079	115,307	(107,383)	7,924	12,123	(4,199)	33%	22,812	(1,267)	(681)	(587)
Funding														
External Funding (RSG)	6,339	6,339		6,339		3,011	3,011	4,754	(1,743)	48%	6,339			
External Funding (NNDR Retention)	6,114	6,114		6,114				4,586	(4,586)	0%	6,114			
Council tax	11,582	11,582		11,582				8,687	(8,687)	0%	11,582			
Less Parish Precepts	(162)	(162)		(162)	(192)		(192)	(121)	(71)	119%	(162)			
Collection Fund Surplus	205	205		205				154	(154)	0%	205			
Total Funding Available	24,079	24,079		24,079	(192)	3,011	2,819	18,059	(15,240)	12%	24,079			
(Surplus) / Deficit for year		()			115,499	(110,394)	5,105	(5,936)	11,041		(1,267)	(1,267)	(681)	(587)

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Capital Budget and Spend as at 31st December 2014

Capital Scheme	Latest Budget 2014/15	Spend to 31st December 2014	Profiled Budget	Variance to Profiled Budget	% Spend Against Latest Budget	Projected Outturn at 31st December 2014	Outturn Variance to Latest Budget	Outturn Variance due to Slippage	Outturn variance due to Over/ Under spend
	£	£	£	£		£	£	£	£
B0075 Stage 2 Museum of Oxford Development	27,200	(2,821)	0	(2,821)	0%	27,200	0		
G6013 Superconnected Cities	1,300,000	307,650	418,000	(110,350)	24%	400,000	(900,000)	(900,000)	
S01 Policy Culture & Communications Total	1,327,200	304,829	418,000	(113,171)	6%	427,200	(900,000)	(900,000)	0
C3039 ICT Infrastructure	79,392	35,267	57,956	(22,689)	44%	79,392	0		
C3044 Software Licences	164,077	164,077	164,077	0	100%	164,077	0		
C3053 New Council website	95,000	14,831	38,000	(23,169)	16%	60,000	(35,000)	(35,000)	
C3054 Purchase of web service (API's)	84,000	3,528	36,120	(32,593)	4%	50,000	(34,000)	(34,000)	
C3045 Mobile Working	92,832	10,780	50,000	(39,220)	12%	45,000	(47,832)	(47,832)	
C3047 Oracle 11g Upgrade	25,000	0	0	0	0%	25,000	0		
S03 Business Improvement & Technology Total	540,301	228,483	346,153	(117,671)	42%	423,469	(116,832)	(116,832)	0
F1323 Bridge Over Fiddlers Stream	-	0	0	0	0%	0	0		
F6013 Bullingdon Community Centre -Enhancement of Community Facilities	895	0	0	0	0%	0	(895)		(895)
F7008 Landscaping Work at Lamarsh Road	1,032	0	0	0	0%	1,032	0		
F7006 Work of Art - Littlemore	9,045	9,825	9,045	780	109%	9,825	780		780
F7007 Woodfarm / Headington Community Centre - Improvements	-	0	0	0	0%	0	0		
F7009 CCTV Gipsy Lane Campus	-	0	0	0	0%	0	0		
F7011 Headington Environmental Improvements	60,000	0	0	0	0%	2,000	(58,000)	(58,000)	
F7012 Rose Hill Recreation Ground Improvements	3,300	0	0	0	0%	3,300	0		
F7019 Work of Art Rose Hill	2,200	2,200	2,200	0	0%	2,200	0		
F7022 Sunnymede Park - Enhancement of Play Area Facilities	1,830	0	0	0	0%	1,830	0		
F7023 Templars Square Public Safety Measures	14,512	14,512	14,512	(0)	0%	14,512	0		
M5014 West End Partnership	335,000	0	0	0	0%	335,000	0		
S11 City Development Total	427,813	26,537	25,757	780	6%	369,699	(58,115)	(58,000)	(115)
E3511 Renovation Grants	56,313	16,298	42,235	(25,937)	29%	56,313	0		
E3521 Disabled Facilities Grants	634,544	508,204	475,908	32,296	80%	634,544	0		
E3554 Additional SALIX Plus funding	300,000	0	0	0	0%	300,000	0		
E3555 Flood Alleviation at Northway & Marston	100,000	17,585	25,000	(7,415)	18%	100,000	0		
E3556 Additional CCTV to Speedwell street	-	0	0	0	0%	0	0		
F0015 Cycle Oxford	272,841	53,514	97,000	(43,486)	20%	184,197	(88,644)	(88,644)	
G6014 CCTV Project	25,000	0	0	0	0%	25,000	0		
G6015 CCTV Rosehill Parade	18,000	0	0	0	0%	18,000	0		
S12 Environmental Development Total	1,406,698	595,601	640,143	(44,541)	42%	1,318,054	(88,644)	(88,644)	0
Leisure Centres									
A4808 Blackbird Leys LC Improvements	-	0	0	0	0	0	0		
A4814 Leisure Centre substantive repairs	320,729	152,708	213,798	(61,090)	48%	320,729	0		
Community Centres									
B0033 Community Centres	180,000	125,698	120,000	5,698	70%	180,000	0		
Covered Market									
B0027 Covered Market - Improvements & Upgrade to Roof	52,093	1,434	0	1,434	3%	52,093	0		
B0028 Covered Market - New Roof Structures to High St Entrances	101,114	9,698	67,403	(57,705)	10%	30,000	(71,114)	(71,114)	
B0036 Investment - Covered Market	250,048	56,073	24,755	31,318	22%	100,000	(150,048)	(150,048)	
Investment Properties									
B0003 Roof Repairs & Ext Refurbishment 44-46 George St	-	0	0	0	0%	0	0		
B0040 Investment - Broad Street	97,509	39,005	60,943	(21,938)	40%	97,509	0		
B0041 Investment - Misc City Centre Properties	12,321	1,231	0	1,231	10%	12,321	0		
B0044 Investment - Outer City	47,208	522	0	522	1%	5,000	(42,208)	(42,208)	
B0045 Investment - St. Michael's Street	6,035	0	0	0	0%	6,035	0		
B0046 Investment - Ship Street	71,222	11,413	0	11,413	16%	71,222	0		
B0043 Investment George Street	101,000	0	0	0	0%	21,000	(80,000)	(80,000)	
B0072 23-25 Broad Street	312,396	309,383	144,233	165,150	99%	312,396	0		
M5015 Old Fire Station	798	7,176	798	6,378	0%	7,298	6,500		6,500
Miscellaneous Council Properties									
B0088 Barns Road Car Park	128,254	0	0	0	0%	0	(128,254)	(128,254)	
B0052 Miscellaneous Properties	9,865	10,574	9,865	709	107%	9,865	0		
B0073 Clearing Channels under Frideswide Bridge	5,000	0	5,000	(5,000)	0%	5,000	0		
B0078 Allotments	16,700	0	16,700	(16,700)	0%	16,700	0		
B0079 Street Sports Sites	-	0	0	0	0%	0	0		
B0077 Direct Services Depots	63,699	63,699	62,375	1,324	100%	63,699	0		
B0080 Templars Square Refurbishment/Relocation	14,296	14,296	14,296	(0)	100%	14,296	0		
Parks & Cemeteries									
B0048 Leisure Cemeteries	3,000	10,700	1,700	9,000	0%	15,000	12,000		12,000
B0050 Leisure - Depots	43,800	350	0	350	1%	0	(43,800)		(43,800)
B0065 Parks & Cemetery - Masonry Walls & Path Improvements	34,298	31,005	19,893	11,112	90%	34,298	0		

Capital Budget and Spend as at 31st December 2014

Capital Scheme	Latest Budget 2014/15	Spend to 31st December 2014	Profiled Budget	Variance to Profiled Budget	% Spend Against Latest Budget	Projected Outturn at 31st December 2014	Outturn Variance to Latest Budget	Outturn Variance due to Slippage	Outturn variance due to Over/ Under spend
B0067 Fencing Repairs across the City	146,007	30,062	67,411	(37,349)	21%	146,007	0		
B0085 Parks & Leisure Toilets	9,200	0	9,200	(9,200)	0%	9,200	0		
Town Hall & St Aldates Chambers									
B0054 Town Hall	370,533	220,472	370,533	(150,061)	60%	370,533	0		
B0068 Town Hall - Conference System Refurbishment	101,759	10,572	25,399	(14,827)	10%	101,759	0		
B0076 Town Hall Improvements (OFTF2)	266,896	233,202	266,896	(33,694)	87%	266,896	0		
B0087 Property Investment Strategy	7,000,000	3,000	0	3,000	0%	7,000,000	0		
B0090 St Aldates Chambers Security	25,000	342	0	342	0%	25,000	0		
Housing Projects									
B0082 Garages	110,720	74,023	83,040	(9,017)	67%	110,720	0		
M5020 Empty Homes CPO Revolving Fund	-	0	0	0	0%	0	0	0	
M5021 Equity Loan Scheme for Teachers	50,000	0	0	0	0%	0	(50,000)	(50,000)	
M5019 Property Acquisitions	1,000,000	227,000	225,000	2,000	0%	1,000,000	0		
S13 Housing and Property Total	10,951,500	1,643,638	1,809,238	(165,599)	15.0%	10,404,576	(546,924)	(521,624)	(25,300)
Community Facilities									
G1013 Dawson Street Gardens	-	0	0	0	0%	0	0		
G3015 NE Marston Croft Road Recreation Ground	19,300	0	0	0	0%	19,300	0		
G3017 South Oxford Community Centre Café	-	0	0	0	0%	0	0		
G3018 St Ebbes Deaf and Hard of Hearing Centre	-	0	0	0	0%	0	0		
Playground Improvements									
A1300 Playground Refurbishment	-	0	0	0	0%	0	0		
A1301 Play Barton	-	0	0	0	0%	0	0		
Indoor Sports									
A4810 New Build Completion Pool	5,850,000	4,844,303	4,844,303	0	83%	5,850,000	0		
A4815 Leisure Centre Improvement Work	-	0	0	0	0%	0	0		
A4835 Biomass store at Cutteslowe Park to supply new pool	55,000	0	0	0	0%	55,000	0		
A4829 Oxford Spires Academy	150,000	0	0	0	0%	0	(150,000)	(150,000)	
Sports Pavilions									
A4816 Sports Pavilions (Allocated by site below)									
Grandpont	505,136	483,955	505,136	(21,181)	96%	505,136	0		
Blackbird Leys; Leisure Centre Pavilion	468,943	464,089	468,943	(4,854)	99%	468,943	0		
Cutteslowe Park Lower	-	0	0	0	0%	0	0		
Sandy Lane	153,583	73,037	153,583	(80,546)	48%	153,583	0		
Mace Project Team Fees (Pavilions)	92,000	81,426	70,000	11,426	89%	92,000	0		
Other Costs and Fees (Pavilions)	80,118	3,993	3,993	0	5%	10,000	(70,118)	(70,118)	
						0	0		
Outdoor Sports									
A3129 Donnington Recreation Ground Improvements	-	0	0	0	0%	0	0		
A4820 Upgrade Existing Tennis Courts	71,169	26,071	55,731	(29,659)	0%	71,169	0		
A4821 Upgrade Existing Multi-Use Games Area	76,183	68,073	76,183	(8,110)	89%	76,183	0		
A4831 Three Artificial Turf Cricket Wickets	-	0	0	0	0%	0	0		
A4827 Cowley Outdoor Gym	25,056	0	15,660	(15,660)	0%	25,056	0		
A4828 Valentia Road Playground	10,000	10,000	6,250	3,750	100%	10,000	0		
Parks & Cemeteries									
A4818 Lye Valley & Chiswell Valley Walkways	64,000	43,086	48,000	(4,914)	67%	64,000	0		
	179,176	179,138	136,360	42,778	100%	196,676	17,500		17,500
A4826 Parks Works									
A4830 Develop new burial space	30,000	10,579	20,000	(9,421)	35%	30,000	0		
S22 Leisure & Communities Total	7,829,664	6,287,750	6,404,142	(116,392)	80%	7,627,046	(202,618)	(220,118)	17,500
Vehicles									
R0005 MT Vehicles/Plant Replacement Programme.	2,910,162	1,267,631	1,308,258	(40,627)	44%	2,910,162	0		
T2275 MOT Service Bay Extension	50,990	49,614	50,990	(1,376)	97%	50,990	0		
T2280 - Heavy Goods Vehicle Testing Facility	160,000	0	0	0	0%	160,000	0		
Cleansing Services									
T2269 Toilet improvements	180,220	95,721	120,027	(24,305)	53%	180,220	0		
T2270 Bin Stores for Council Flats to Assist Recycling		(7,063)	0	(7,063)	0%		0		
T2276 Invest to Save - Bin Washing Service	122,198	122,198	122,198	(0)	100%	122,198	0		
T2277 Food waste collection from flats	170,771	162,275	77,752	84,523	95%	170,771	0		

Capital Budget and Spend as at 31st December 2014

Capital Scheme	Latest Budget 2014/15	Spend to 31st December 2014	Profiled Budget	Variance to Profiled Budget	% Spend Against Latest Budget	Projected Outturn at 31st December 2014	Outturn Variance to Latest Budget	Outturn Variance due to Slippage	Outturn variance due to Over/ Under spend
Car Parking									
B0081 Car Parking Oxpens	3,141,959	2,233,206	2,723,136	(489,930)	71%	2,641,959	(500,000)	(500,000)	
B0037 Car Parks	80,000	64,067	56,000	8,067	80%	80,000	0		
B0086 Extension to Seacourt Park & Ride (Part of feasibility reports)	250,000	35,344	50,000	(14,656)	14%	250,000	0		
F0011 Pay & Display Parking in the Car Parks	71,214	71,035	71,214	(179)	100%	71,214	0		
F0012 P & R Purchase of Capital Items - Peartree, Redbrid		(1)	0	(1)		0	0		
T2273 Car Parks Resurfacing	371,730	199,395	278,798	(79,402)	54%	371,730	0		
T2274 Gloucester Green Car Park Waterproofing	96,688	0	67,682	(67,682)	0%	96,688	0		
T2279 Dunnock's Way Parking Project	87,000	1,018	0	1,018	1%	1,018	(85,982)	(85,982)	
T2281 Parking Opposite Blackbird Leys Pool	200,000	180,000	180,000	0	0%	200,000	0		
S23 Direct Services Total	7,892,932	4,474,442	5,106,053	(631,612)	60%	7,306,950	(585,982)	(585,982)	0
B0074 R & D Feasibility Fund	323,893	17,236	32,389	(15,153)	5%	323,893	0		
C3051 Veriscan Solution, Identity Authentication Solution	20,000	10,765	20,000	(9,235)	54%	20,000	0		
C3052 Fraud Solutions and Data Warehouse	41,000	0	0	0	0%	41,000	0		
S32 Finance Total	384,893	28,001	52,389	(24,388)	7%	384,893	0	0	0
GF Total	30,761,001	13,589,280	14,801,875	(1,212,595)	44%	28,261,887	(2,499,114)	(2,491,199)	(7,915)
External Contracts									
N6384 Tower Blocks	279,000	314,873	244,125	70,748	113%	436,500	157,500	157,500	
N6386 Structural	103,000	64,206	65,920	(1,714)	62%	103,000	0		
N6387 Controlled Entry	180,000	0	0	0		180,000	0		
					0%				
N6389 Damp-proof works (K&B)	92,000	51,620	52,440	(820)	56%	92,000	0		
N6392 Roofing	407,000	252,949	254,375	(1,426)	62%	407,000	0		
N6393 External Doors	105,000	0	0	0		105,000	0		
					0%				
N6394 Windows	3,000	15,080	3,000	12,080		3,000	0		
					503%				
N7020 Extensions & Major Adaption	260,000	(14,180)	0	(14,180)		260,000	0		
					-5%				
N7026 Communal Areas Fire Safety	154,000	111,028	117,040	(6,012)	72%	154,000	0		
N7027 Environmental Improvements	103,000	42,951	71,070	(28,119)	42%	103,000	0		
N7033 Energy Efficiency Initiatives	692,000	57,744	103,800	(46,056)		692,000	0		
					8%				
N7034 Digital Inclusion	-	0	0	0	0%	0	0		
N7035 Rose Hill Drainage	40,000	40,000	40,000	0	100%	40,000	0		
N7036 Food Waste Collection	113,000	72,712	79,100	(6,388)		113,000	0		
					64%				
New Build									
B0034 Rose Hill Community Centre	2,278,117	206,851	100,000	106,851	9%	730,000	(1,548,117)	(1,548,117)	
N7029 HCA New Build	11,001,334	8,264,595	7,562,001	702,594	75%	11,001,334	0		
N7030 Horspath Road Depot	1,488,000	1,450,508	1,488,000	(37,492)	97%	1,488,000	0		
N7031 Homes at Barton	104,000	60,013	78,000	(17,987)	58%	104,000	0		
N7032 Great Estates: Estate Enhancements and Regeneration	822,233	311,850	463,331	(151,481)	38%	822,233	0		
Internal Contracts									
N6385 Adaptations for disabled	559,091	387,442	401,204	(13,761)	69%	559,091	0		
N6390 Kitchens & Bathrooms	2,797,529	1,744,374	1,986,246	(241,872)	62%	2,797,529	0		
N6391 Heating	1,603,388	1,184,410	1,213,765	(29,355)	74%	1,603,388	0		
N6388 Major Voids	728,636	302,793	522,869	(220,076)	42%	728,636	0		

Capital Budget and Spend as at 31st December 2014

Capital Scheme	Latest Budget 2014/15	Spend to 31st December 2014	Profiled Budget	Variance to Profiled Budget	% Spend Against Latest Budget	Projected Outturn at 31st December 2014	Outturn Variance to Latest Budget	Outturn Variance due to Slippage	Outturn variance due to Over/ Under spend
N6395 Rewires	347,662	317,588	246,840	70,748	91%	347,662	0		
Housing Revenue Account	24,260,990	15,239,408	15,093,125	146,283	63%	22,870,373	(1,390,617)	(1,390,617)	0
Grand Total	55,021,991	28,828,688	29,895,000	(1,066,312)	52%	51,132,260	(3,889,731)	(3,881,816)	(7,915)

HRA Outturn Report 14/15 @ 31 December, 2014	Approved Budget (per Budget book)		Latest Budget	Actual YTD	Budget YTD	Variance YTD	% Budget Spent to 31 December, 2014	Projected Outturn against Latest Budget @ 31 December, 2014	PO Variance	PO Variance (Prev Month)	PO Variance Mvt from Previous Month
	£000's	£000's	£000's	£000's	£'000's	%	£000's	£000's	£000's	£000's	
Dwelling Rent	(40,590)	(40,590)	(30,331)	(30,442)	111	75%	(40,520)	70		70	
Service Charges	(1,196)	(1,196)	(1,023)	(897)	(125)	85%	(1,326)	(130)		(130)	
Furniture & Other Rent	(816)	(816)	(701)	(594)	(107)	86%	(891)	(75)		(75)	
Major Project Team Fees	(329)	(329)	(170)	(247)	77	52%	(229)	100		100	
Net Income	(42,931)	(42,931)	(32,225)	(32,180)	(45)	75%	(42,966)	(35)		(35)	
General Management	5,138	5,328	3,563	3,585	(22)	67%	5,228	(100)	(100)		
Special Services	2,771	2,771	1,765	1,961	(196)	64%	2,562	(209)	(59)	(150)	
Other Expenditure	2,648	2,622	1,305	1,618	(313)	50%	2,308	(314)		(314)	
Bad Debt Provision	431	431	185	221	(36)	43%	431				
Responsive & Cyclical Repairs	9,859	10,197	7,585	6,915	670	74%	10,093	(104)	(104)		
Interest Paid	7,792	7,792	5,844	5,844		75%	7,792				
Depreciation	5,595	5,595	4,196	4,196		75%	5,595				
Total Expenditure	34,233	34,736	24,444	24,342	102	70%	34,008	(727)	(263)	(464)	
Net Operating Expenditure/(Income)	(8,697)	(8,195)	(7,781)	(7,838)	57	95%	(8,957)	(762)	(263)	(499)	
Interest Received	(64)	(64)	(48)	(48)		75%	(64)				
Other HRA Reserve Adjustments	(7,996)	(8,498)	(8,221)	(8,211)	(9)	97%	(8,244)	254		254	
Revenue Contribution to Capital	16,757	16,757				0%	14,700	(2,057)		(2057)	
Total Appropriations	8,697	8,195	(8,269)	(8,259)	(9)	(101%)	6,392	(1,803)		(1803)	
Total HRA (Surplus)/Deficit	()		(16,050)	(16,097)	47		(2,565)	(2,565)	(263)	(2,302)	

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To: City Executive Board

Date: 14th May 2015

Item No:

Report of: Head of Finance

Title of Report: Capital Strategy

Summary and Recommendations

Purpose of report: To present a Capital Strategy for approval.

Key decision: No

Executive lead member: Councillor Ed Turner

Policy Framework: Improving value for money and service performance
(Corporate Plan 2015-2019)

Recommendation(s):

That the City Executive Board Approve the Capital Strategy attached at
Appendix A

Appendices

Appendix A – Capital Strategy 2015/16 – 2018/19

Appendix B – Project Brief

Appendix C – Project Initiation Document (PID)

Appendix D – Monthly Monitoring Form

Appendix E – Project Closure Statement

Appendix F – Capital Gateway Process

Background

1. Paragraph 18.11 of the Council's Constitution requires that a Capital Strategy is prepared which includes;
 - a. the principles the Council will follow in its capital planning and management

- b. the methodology for inclusion of schemes within the Capital Programme
 - c. the arrangements in place for the effective management of capital schemes
- 2. The Council has recently embarked upon a significant capital investment programme and has introduced a new methodology for identifying, selecting and monitoring capital projects. The Capital Strategy, which is appended to this report, sets out the approval process for schemes getting into the Programme, as well as the governance arrangements in place to manage delivery.
- 3. The Strategy also sets out the various funding sources available for capital projects and how these might change over time. It also aims to set out both the challenges and aspirations the Council needs to consider over the medium to long term.

Changes Introduced

- 4. The introduction of the new Capital Gateway process (see Appendix F) aims to ensure successful delivery of the Council's Capital Programme.
- 5. Given the financial pressures on the General Fund there is limited use of prudential borrowing to finance the General Fund Capital Programme. The financial robustness of the 30 year Housing Revenue Account (HRA) Business Plan does however, create an opportunity to undertake borrowing to finance the Programme of new build and housing refurbishment. The Medium Term Financial Plan makes provision for the use of an additional £32 million of borrowing over the next 10 years.
- 6. The Capital Programme Management Group (an officer working group) that will co-ordinate and advise Project Managers and staff regarding capital bids and monitor delivery of the Council's Capital Programme.

Legal Implications

- 7. There are no legal implications directly relevant to this report.

Financial Implications

- 8. There are no financial implications directly arising from this report.

Environmental Impact

- 9. The Capital Strategy does identify the growing and relevant environmental issues that need to be considered when selecting capital projects.

Level of Risk

10. There are no risks directly arising from this report. Risks to delivery of individual projects are identified and monitored as part of the capital monitoring process.

Equalities Impact

11. The procurement of capital expenditure will be undertaken in line with the Council's policies to support the payment of a living wage and making apprenticeship opportunities available to local people. Many of the facilities funded out of the capital programme – such as community centres and social housing – will promote the narrowing of inequality in Oxford. There is no requirement to provide an Equalities Impact Assessment for this report.

Name and contact details of author:-

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Service Area / Department: Finance

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List of background papers: None

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CAPITAL STRATEGY 2015/16 – 2018/19

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Appendices

Appendix A – Project Brief

Appendix B – Project Initiation Document (PID)

Appendix C – Project Monitoring Form

Appendix D – Project Closure Statement

Appendix E – Capital Gateway Process

Capital Strategy 2015/16 – 2018/19

1. Executive Summary

- 1.1. The Council's Constitution requires the Head of Finance to prepare a Capital Strategy which includes;
- a. The principles the Council will follow in its capital planning.
 - b. The methodology for inclusion of schemes within the Capital Programme.
 - c. The arrangement for management of capital schemes.
- 1.2. The Capital Strategy document is therefore a high level summary of the Council's approach to capital investment and lays out the rules against which capital schemes are prepared, evaluated and monitored.

2. What is Capital Investment?

- 2.1 Capital investment seeks to provide the infrastructure and equipment necessary to deliver the Council's priorities and operational requirements in the longer term. Expenditure for capital purposes therefore gives rise to new assets or increases the value and/or useful life of existing assets.

3. Identifying Need

- 3.1. The Council's Corporate Plan sets out the Council's vision and priorities for the City.
- 3.2. The 2015-2019 Plan sets out the following five strategic priorities:
- **Vibrant, sustainable economy**
To build a strong local economy, supported by effective education and training that is accessible by all.
 - **Meeting housing needs**
Increasing the provision of high quality affordable housing remains a key priority for the City Council and its partners. In housing terms, Oxford is the least affordable area in the country outside London. A recent estimation suggests that 24,000 to 32,000 new homes will be needed by 2031 to meet the city's housing need.
 - **Strong and active communities**
Oxford City Council is working with citizens and community groups to build communities that are socially cohesive and safe, and citizens who are actively engaged in pursuing their own well-being and that of their communities.

➤ **Cleaner, greener Oxford**

The City Council's objective is to maintain and develop a cleaner, greener Oxford – in the city centre, in our neighbourhoods and in all public spaces.

➤ **An efficient and effective council**

This means the Council being a flexible, fit-for-purpose organisation, delivering high quality services and excellent value for money for all its citizens. In the five years to 2015/16 the Council is projecting to have achieved annual efficiencies totalling £7.9m.

3.3. Aligned to the Corporate Plan are a number of subsidiary and complementary plans and strategies. Examples include;

- Asset Management Plan which aims to aims to deliver better and more efficient use of the Council's property and improvements in its condition, bring forward major regeneration and housing schemes and deliver improvements to the Council's capital values, income stream and levels of return;
- Service Plans which demonstrate at service level how the service contributes to and supports the delivery of the Corporate Plan priorities and the resources required to do this, including the capital aspects of the Corporate Plan delivery
- Housing Strategy which considers the demand for housing in Oxford, the affordability of housing, the supply of housing across all tenures, the economic conditions and Government policy and legislation and lays out plans to address these challenges in order to continue to deliver on the Corporate Priority of meeting housing needs

4. External Drivers

4.1. In addition to the Council's own priorities there will be external factors which influence capital spending decisions, e.g. central government funding, the local enterprise partnership (LEP) priorities, and the implications of any legislative changes.

5. Evaluation

5.1 Capital projects are prioritised and ranked using a scoring matrix aligned to a Capital Gateway Framework that ensures capital resources are targeted towards schemes that best meet and deliver the Council's corporate objectives.

5.2 Due to competing demands for limited resources, the Council will prioritise capital investment based on a number of different factors such as:

- Contribution to Corporate Priorities
- Statutory or Non-Statutory service
- Funding Availability

- Revenue Implications
- Risk of not undertaking the capital expenditure; and
- Environmental and Sustainability considerations

How Schemes Get Included in the Capital Programme

5.3 The flowchart on page 7 sets out the approval process. Key stages include:

A. *The Preparation of a Project Brief* (See Appendix A and link [linkhttp://occweb/intranet/documents/gateway-guidance-notes](http://occweb/intranet/documents/gateway-guidance-notes)).

This sets out;

- The rationale as to why the project is required.
- The present position
- What will the project will change or achieve.
- The improvements the project will produce.
- The linkages there are with other projects.
- Whether there are demonstrable financial savings, overhead reductions, efficiencies, or service improvements arising from the project.
- Delivery options and associated risks
- Anticipated implementation and running costs

B. *The Evaluation and Ranking of Projects*

The Capital Programme Management Group quality assures the Project Brief and scores it against the evaluation criteria (shown in Appendix B – Project Brief) prior to reporting to the Corporate Asset Management and Capital (CAMAC) Programme Board. The current membership, roles and responsibilities of both CAMAC and the Programme Management Group can be found at paragraph 7.5 below and in Appendix F.

5.3 CAMAC subsequently recommend schemes to the City Executive Board (CEB) for consideration and approval by Council as part of the annual Medium Term Financial Strategy (MTFS) refresh. Schemes which arise outside of the MTFS process are submitted to CEB as necessary for recommendation to Council for inclusion in the Programme.

5.4 Once the Capital Programme is approved by Council Project Managers can begin to progress their project(s) in accordance with the agreed Capital Scheme Approval process. Key stages include:

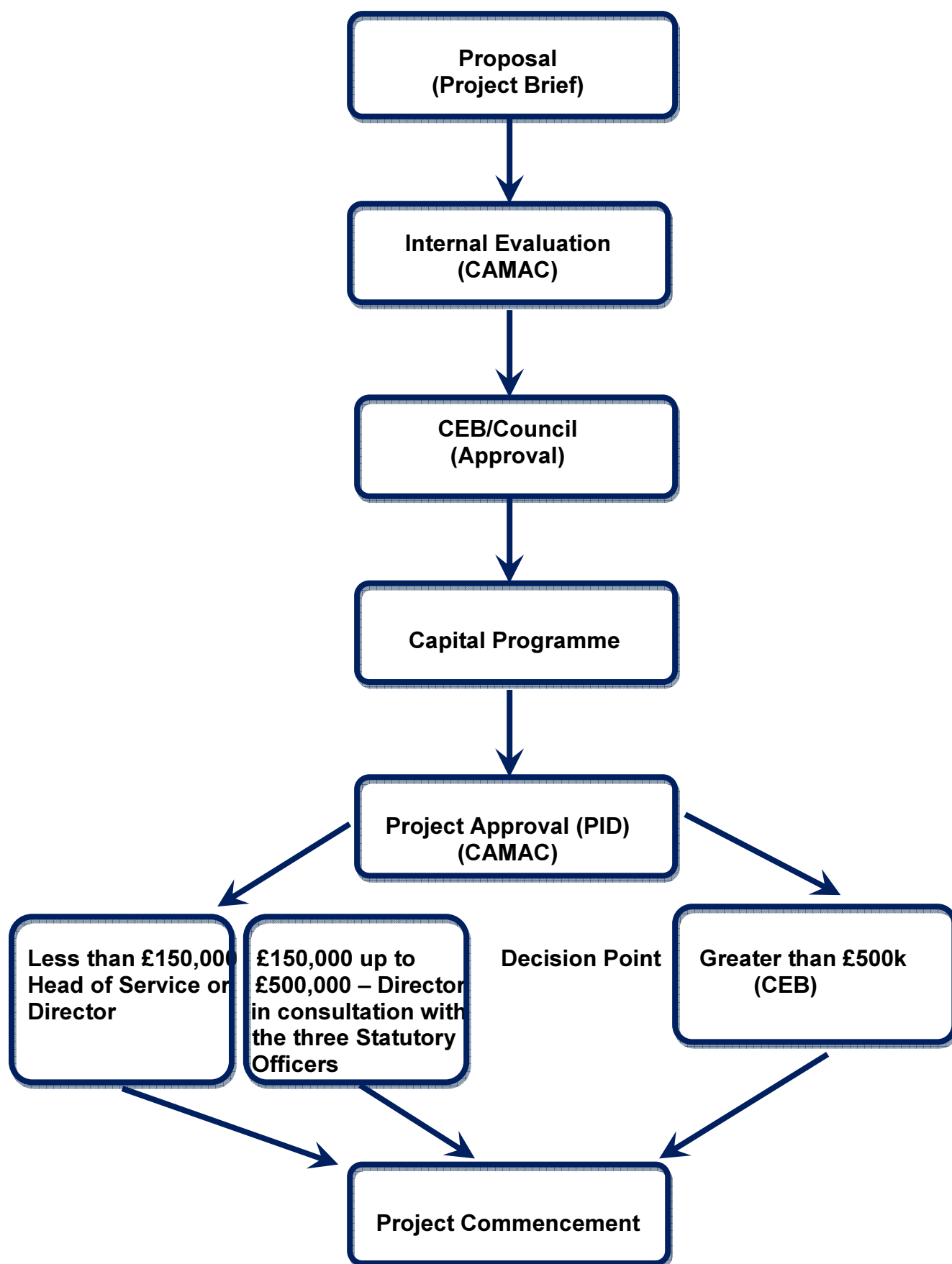
5.5 *Agreement of the Project Initiation Document* (see Appendix B and link <http://occweb/intranet/documents/gateway-guidance-notes>) This requires the Project Manager to complete the required proforma setting out;

- Background information (from Project Brief).

- What the project needs to achieve –Objectives, Scope, Deliverables, Desired Outcomes, Constraints and Counter Measures.
- Initial Business Case (from Project Brief).
- Risks and Uncertainties –What events might arise that would delay or prevent the project delivering on its objectives.
- Timescales –milestones only.
- Acceptance Criteria – Essential elements that must be achieved in order for the project to be accepted as complete.
- Costs – Capital, Revenue, Savings, and Funding profiled over the next 4 financial years.
- Interfaces and dependencies with other projects or tasks
- Whole Life Cost / Sustainability – What the likely environmental impacts might be. Revenue costs resulting from the proposal must be captured.

6. Capital Scheme Approval

6.1 The approval process for a scheme is outlined in the diagram below but essentially involves a number of key stages:

Capital Scheme Approval

7. Performance Monitoring

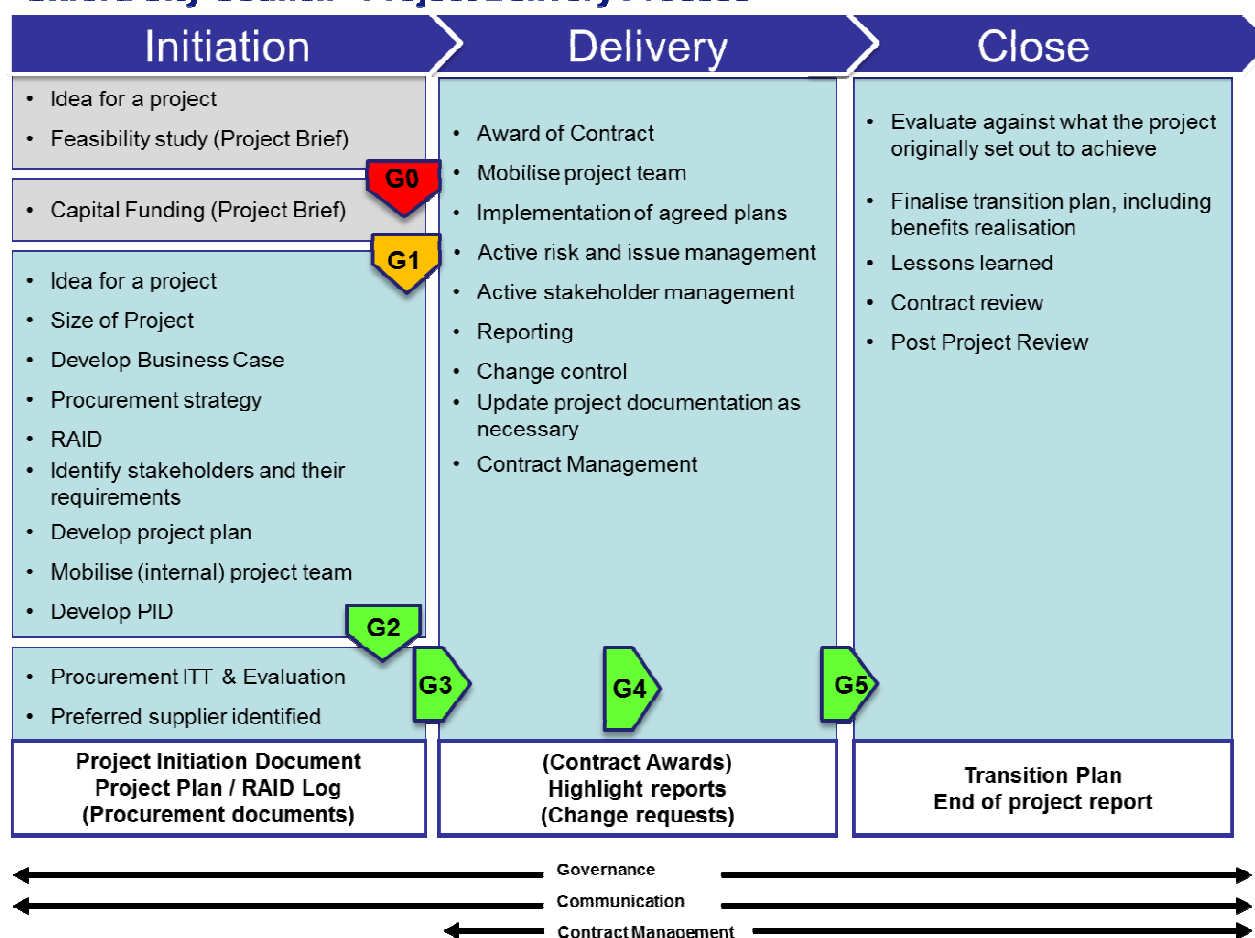
- 7.1. Approved schemes are subsequently monitored by an officer group, currently the Corporate Asset Management and Capital (CAMAC) Programme Board, to ensure delivery is on time, within budget and meets the projects objectives. The roles and responsibilities of CAMAC, together with Project Sponsors and Project Managers are detailed within Appendix E – Capital Gateway Process.
- 7.2. Capital expenditure is reviewed for its legitimacy in meeting the definition of a capital purpose and reconciled monthly. Monthly monitoring meetings are held between Project Managers and Finance staff. For larger projects this may mean the setting up of a Project Board with officers and advisors covering a variety of expertise, chaired by a lead officer who is responsible for the delivery of the project.
- 7.3. All Project Sponsors and Project Managers receive monthly financial reports advising them of current spend against the profiled budget. Project Managers are required to provide monthly monitoring information including commentary on any variances. Project Managers are responsible for ensuring that capital schemes follow the Capital Gateway Process; specifically the Project Manager:
- Directs the project team, where appropriate.
 - Plans and monitors progress of the project
 - Manages the project risks and issues
 - Prepares revised plans and documentation through a change control process and presents them to the Project Board
 - Agree the technical and quality requirements of the project with the scheme project board or, in the absence of a board, with the Project Sponsor
 - Prepares the Project Closure Statement including lessons learned and presents it to the scheme project board or, in the absence of a board, with the Project Sponsor and then presents the statement to CAMAC
- Full details of the Capital Gateway Process can be found in Appendix F.
- 7.4. Performance of the Council's Capital Programme is reported to Directors and CMT via the production of a monthly Finance Budget Report. Additionally, via the Quarterly Integrated Report the relationship capital performance has on Directorate/Corporate risk and performance is also reported to Directors and Members.
- 7.5. Terms of reference and membership for the CAMAC group are set out below:

7.6. Terms of Reference and Membership of CAMAC

<p>Capital Asset Management and Capital Board (CAMAC)</p>	<p>The CAMAC has been established as the corporate Officer group responsible for receiving, collating, scoring, presenting and monitoring the Council's approved Capital programme in accordance with Council, priorities, objectives, rules and procedures. The group also offers advice regarding the financial and asset management aspects of capital programme activity.</p> <p>The membership of the group is as follows:</p> <p>Chair – Executive Director (Regeneration and Housing) Executive Director of Organisational Development and Corporate Services Head of Finance Head of Housing Deputy Head of Direct Services Head of City Development Head of Human Resources and Facilities Head of Leisure, Parks and Communities Head of Environmental Development Service Manager Major Projects and Regeneration Housing and Property Services Safety Advisor</p>
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Capital Gateway Project Delivery Process

Oxford City Council - Project Delivery Process



8. The Capital programme 2015/16 – 2018/19

8.1. The Council's current four year Capital Programme was approved by Council on 18 February 2015 and can be found here:
http://mycouncil.oxford.gov.uk/documents/s22110/Report_Budget%20Report%20February%20CEB%20and%20Council.pdf.

8.2. The procurement of capital expenditure will be undertaken in line with the Council's policies to support the payment of a living wage and making apprenticeship opportunities available to local people. Many of the facilities funded out of the capital programme – such as community centres and social housing – will promote the narrowing of inequality in Oxford.

9. Available Capital Funding

9.1. There are a number of sources of funding the Council can use to finance capital expenditure. These include:

- Capital Receipts
- Prudential Borrowing

- Developers Contributions e.g. s106 receipts and Community Infrastructure Levy (CIL)
- Revenue Contributions
- Capital Grants e.g.
 - HCA – contribution towards the provision of 113 affordable homes in the City.
 - New Growth Point Grant – for the West End Partnership
 - Disabled Facilities Grant – housing adaptations within the private sector

9.2. In the past the Council has relied heavily on capital receipts to fund its General Fund Programme but with limited property available for sale these are gradually being eroded. With continuing budgetary pressures being placed on the Council's General Fund the ability to use direct revenue funding and prudential borrowing is reducing and consequently, the Council will need to prioritise more carefully and consider the relative weight of capital and revenue need in the round, as well as investigate alternative funding streams.

9.3. Conversely, the relatively strong financial position of the Council's HRA via its 30 year Business Plan indicates that significant revenue funding and prudent headroom borrowing is possible here and these elements continue to be major funding sources for the HRA's capital programme.

Capital Receipts

9.4. The Council can recycle capital receipts generated from the disposal of assets back to fund both General Fund and HRA capital projects. As at the 31 March 2014 the Council had £22.4m of usable capital receipts earmarked to fund the capital programme going forward.

The Council has entered into an agreement with the Department for Communities and Local Government (DCLG) to recycle within a rolling 3 year period 'additional' Right to Buy (RTB) receipts into new social housing dwellings within the City.

Prudential Borrowing

9.5. The Prudential Code seeks to explore the relationship between capital accounting, capital and revenue expenditure and treasury management by clarifying the impact that capital investment decisions have on the finances of the authority overall and the relative impact on the General Fund and HRA.

9.6. The Prudential Code asks three key questions of any investment decision:

- is it prudent;
- is the scheme affordable; and
- will it prove to be sustainable?

- 9.14. Under the Prudential Framework local authorities are now free to make their own judgements as to whether new borrowing is affordable and prudent, subject to a duty to follow agreed professional principles, which are contained within the prudential code.
- 9.15. The main advantages offered through borrowing under the Prudential Framework are:
- Rescheduling Capital Expenditure by switching revenue contributions to capital to cover prudential borrowing costs
 - *Spend to Save Schemes* – where the capital investment achieves revenue savings, which could wholly or largely meet the on-going revenue costs associated with the level of borrowing required.
- 9.16. Prudentially borrowing to fund capital projects does however bring with it the need to make a charge to revenue to reflect the cost of borrowing. This charge, known as Minimum Revenue Provision (MRP) is based on the life of the asset in accordance with the approved methodology contained within the Councils Treasury Management Strategy.

S106 Developer Contributions/Community Infrastructure Levy (CIL)

- 9.17. Developer contributions are sought to mitigate the impact of development and overcome what would otherwise be a potential reason to refuse a planning application. In the main the remaining s106 contributions the Council seeks to recover relate to meeting the social housing targets within our current planning policies.
- 9.18. The Community Infrastructure Levy largely replaces s106 and can be claimed to fund Community Facilities, Indoor Sports Facilities, Public Open Space, Environmental Improvements, Public Art, Highway measures (inclusive of Park and Ride, Pedestrian measures, Cycle Facilities etc.), Education, Libraries, Waste Recycling, Youth Services, Museum Resource Centre and Day Care Provision for Adults.

Revenue Contributions

- 9.19. The Council can budget from within its revenue accounts, the General Fund (GF) and Housing Revenue Account (HRA), to make contributions towards the funding of its annual Capital Programme. Within the HRA this currently forms a significant element of the annual expenditure as it is affordable and reflects the ambitious works Programme that has been approved for the HRA. The GF Programme utilises this source of funding but at a much reduced level.

Project Brief

Project Title: [Insert Project Title]

Date: [insert date document issued]

Sponsor: [Insert name of Project Client/Sponsor]

Project Manager: [Insert name of Project Manager]

Lead Officer [Insert name of Lead Officer – where project is being run by an external partner]

Responsible Programme: [Insert the name of the Responsible Programme]

Version No: 0.1

[Guidance on Version Control:

- The first draft will be 0.1.
- Each re-drafted version will be 0.2, 0.3 etc.
- Once submitted to the Board for approval it will be version 1.0 and any amendments after submission will be 1.1, 1.2 etc.

Once the amended document is approved by the Board it will be 2.0.]

Approvals:

1. [list the names of Boards or persons this document is being submitted to for formal approval]
- 2.

Project Brief

1 Background

[Explain the context of the project and why it is needed. If this project is intended to be part of a wider programme, indicate how it will support the programme's objectives.]

2 Project Objectives

2.1 Business Objectives

[Indicate how this project will support the programme's objectives and the Corporate Priorities]

2.2 Project Objectives

[What is the project required to achieve? Express these, wherever possible in specific, measurable, achievable, realistic, and time-based terms]

3 Project Scope and Exclusions

[What is outside the remit of the project?]

4 Constraints

[Describe the constraints, within which the project must operate, e.g. statutory requirements, business continuity considerations, restrictions on time, resources, funding and/or the eventual outcome, dependencies on other projects etc.]

5 Authority

[List the names of the persons/s accountable for the delivery of this project.]

Name	Role	Signature	Date

6 Costs

[Please provide a description of the costs associated with the project (figures will be listed in section 9 below). This should include expenditure items as well as non-financial resources such as staff time (quantified in hours/days). Furthermore Project Managers must ensure that an expenditure breakdown

between building components will need to be made available to Finance each year for year-end purposes.]

7 Project Approach

[Describe the approach for delivering the project.]

8 Procurement Route

[Consider, with advice from Procurement and referring to Procurement rules, the required supply for services or goods.]

9 Project Options

[List any options for delivering the project that have been considered or will need to be considered. Please identify a preferred option if one has been selected at this point.]

9.1 Project Benefits

[List the key improvements the project is expected to bring about. Express these wherever possible in specific, measurable, achievable, realistic, and time-based terms. Any financial benefits should also be listed in section 5.]

10 Outline Business Case

Capital

	b/fwd	2015/16	2016/17	2017/18	2018/19	Total
	£'000	£'000	£'000	£'000	£'000	£'000
<u>Total Capital Project Costs</u>						0
Land/Property Acquisition						0
Construction Costs						0
Consultants						0
Internal Fees						0
Project Management						0
	0	0	0	0	0	0
Funding:						
Usable Capital Receipts						0
Develepers Cont's						0
CIL						0
Capital Grants						0
S106						0
Borrowing						0
Other						0

On-going Revenue Implications

Part Year	Full Year
£'000	£'000

Expenditure

Employees
Premises
Transport
Supplies and Services
Other

Income

Income

Total Net Revenue Implications

0	0
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10.1 Project Deliverables

[List the required deliverables/products that the project must create or acquire]

Capital Project Scoring Guidance

[Use the following guidance to indicatively score your project]

Budget Prioritisation - Scoring Guidance Capital Bids	
Criteria	Scoring Method
Contribution to Corporate Priorities	Score each one out of 10 based on the contribution made to each of the Council's 7 corporate objectives, where: 10 = Very High (Major contribution to 2 or more Key Outcomes) 8 = Medium to High (Major contribution to 1 Key Outcome) 6 = Medium (Some contributes to 2 or more Key Outcomes) 4 = Low to Medium (Some contributes to 1 Key Outcome) 2 = Low (Indirectly supports at least 1 Key Outcome) 0 = None (No connection to Key Outcomes)
Statutory/Non Statutory	This score adds a weighting to services/bids which have a statutory element: Score 5 points where the project is a statutory requirement Score 3 points for services that are based on statutory duties but where there is some degree of discretion about how the function is carried out Score 0 points for services where the Council can exercise complete discretion.
Small scheme weighting	This score adds a weighting to lower value bids Score 4 points for schemes under £50,000. Score 2 points for schemes £50,000 - £99,999. Score 0 points for schemes costing £100,000+.
Funding Available	This score adds a weighting for schemes that have earmarked funding available and/or have an ability to attract external funding e.g. grant aid or generate capital receipts: Score 0 additional points where there is no funding identified. Score additional 2 points where up to 50% external funding is available. Score additional 4 points where 51%-99% external funding is available. Score 10 points where 100% external funding is available.
Revenue Implications	This assesses the Capital Bids in regard to whether there are any resulting revenue implications: Score 10 points where there is income generated or revenue savings achieved. Score 4 points where there are No additional revenue implications. Score 2 points where there are revenue costs but funding is already in place. Score 0 points where there are additional revenue costs with no funding identified.
Risk Factor	This score adds a weighting to bids based on a risk assessment of not undertaking the capital scheme: 10 = Very High Risk (Complete loss of statutory service) 8 = High Risk (Partial loss of statutory service, complete loss of discretionary service) 6 = Medium Risk (Partial loss of discretionary service, worsening statutory service) 4 = Low Risk (Deterioration in services, more complaints) 2 = Very Low Risk (No improvement in customer satisfaction levels) 0 = No Risk (No discernable impact foreseen, low levels of complaint continue)
Priority Level	This is the total score across all criteria.

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Project Initiation Document (PID)

Project Title:	[Insert Project Title]
Date:	[insert date document issued]
Client/Sponsor:	[Insert name of Project Client/Sponsor]
Project Manager:	[Insert name of Project Manager]
Responsible Programme:	[Insert the name of the Responsible Programme]
Version No:	0.1 [Guidance on Version Control: • The first draft will be 0.1. • Each re-drafted version will be 0.2, 0.3 etc. • Once submitted to the Board for approval it will be version 1.0 and any amendments after submission will be 1.1, 1.2 etc. Once the amended document is approved by the Board it will be 2.0.]
Approvals:	1. [list the names of Boards or persons this document is being submitted to for formal approval] 2.

Project Initiation Document (PID)

1 Background

Explain the context of the project; provide a brief description and business reasons for undertaking the project. If this project is intended to be part of a wider programme, indicate how it will support the programme's objectives.

2 Project Objectives

2.1 Business Objectives

Indicate how this project will support the programme's objectives and the Corporate Priorities]

2.2 Project Objectives

What is the project required to achieve? Express these, as far as possible in specific, measurable, achievable, realistic, and time-based terms.

3 Project Scope and Exclusions

Define the remit of the project - what is in and out of scope?

4 Constraints

Describe the constraints within which the project must operate.

Constraint Title	Description
Resource availability	
Timescales	
Cost	
Statutory requirements	
Other Programmes / Projects	

5 Project Organisation and Corporate Governance

Describe the project team and management and control aspects.

5.1 Authority

[List the names of the persons/s accountable for the delivery of this project.]

Name	Role	Signature	Date

5.2 Structure

Provide the governance structure chart for the project.

5.3 Roles and Responsibilities

Name	Role	Responsibility
Core roles:		
[Please insert name]	Project Board: Project sponsor	Overall responsibility for ensuring that the project meets its objectives and delivers the projected benefits.
[Please insert name]	Project Board: Senior supplier	Represents the supplier interests within the project and provides supplier resources.
[Please insert name]	Project Board Senior user	Represents the Service area directly benefiting from the project.
[Please insert name]	Project Manager	Plans and delivers the project on a day to day basis and is responsible for ensuring the project delivers to time, budget and requirements.

5.4 Reporting

What are the reporting arrangements for the project? If issues arise, what are the escalation routes?

5.5 Risks, Assumption, Issues and Dependencies (RAID)

Provide details of all risks, assumptions, issues and dependencies. The [RAID log](#) should be a working document and the extract provided here should reflect the current position.

5.6 Change Control

Detail the arrangements for recording and managing change within the project. Refer to the Council's guidance on [change control](#).

5.7 Lessons Learned

How will learning during the project be captured and shared?

5.8 Project Closure

What is the process for closing the project?

5.9 Project Tolerances

Define the tolerances for the project.

Tolerance	Level
If additional budget required please refer to Finance	<i>Refer to Finance for guidance on virement/additional budgetary provision.</i>
Time tolerance is set at:	<i>When is the project to be complete?</i>
Timescales for realisation of benefits are:	<i>When, how and how much will the benefits of the project be realised.</i>

6 Approach

Describe how the project will be managed. E.g. for larger projects, a phased approach is recommended with the use of work packages.

6.1 Procurement Route

Consider, with advice from Procurement and referring to Procurement rules, the required supply for services or goods.

7 Options

List all options for delivering the project that have been considered. Please identify a preferred option if one has been selected at this point.

8 Other Resource Requirements

List all other non-financial resource requirements such as staff time.

9 Project Deliverables

List the expected and required deliverables/products that the project must create or acquire.

9.1 Acceptance Criteria

Define the specific features of the project deliverables which will meet the customers' expectations and will function as the key criteria that will be used to judge project completion. This may, for example, detail sign-off procedures.

10 Project Benefits

List the key improvements the project is expected to bring about in the table below. Express these as far as possible in specific, measurable, achievable, realistic, and time-based terms. Any financial benefits should also be listed in section 5.1.

Benefit	Baseline	2014/15 Target	2015/16 Target	2016/17 Target	2017/18 Target
[insert benefit, e.g. increase the amount of, reduce the amount of,]					
[insert benefit, e.g. increase the amount of, reduce the amount of,]					
[insert benefit, e.g. increase the amount of, reduce the amount of,]					
[insert benefit, e.g. increase the amount of, reduce the amount of,]					

10.1 Project Dis-Benefits

Please state any potential dis-benefits (negative side effects).

10.2 Environmental / Social / Economic Impact

Impact	
What is the likely environmental impact of this project?	<i>E.g. pollution, resource use, reduction to Carbon.</i>
What is the likely economic impact?	<i>E.g. strengthening the local economy, local employment opportunities.</i>
What is the likely social impact?	<i>E.g. opportunities to be part of the community, access to informal provisions.</i>

10.3 Equalities Impact Assessment

Does this project require an Equalities Impact Assessment? Will this project contribute to the achievement of equalities objectives for your service area?

10.4 Costs

Capital

	b/fwd	2015/16	2016/17	2017/18	2018/19	Total
	£'000	£'000	£'000	£'000	£'000	£'000
<u>Total Capital Project Costs</u>						0
Land/Property Acquisition						0
Construction Costs						0
Consultants						0
Internal Fees						0
Project Management						0
	0	0	0	0	0	0
Funding:						
Usable Capital Receipts						0
Develepers Cont's						0
CIL						0
Capital Grants						0
S106						0
Borrowing						0
Other						0

On-going Revenue Implications

	Part Year	Full Year
	£'000	£'000
<u>Expenditure</u>		
Employees		
Premises		
Transport		
Supplies and Services		
Other		
<u>Income</u>		
Income		
Total Net Revenue Implications	0	0

11 Project Plan – High Level Milestones

List the high level milestones for the project. Once approved, they will help measure progress and achievement towards the end goal and will be used as the high level baseline against which activities will be co-ordinated and planned in detail as the project progresses.

Milestone	Start	Finish

11.1 Quality Plan

Please outline the key actions that will ensure the project meets the customers' expectations and the acceptance criteria e.g. quality review meetings. Where relevant please also indicate specialist quality standards and processes from external parties involved.

Activity	Responsibility (person or organisation)	Resources Required (e.g. User representation/time)

11.2 Stakeholder map and communications

The purpose of this table is to define all parties with an interest in the project and the means and frequency of engaging them. Large projects can append a separate Communication Plan where necessary.

Stakeholder	Information/interest Requirements from Project (two way)	Communication Channel	Date or Frequency	Responsible individual
Internal stakeholders				
External stakeholders				

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Capital Gateway Project Monthly Monitoring Form

October

A Capital Project

A
Capital
Code



Project Manager		2014/15				Date Form Required	
A Project Manager		Last Month	Current Month			15-Nov-14	
Progress Assessment Score for the Period		0.00	6.61			Latest Annual Budget	
Individual Scores (from -2 to +2)		Applicable	Score	£		Cumulative Spend	
Feasibility (Gateway 0)		0	0	150,000		122,000	
Bid Approval (Gateway 1)		7	2	<p>Project on target progressing well</p>			
Initiation and Procurement (Gateway 2)		6	2				
Contract Award and Delivery (Gateway 3)		4	2				
Monitoring (Gateway 4)		5	1				
Completion (Gateway 5)		6	0				
Scoring Key		Score					
Unlikely Will be Completed		-4					
Encountering Difficulties		-2					
Neutral		0					
Progressing		2					
Complete		4					
Feasibility (Gateway 0)		Applicable	Score	Comments	Actions	Who	When
1 The Project is in line with Council objectives		N	0				
2 Initial consultant and investigation costs identified		N	0				
3 Project Client has been assigned		N	0				
4 Initial cost estimate		N	0				
5 Outline Project Brief prepared		N	0				
6 Key benefits identified		N	0				
7 Major Risks have been identified		N	0				
Bid Approval (Gateway 1)		Applicable	Score	Comments	Actions	Who	When
1 The Project is in line with Council objectives and scored		Y	4				
2 Full Project Brief prepared		N	0	request project already approved.	None.		
3 Project Client identified		Y	4				
4 Project Manager identified		Y	4				
5 Full Capital and Revenue breakdown of costs prepared		Y	4				
6 Project governance structure agreed		Y	4				
7 Internal Resources identified		Y	4				
8 External consultants identified		N	0	Not required.	None.		
9 Procurement methodology identified		Y	4				
Initiation and Procurement (Gateway 2)		Applicable	Score	Comments	Actions	Who	When
1 Budget has been allocated (Council Approval)		Y	4				
2 Full PID prepared and approved by CAMAC		Y	-2	This being undertaken retrospectively and as such not had CAMAC approval as yet.	PID prepared and submitted to Monitoring Group for approval onto CAMAC.	PM	17-Nov-14
3 Actual project costs completed - both capital and revenue		Y	4				
4 Risk register populated and completed		Y	4				
5 Successful contactor identified		Y	4				
6 Procurement methodology signed off by the procurement team		Y	4				
Contract Award and Delivery (Gateway 3)		Applicable	Score	Comments	Actions	Who	When
1 Full budget released		Y	4				
2 Contract placed		Y	4				
3 On site management team in place		Y	4				
4 All relevant permissions in place		Y	4				
5 Project Plan prepared		Y	-2	Not prepared as yet.	Will have to prepare a Project Plan detailing project's critical events.	PM	17-Nov-14
Monitoring (Gateway 4)		Applicable	Score	Comments	Actions	Who	When
1 Project Budget profiled on Agresso in line with Project Plan		Y	-2	Given Project Plan isn't completed as yet the profiling of the budget on Agresso is as yet unfinished.	Once Project Plan is complete, profiling will be undertaken.	PM/Management Accountant	17-Nov-14
2 Project spend within approved budget		Y	4				
3 Project will be spent in accordance with profiled budgets		Y	4				
4 Project scope unchanged		Y	4				
5 Project Manager completing monitoring reports monthly		Y	4				
Completion (Gateway 5)		Applicable	Score	Comments	Actions	Who	When
1 Final account agreed		Y					
2 All defects attended to under the contract		Y					
3 No outstanding claims		Y					
4 Project Closure Statement completed by Project Manager		Y					
5 Project Closure Statement approved by CAMAC		Y					
6 Scheme has achieved initial business case objectives		Y					

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Capital Gateway Project Monthly Monitoring Form

October

A Capital Project

A
Capital
Code



Project Manager		2014/15				Date Form Required	15-Nov-14
A Project Manager		Last Month	Current Month			Latest Annual Budget	Cumulative Spend
Progress Assessment Score for the Period		0.00	6.61			£ 150,000	£ 122,000
Individual Scores (from -2 to +2)		Applicable	Score				
Feasibility (Gateway 0)		0	0				
Bid Approval (Gateway 1)		7	2				
Initiation and Procurement (Gateway 2)		6	2				
Contract Award and Delivery (Gateway 3)		4	2				
Monitoring (Gateway 4)		5	1				
Completion (Gateway 5)		6	0				
Scoring Key			Score				
Unlikely Will be Completed			-4				
Encountering Difficulties			-2				
Neutral			0				
Progressing			2				
Complete			4				
Feasibility (Gateway 0)		Applicable	Score	Comments	Actions	Who	When
1 The Project is in line with Council objectives		Y	0				
2 Initial consultant and investigation costs identified		Y	0				
3 Project Client has been assigned		Y	0				
4 Initial cost estimate		Y	0				
5 Outline Project Brief prepared		Y	0				
6 Key benefits identified		Y	0				
7 Major Risks have been identified		Y	0				
Bid Approval (Gateway 1)		Applicable	Score	Comments	Actions	Who	When
1 The Project is in line with Council objectives and scored		Y	4				
2 Full Project Brief prepared		Y	0	Project already approved.	None.		
3 Project Client identified		Y	0				
4 Project Manager identified		Y	0				
5 Full Capital and Revenue breakdown of costs prepared		Y	0				
6 Project governance structure agreed		Y	0				
7 Internal Resources identified		Y	0				
8 External consultants identified		Y	0	Not required.	None.		
9 Procurement methodology identified		Y	0				
Initiation and Procurement (Gateway 2)		Applicable	Score	Comments	Actions	Who	When
1 Budget has been allocated (Council Approval)		Y	4				
2 Full PID prepared and approved by CAMAC		Y	-2	This being undertaken retrospectively and as such not had CAMAC approval as yet.	PID prepared and submitted to Monitoring Group for approval onto CAMAC.	PM	17-Nov-14
3 Actual project costs completed - both capital and revenue		Y	4				
4 Risk register populated and completed		Y	4				
5 Successful contractor identified		Y	4				
6 Procurement methodology signed off by the procurement team		Y	4				
Contract Award and Delivery (Gateway 3)		Applicable	Score	Comments	Actions	Who	When
1 Full budget released		Y	4				
2 Contract placed		Y	4				
3 On site management team in place		Y	4				
4 All relevant permissions in place		Y	4				
5 Project Plan prepared		Y	-2	Not prepared as yet.	Will have to prepare a Project Plan detailing project's critical events.	PM	17-Nov-14
Monitoring (Gateway 4)		Applicable	Score	Comments	Actions	Who	When
1 Project Budget profiled on Agresso in line with Project Plan		Y	-2	Given Project Plan isn't completed as yet the profiling of the budget on Agresso is as yet unfinished.	Once Project Plan is complete, profiling will be undertaken.	PM/Management Accountant	17-Nov-14
2 Project spend within approved budget		Y	4				
3 Project will be spent in accordance with profiled budgets		Y	4				
4 Project scope unchanged		Y	4				
5 Project Manager completing monitoring reports monthly		Y	4				
Completion (Gateway 5)		Applicable	Score	Comments	Actions	Who	When
1 Final account agreed		Y					
2 All defects attended to under the contract		Y					
3 No outstanding claims		Y					
4 Project Closure Statement completed by Project Manager		Y					
5 Project Closure Statement approved by CAMAC		Y					
6 Scheme has achieved initial business case objectives		Y					

**Project on target
progressing well**

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Project Closure Statement

Project Title: [Insert Project Title]

Date: [insert date document issued]

Client/Sponsor: [Insert name of Project Client/Sponsor]

Project Manager: [Insert name of Project Manager]

Responsible Programme: [Insert the name of the Responsible Programme]

Version No: 0.1

[Guidance on Version Control:

- The first draft will be 0.1.
- Each re-drafted version will be 0.2, 0.3 etc.
- Once submitted to the Board for approval it will be version 1.0 and any amendments after submission will be 1.1, 1.2 etc.

Once the amended document is approved by the Board it will be 2.0.]

Approvals:

1. [list the names of Boards or persons this document is being submitted to for formal approval]
- 2.

End Stage Report

Purpose

This is the project manager's report to the Project Executive and Project Board and provides information on how well the project/this stage of the project has performed against the agreed scope defined within the Project Initiation Document and Business Case.

The stage report should review whether the project is delivering/has delivered Value for Money, and to ensure that it still represents the most effective and efficient way to meet the relevant objectives.

1 Background to the project

Introduction, objectives, rationale for the project and business benefits expected

2 Achievement of Project Objectives and Deliverables

Has this stage of the project achieved its objectives (purpose) and deliverables (tangible and specific products) as outlined in the Business Case and PID? How well did the project perform against the planned target time and cost? Summarise whether the project was successful or not.

3 Impact of Changes

The effect on the original Project Plan and Business Case of any changes that were approved, including any effect on the planned outcomes

4 Quality review

What type of quality review was undertaken and what were the results?

5 Risk Review

Update on key project risks

6 Project Issues

Update on project issues

7 Actions for the next Stage

Document any unfinished business/outstanding elements at the end of this stage, identify the person responsible for them and pass them on for completion. Outline work that needs to be done to begin the next stage

8 Benefits Update

Update on planned benefits for the project, including level of achievement so far for each benefit or expected levels of achievement and when and how the final benefits realisation will be monitored and reported.

9 Lessons learnt

List any key lessons learnt that should be captured and shared. List any recommendations for future enhancement or modification of the project management method

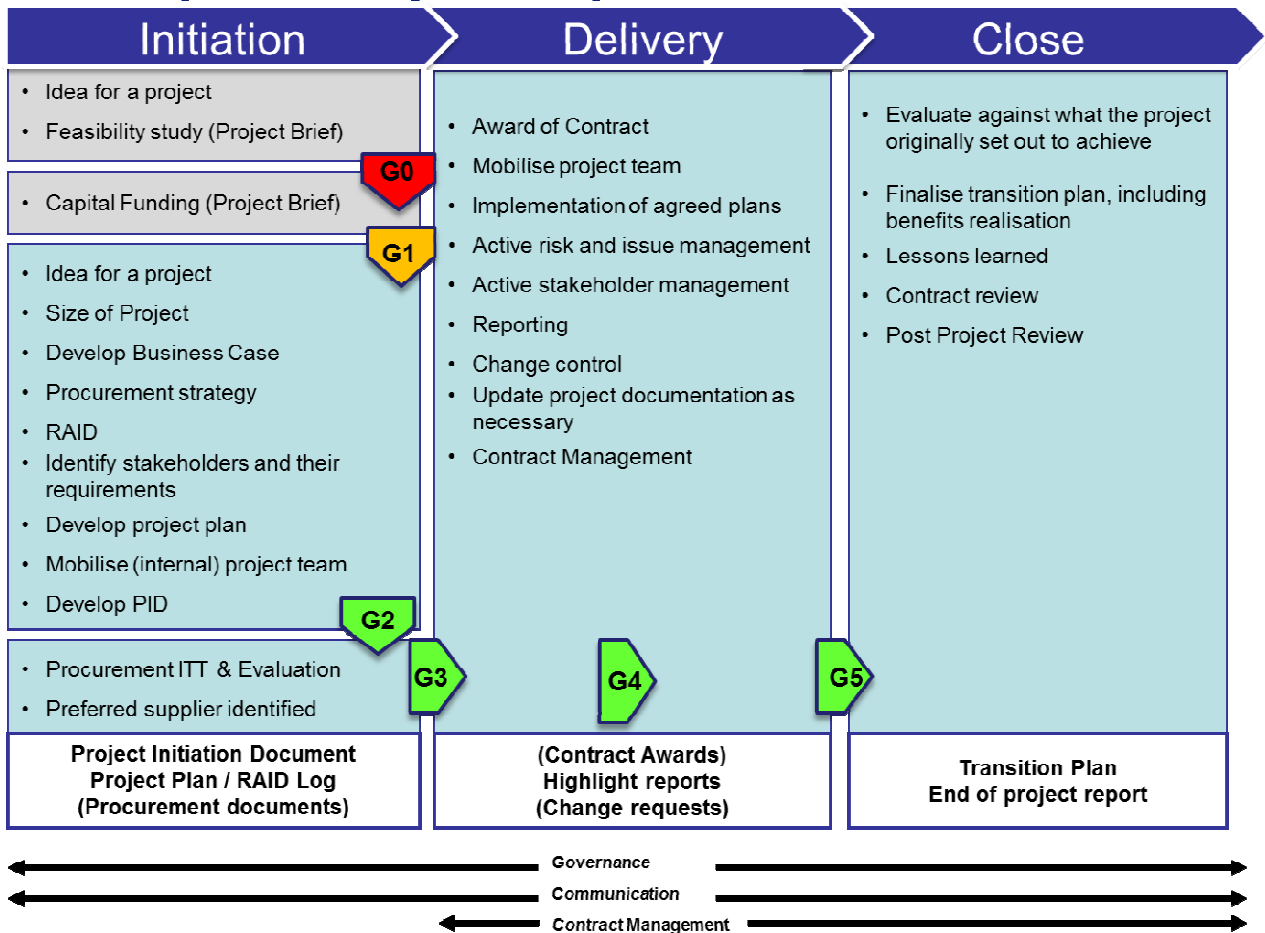
10 Conclusions/recommendations

List any key conclusions/recommendations that emerge from the lessons learnt.

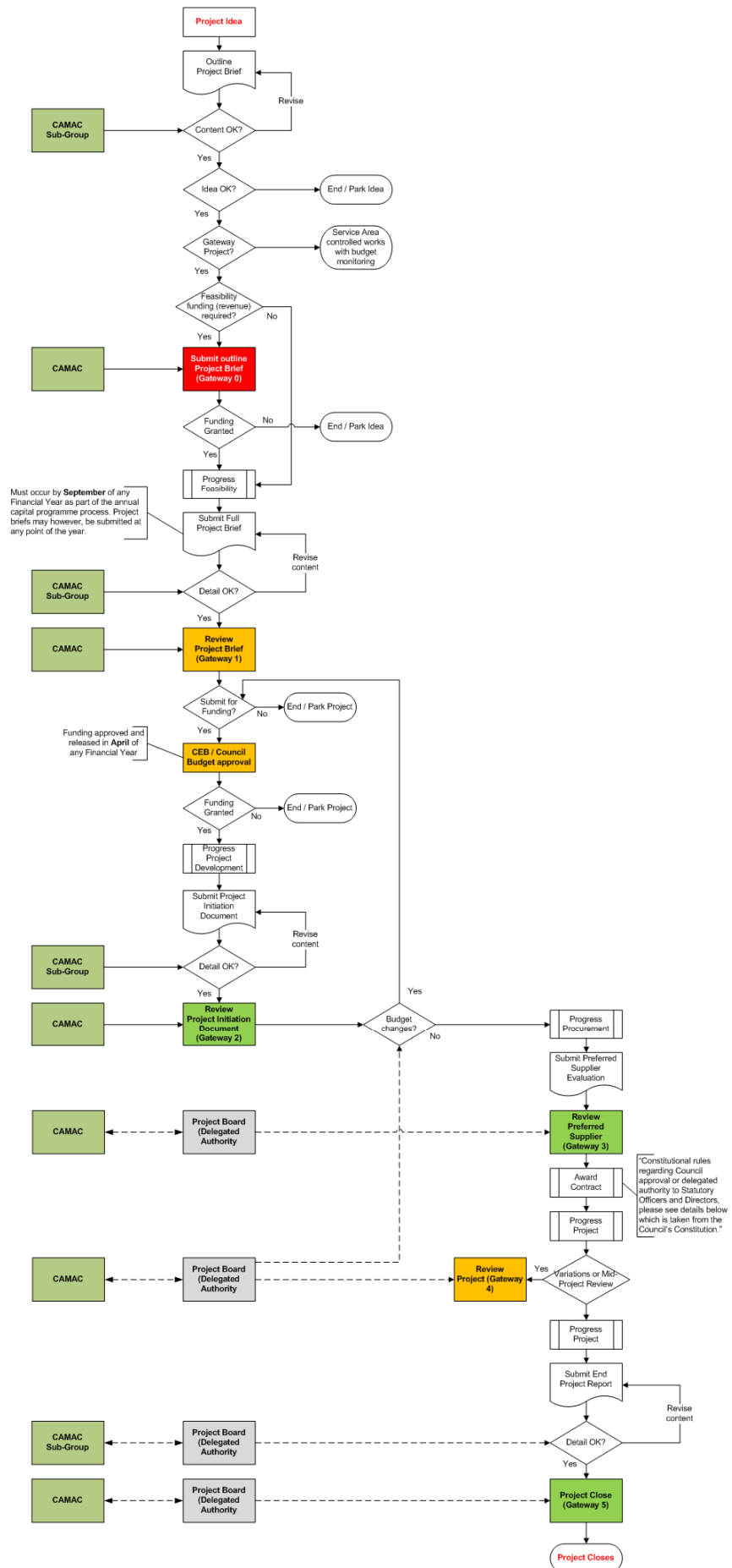
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Capital Projects Gateways Process

Oxford City Council - Project Delivery Process



Gateway Process – Capital Projects



Governance and Assurance Gateways

Capital funding bids and where funding is approved, select projects will pass through a series of governance and assurance gateways. The governance and assurance gateways are designed to ensure that the bids and a project's progress are monitored and assessed through a robust process aligned to the Capital Strategy.

The Gateway process will require specific documentation to be completed and submitted for review and challenge at various stages. As capital funding bids are to be submitted by September of any year, and funding is approved, ready for release during the new Financial Year (beginning April), the documentation requirement will ensure that capital expenditure or capital project details and its associated business case are recorded, in a consistent manner, so that any scheme can continue with all parties understanding the proposed outcomes and costs.

Some schemes will not become 'Gateway projects.' Though the capital expenditure will need to be understood for aspects such as vehicle replacement, or fencing maintenance, these will not be subject to the Gateway Process other than the first stage (Gateway '0' (zero)). These aspects will be managed within Service Areas and be subject to budget monitoring

Once a project has been approved, as well as governance and assurance gateways, monitoring reports will be required, for review by the Corporate Asset Management and Capital (CAMAC) Programme Board.

Governance arrangements for a project are to be proposed to CAMAC, who will revise or ratify the arrangements. Should responsibility for the project be delegated by CAMAC, the delegated authority (typically a Project Board), will be responsible for the completion of any governance and assurance. Monitoring reports, regarding the Capital Bid and Projects will continue to be submitted for review by CAMAC irrespective of whether authority has been delegated or not.

Note: Roles and responsibilities associated with capital projects are described below.

Required Documentation

All activity, where capital funding is required, should be described using a Project Brief template to enable information to be captured in a consistent manner. Capital 'Gateway projects' will be required to complete, as a minimum, four documents (over the course of the project) that will apply at the various stages from concept through to completion. The documents required are:

Note: Template examples of the documentation are provided within the appendices.

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Project Brief	<p>This document enables a Sponsor and project manager to describe the proposed project or scheme in terms of background, objectives, scope, constraints (including risks), cost (including a proposed profile of spend), approach, options and benefits.</p> <p>The document also enables Service Areas to describe maintenance or replacement works that are to be carried out.</p> <p>The information contained will enable CAMAC to determine whether the idea should be progressed (Gateway 0 (zero)) and a funding bid submitted to CEB / Full Council (Gateway 1) as a Gateway Project or to be Service Area managed with budget monitoring.</p> <p>Notes:</p> <ul style="list-style-type: none"> • A Project Brief template should be used where 'match funding' financing is required. Using this template and submitting the information to CAMAC will enable the idea and budget to be considered and approved. Where there are short deadlines for funding, rather than wait for the next Capital Programme Management meeting or full CAMAC Board, an exceptional meeting would be appropriate. • Where a project is managed by an external party, e.g. Oxfordshire County Council, the project should be described using the project brief template. This should incorporate the City Council's financial commitment so that the idea and budget can be considered and approved. A City Council Lead Officer should be appointed, so that the project may be tracked in terms of progress and expenditure.
Project Initiation Document (PID)	<p>Where the Funding Bid has been approved by CEB / Full Council (Gateway 1), CAMAC will request that the project be fully planned and documented.</p> <p>The starting point for the completion of the Project Initiation Document (PID) will be to copy the information from the Project Brief.</p> <p>A PID will be required for projects whose cost is in excess of £100,000</p> <p>The PID requires significant effort and planned activity to collect and prepare all of the required detail.</p> <p>Note: Once work begins on the PID, the Project Brief may be discarded.</p> <p>The information contained will enable CAMAC (or a delegated authority) to determine whether the project should continue and along with any procurement activity, whether preferred resource or suppliers may be contracted (Gateways 2 and 3 respectively).</p> <p>The CAMAC, or the delegated authority will ratify any project tolerance and contingency that has been proposed. Tolerance and contingency should be considered in terms of Cost, Time, and Quality and this should be linked to the risk register for the project</p> <p>Once the PID has been agreed, the scope of the project and its deliverables are fixed. Any changes to this would be addressed through agreed tolerances, or where significant, through requests for</p>

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	change to CAMAC (Gateway 4).
Project Monitoring Tool	<p>This tool enables the project manager to indicate the progress and status of a project through responding to a small number of questions.</p> <p>The tool presents a status and enables the capture of comments, actions and owners.</p> <p>This tool will remain 'live' for the duration of the project and should be completed as each stage progresses. The monitoring tool is stored on a central network drive and the Project Manager will update the details on a monthly basis. Finance will collate the information provided and will update the Capital Programme Report that is reviewed by the CAMAC.</p> <p>Note: Where ICT projects are capitally funded, these projects should also be reported to CAMAC through the use of the Monitoring Tool, even though it would be the Organisational Development and Corporate Efficiency Programme Board which is responsible for the project's delivery</p>
Project Closure Statement	<p>Where CAMAC or the delegated authority has agreed that the project has been completed, the project manager will complete a Project Closure Statement.</p> <p>The starting point for the Project Closure Statement is the PID. The report enables the assessment of the project in terms of products or services delivered, benefits, outstanding risks and lessons learned.</p> <p>The detail required within the report will be proportionate to the size and complexity of the project.</p>

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Governance and Assurance Gateways – requirement and timing

Capital funding bids and subsequent Gateway Projects will be governed through a series of six Gateways; numbered zero through five.

Gateways ‘zero and one’ relate to funding Bids that are to be submitted by September of any year.

Gateways ‘two through five’ relate to CEB / Full Council approved projects and their subsequent progress following the release of capital from April of any year.

The purpose and documentation requirements for each gateway are:

Gateway Zero	<p>Purpose</p> <ul style="list-style-type: none"> • A Sponsor and a project manager wish to propose a project /scheme. This project/scheme may need to carry out surveys, a feasibility study or an options appraisal, in order to establish the viability of a capital funded project, and are seeking revenue funds in order to progress. • A Service Area requires a capital expenditure programme of works e.g. vehicle replacement, or fencing maintenance • Gateway 0 (zero) enables CAMAC to make a determination on whether the scheme is appropriate and aligned to the Capital Strategy, and also whether feasibility funding is to be granted. • The result of this stage will be: <ul style="list-style-type: none"> ○ Gateway Project - subject to Full Gateway process ○ Not a Gateway Project - Service managed works are reviewed through budget monitoring • <p>Documentation required</p> <ul style="list-style-type: none"> • An project brief should be completed, outlining the project idea or expenditure programme
Gateway One	<p>Purpose</p> <ul style="list-style-type: none"> • CAMAC have approved the scheme as a Gateway Project at Gateway 0 (zero). • A Sponsor and a project manager are seeking internal approval to formally request the required funding via CEB / Full Council <p>Documentation required</p> <ul style="list-style-type: none"> • A fully completed project brief, describing the project
CEB / Full Council determine whether funding is to be granted and committed	
Gateway 2	<p>Purpose</p> <ul style="list-style-type: none"> • CEB / Full Council have approved the required funding for the project/.scheme • To review requests to formally begin the project to planned timescales and to authorise the commencement of procurement activity based on an approved procurement strategy. • To fully understand the cost of the project including requesting additional budgetary provision from CAMAC (via report to CEB / Full Council





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	<p>Notes:</p> <p>Where the costs of the project change, the options to address this are:</p> <ul style="list-style-type: none"> ○ Value engineered to achieve the approved budget figure ○ Can money be vired from another part of the Capital Programme to cover the shortfall? ○ Does the scheme need to go back to CEB / Full Council to request the additional funding? ○ Where these options are not appropriate, Full CAMAC may determine to stop the project from continuing. <p>Documentation required</p> <ul style="list-style-type: none"> • A fully completed Project Initiation Document
Gateway 3	<p>Purpose</p> <ul style="list-style-type: none"> • CAMAC have approved the project/scheme at Gateway 2 • To evaluate tender responses and approve recommendations to proceed with a preferred supplier or suppliers • To fully understand the cost of the project including requesting additional budgetary provision from CAMAC (via report to CEB / Full Council) <p>Notes:</p> <p>Where the costs of the project change, the options to address this are:</p> <ul style="list-style-type: none"> ○ Value engineered to achieve the approved budget figure ○ Can money be vired from another part of the Capital Programme to cover the shortfall? ○ Does the scheme need to go back to CEB / Full Council to request the additional funding? ○ Where these options are not appropriate, Full CAMAC may determine to stop the project from continuing. <p>Documentation required</p> <ul style="list-style-type: none"> • A revised and fully updated Project Initiation Document • Procurement Strategy template (completed with Procurement) • Preferred supplier tender evaluation report/s
Gateway 4	<p>Purpose</p> <ul style="list-style-type: none"> • CAMAC have approved the project/scheme at Gateway 3 and any contract award has been approved following the rules set out in the Constitution. • Project Boards (as delegated authorities) will manage the day-to-day delivery of the project/scheme and any tolerances/contingency • Should there be exceptional changes (outside of agreed tolerances/contingency relating to costs, viability, quality and timescales established by the appropriate authority and ratified by CAMAC) then the project should submit Change Request documentation to the Capital Programme Management group. This will trigger a Gateway 4. • CAMAC may wish to request a Gateway 4 as an external pair of eyes

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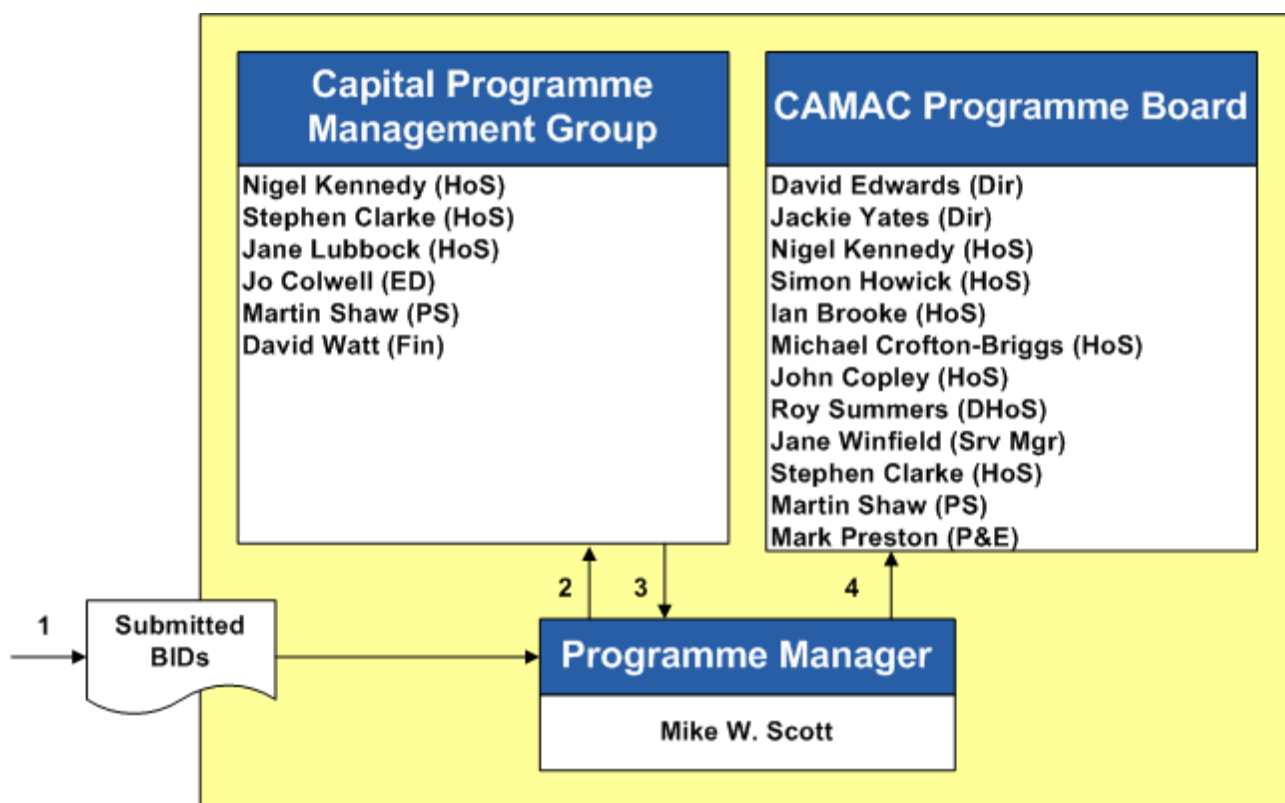
	<p>Notes:</p> <p>Where the costs of the project change, the options to address this are:</p> <ul style="list-style-type: none"> ○ Value engineered to achieve the approved budget figure ○ Can money be vired from another part of the Capital Programme to cover the shortfall? ○ Does the scheme need to go back to CEB / Full Council to request the additional funding? ○ Where these options are not appropriate, Full CAMAC may determine to stop the project from continuing. <p>Documentation required</p> <ul style="list-style-type: none"> • The agreed Project Initiation Document • Change Request documentation • Monitoring tool to assess current progress
Gateway 5	<p>Purpose</p> <ul style="list-style-type: none"> • CAMAC have approved the project/scheme at Gateway 3 • Project Boards (as delegated authorities) are requesting formal closure of the project/scheme • To review the completed project and to assess its successes and any lessons learned. <p>Documentation required</p> <ul style="list-style-type: none"> • A Project Closure Statement • Monitoring tool to assess current progress

Appendices

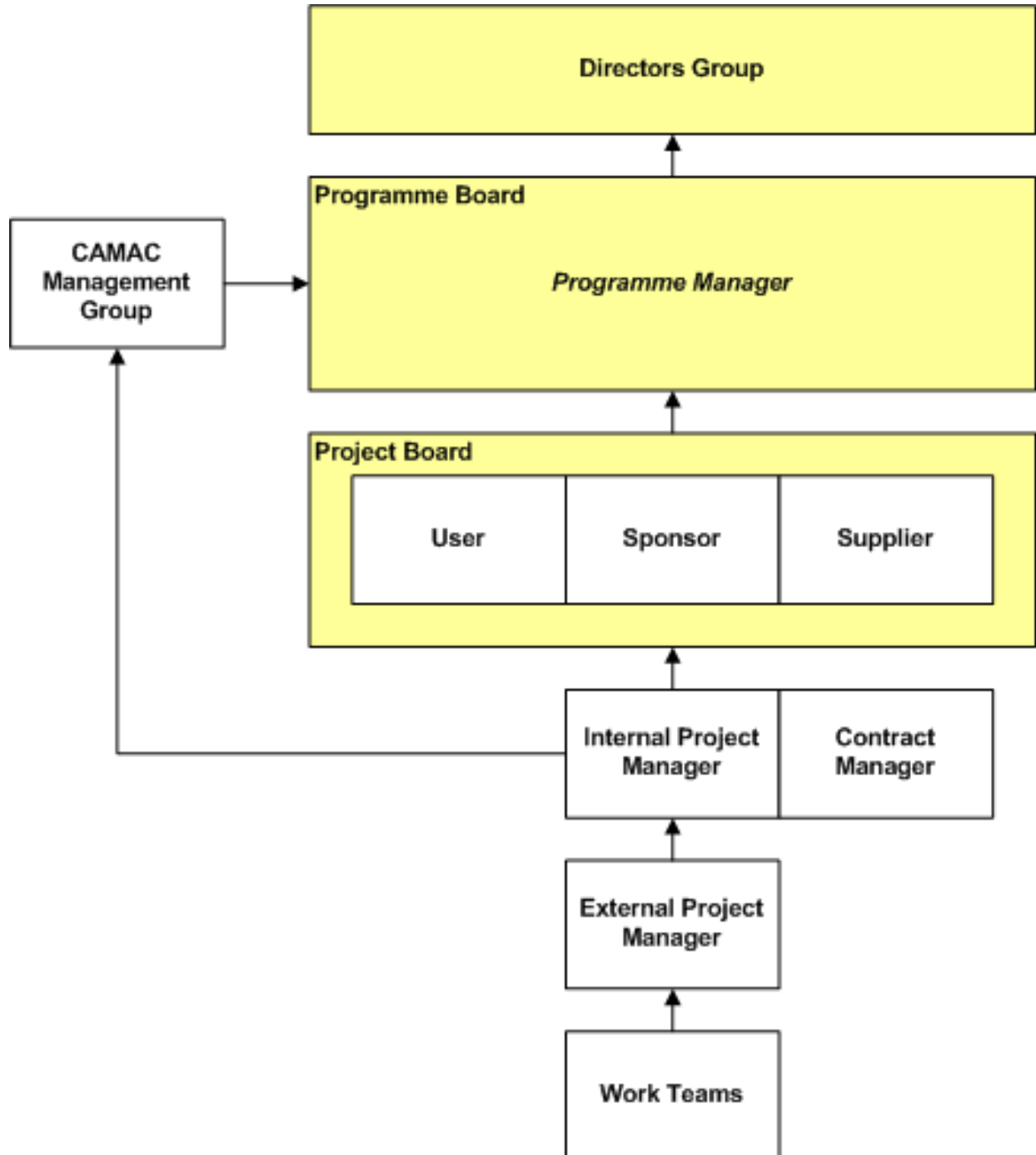
Project brief (template)	 <p>Project Brief Template 2014-15 - C</p>
Project initiation document (template)	 <p>Project Initiation Document 2014-15.d</p>
Project governance / project monitoring tool	 <p>Appendix C - Monthly Monitoring Fo</p>
Project Closure Statement (template)	 <p>Project Closure Statement 2014-15.d</p>

Capital Projects process and governance

Structure, Definition of Roles and Responsibilities



Overall Structure



Note: two Project Management configurations are described as follows:

- Management Structure 1 : Internal Project Manager appointed
- Management Structure 2 : External Project Manager appointed

Structure, Definition of Roles and Responsibilities

Roles and Responsibilities	
Directors Group)	<p>The Group which are accountable for the successful delivery of the Corporate Programmes and who have control over the resources allocated to it.</p> <p>Provides support, advice and dispute resolution.</p> <p>Appoints a Senior Responsible Officer to the Programme Board.</p> <p>The Chief Executive chairs the Directors Group</p>
Programme Sponsor	<p>The person, appointed by Directors Group, who is accountable for the successful delivery of a programme, who has control over the resources allocated to it, and to whom the programme manager reports progress and escalates issues for resolution.</p> <p>The programme sponsor chairs the programme board</p>
Programme Board	<p>A group that monitors and manages the progress of a programme and are responsible for delivering the programme outcomes and benefits.</p>
CAMAC Programme Board	<p>A group that monitors and manages the progress of a programme and are responsible for delivering the programme outcomes and benefits.</p> <p>The Terms of Reference for CAMAC are:</p> <p>To Review Policy and Strategy in respect of:</p> <ul style="list-style-type: none"> • Asset Management Plan • Capital Strategy • Investment Property Strategy • Health & Safety • To manage the implementation of annual capital programme.
Capital Programme Management Group	<p>This group will review all submissions where capital funding is required. These submissions may relate to:</p> <ul style="list-style-type: none"> • A Sponsor and a project manager wish to propose a project /scheme. • A Sponsor and a project manager wish to propose a project /scheme and this project/scheme may need to carry out surveys, a feasibility study or an options appraisal, in order to establish the viability of a capital funded project, and are seeking revenue funds in order to progress. • A Service Area requires a capital expenditure programme of works e.g. vehicle replacement, or fencing maintenance <p>The group will collate, advise on, prioritise, prepare determine whether the scheme is appropriate and aligned to the Capital Strategy, and also whether feasibility funding is to be granted. The group will submit the capital bids, to the CAMAC for approval.</p> <p>The initial outputs of this group will be to determine:</p> <ul style="list-style-type: none"> • Gateway Project - subject to Full Gateway process • Not a Gateway Project - Service managed works an reviewed through budget monitoring • Not a viable scheme

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	<p>Part of this arrangement will also be the monitoring of current capital schemes and reporting to the CAMAC on an exception basis and receiving advice and guidance where required.</p> <p>Where disputes on project arrangements are identified, this group will facilitate their resolution through escalation to the CAMAC and to the Senior Responsible Officers Group.</p>
Programme Manager	<p>The person with responsibility for ensuring the delivery of the programme on a day to day basis.</p> <p>The programme manager will receive the capital funding bid papers and will submit them to the programme sub-group for review.</p> <p>Receives an aggregated monitoring report (project status information collected from project managers) via Finance for review and discussion by the CAMAC.</p>

Project Board	<p>A temporary, flexible organisation created to co-ordinate, direct and oversee the completion of a project against the agreed business case.</p> <p>This governance group is responsible for providing the project sponsor with support, advice and technical input.</p> <p>Approves the appointment and defines the objectives and the responsibilities of the Project Manager.</p> <p>Works within tolerances set by the programme board for ensuring the project is on track to deliver agreed outcomes in the agreed Project Initiation Document (PID)</p> <p>Monitoring project progress and assists the project manager with problem resolution, whilst also providing guidance on the direction of the project.</p> <p>Carries out gateway reviews where this responsibility has been delegated by the programme board.</p> <p>The project board consists of three roles:</p> <ul style="list-style-type: none"> • Project Sponsor • Senior user • Senior supplier <p>Note: Project Sponsor and Senior User may be the same person for smaller projects.</p>
Project Sponsor	<p>The senior person with a relevant interest in the project benefits.</p> <p>This person is the owner of the business case, and is accountable for the delivery of the project in line with the agreed business case.</p> <p>This person is able to allocate resources, approve scope changes and provide high-level direction.</p> <p>This person chairs the project board and would typically sit on the programme board.</p> <p>Specific Responsibilities</p> <ul style="list-style-type: none"> • Oversees the development of the Project Brief and the Business Case • Ensures that there is a coherent project organisation and a

	<p>logical set of plans</p> <ul style="list-style-type: none"> • Monitors and reviews the project against the business case. • Ensures risks are being monitored and mitigated as effectively as possible • Approves the project Closure Statement and that outstanding risks and issues are documented and passed on to the appropriate resource. • Ensures that project benefits have been realised <p>For Gateway 0 (zero)</p> <p>Works with a project manager to develop the outline brief for consideration by CAMAC and aligned to the Capital Strategy.</p> <p>Seeks funding for any feasibility study.</p> <p>Nominates an officer to take forward the idea which may or may not include carrying out some discrete procurement to deliver feasibility studies.</p> <p>Following Gateway 1</p> <p>The Sponsor is to be consulted to ensure that the procurement strategy meets the requirements of the project in terms of timeline, budget and business outcomes.</p> <p>The Sponsor must approve to the procurement strategy before it is submitted to CAMAC for approval.</p> <p>The Sponsor needs to ensure the project (and Lead Contractor) are sign-posted to the Council's commercial teams who may wish to bid for work, when:</p> <ul style="list-style-type: none"> • <i>Work that can be separated from the main contract.</i> • <i>There are a range of work packages within a major construction contract that could be carried out by Oxford Direct Services.</i> • <i>Oxford Direct Services is the lead contractor (and can demonstrate value for money)</i> <p><i>Where there is no scope for Oxford Direct Services delivering any of the work packages</i></p> <ul style="list-style-type: none"> • <i>A representative from one of our commercial teams should be invited to be part of the project team and tender evaluation panel to assist in the appointment and provide technical and pricing knowledge to enable the Council to let a contract to a third party</i> <p>Following Gateway 2</p> <p>The Sponsor is Accountable for the sign-off of the final tender specification before release to market.</p> <p>Informed of the outcome of the tender evaluation via a formal report</p> <p>Depending on the contract value and CEB Delegated Authority given, the appropriate Director will give approval to award the contract in accordance with the tender evaluation report.</p>
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	<p>Responsible for agreeing the Contract Manager.</p> <p>Following Gateway 3</p> <p>Responsible for reviewing and agreeing the final draft contract before it is given to Legal for signing</p> <p>Accountable for the delivery of the project in accordance with the agreed PID and awarded contract.</p> <p>Informed of project delivery progress at each project board and changes managed through the Gateway process.</p> <p>Note: Project Sponsor and Senior User may be the same person for smaller projects.</p>
Senior User	<p>This person represents the interests of all those for whom the project will achieve an objective or who will use the outcome of the project to deliver benefits.</p> <p>This person is responsible for ensuring project requirements are fully and accurately specified in the business case and for monitoring the quality of the outcomes.</p> <p>so that they meet the needs of the organisation in terms of quality and use</p> <p>Specific Responsibilities</p> <ul style="list-style-type: none"> • Ensures that the desired outcome is specified • Promotes and maintains focus on the desired outcome • Resolves user requirement and priority conflicts • Advise user management on matters concerning the project • Ensure that user requirements are accurate and unambiguous • Risks to users are monitored
Senior Supplier	<p>This role (may be an individual or a variety of individuals over the course of a project) on the project board provides knowledge and experience of the main areas involved in producing the project's deliverables, such as of those who will design, develop or procure the project's products.</p> <p>This role will represent the suppliers' interests within the project and has the authority to commit or acquire supplier resources in support of the design, development, facilitation, procurement and implementation of the project deliverables.</p> <p>During the early phases of the project process, Procurement, Legal and Finance will occupy this position – see relevant sections below.</p> <p>Specific Responsibilities</p> <ul style="list-style-type: none"> • Agree objectives for supplier activity • Promotes and maintains focus on the desired outcome • Ensures supplier resources are made available • Resolves supplier requirement and priority conflicts • Advise non-technical management on supplier aspects of the project • Ensure that supplier and operating standards defined for the project are met • Risks regarding production are monitored

Management Structure 1 : Internal Project Manager appointed

Internal Project Manager	<p>Appointed by the project sponsor to plan and deliver the project on a day-to-day basis on behalf of the project board within the tolerances allowed by the board.</p> <p>Responsible for producing the required deliverables that will support the business case, to the required standard of quality and within the constraints of time and cost.</p> <p>The project manager must have the necessary skills and experience to undertake this role.</p> <p>Reports on progress via timed highlight reports submitted to the project board via the programme manager.</p> <p>Specific Responsibilities</p> <ul style="list-style-type: none"> • Directs the project team • Plans and monitors progress of the project • Manages the project risks and issues • Prepares revised plans and documentation through a change control process and presents them to the Project Board • Agree the technical and quality requirements of the project with the project board • Prepares the Project Closure Statement including lessons learned and presents it to the Project Board <p>For Gateway 0 (zero)</p> <p>Works with a project sponsor to develop the outline brief for consideration by CAMAC.</p> <p>Following Gateway 1</p> <p>The Project Manager is Responsible for the production of the Procurement strategy.</p> <p>This is to be produced with input from Procurement, Legal and Finance.</p> <p>The Sponsor is to be consulted to ensure that the strategy meets the requirements of the project in terms of budget, timeline and business outcome.</p> <p>The Internal Project Manager submits the completed strategy to CAMAC for approval</p> <p>Notes:</p> <p>Work with the Sponsor to ensure the project (and Lead Contractor) are sign-posted to the Council's commercial teams who may wish to bid for work, when:</p> <ul style="list-style-type: none"> • <i>Work that can be separated from the main contract.</i> • <i>There are a range of work packages within a major construction contract that could be carried out by Oxford Direct Services.</i> • <i>Oxford Direct Services is the lead contractor (and can demonstrate value for money)</i>
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Where there is no scope for Oxford Direct Services delivering any of the work packages

- *A representative from one of our commercial teams should be invited to be part of the project team and tender evaluation panel to assist in the appointment and provide technical and pricing knowledge to enable the Council to let a contract to a third party*

Following Gateway 2

Responsible for ensuring the procurement strategy is signed-off.

Responsible for arranging for the technical specification to be developed to the timeline agreed in the Procurement Strategy.

The Internal Project Manager is responsible for consulting with other technical staff and preparing the technical specification and providing to Procurement to finalise the full tender documentation.

Responsible for signing-off the completed Technical Specification to ensure it meets the Councils requirements, fit for purpose and provides value for money.

Responsible for submitting the final tender documentation for approval by the Sponsor

Responsible for the coordination of answers to all clarification questions and for approving the tender clarification responses

Responsible for undertaking the tender evaluation as a panel member (subject to Council agreement)

Responsible for the production of the technical elements of the tender evaluation report and submitting it to Procurement.

Responsible for ensuring that the requirements proposed in the final technical solution are fit for purpose and within the project budget.

Submits the evaluation report to the Project Board and to the officer with delegated authority to award the contract.

The Internal Project Manager at this point may become the Contract Manager for the project. This assignment needs to be agreed by Sponsor

Following Gateway 3

Responsible for ensuring that the monitoring arrangements of performance and KPIs are in place.

Receives and reviews contract performance data and reports

Responsible for the day-to-day delivery of the project against agreed plans.

Responsible for ensuring that the project is being delivered in accordance with the contract.

Responsible for producing highlight reporting to the project board and

Responsible for producing the monitoring report for the CAMAC.

Responsible for managing the relationship with external suppliers

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	<p>where relevant, clearly setting out the roles, responsibilities and standards</p> <p>Monitors performance (e.g. compliance with conditions, KPIs and milestones) and manages the associated risks</p> <p>Ensures that effective communication is maintained between all parties and monitoring conflicts of interest and facilitates their resolution</p> <p>Managing operational changes or variations to the contract and ensures contract documentation is regularly checked, e.g. insurance certificates</p> <p>Working with Procurement to ensure that the contract remains competitive in the current market, and that it continues to demonstrate value for money to the Council</p> <p>Responsible for submitting requests for change beyond agreed project tolerances.</p> <p>Responsible for ensuring the appropriate reporting is passed to CAMAC for review.</p>
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Management Structure 2 : External Project Manager appointed

<p>Internal Project Manager</p> <p>[May also be the Contract Manager]</p>	<p>Where insufficient capacity or skill is available within the Council, the Project Sponsor may choose to appoint an 'external' project manager to plan and deliver the project on a day-to-day basis.</p> <p>The Internal Project Manager will act on behalf of the project board and will advise on constraints laid down by the board. The role will act within an assurance capacity.</p> <p>Reports on progress via timed highlight reports submitted to the project board via the programme manager.</p> <p>Specific Responsibilities</p> <ul style="list-style-type: none"> • Directs the External Project Manager where one has been appointed • Ensures the External Project Manager understands the Council requirements regarding Project and Programme controls, including Gateways. • Monitors progress of the project against agreed plans • Monitors the project risks and issues on behalf of the Council • Agrees revised plans and documentation through a change control process and presents them to the Project Board • Agrees the technical and quality requirements of the project with the project manager and presents them to the project board • Approves the Project Closure Statement including lessons learned and presents it to the project board <p>Following Gateway 1</p> <p>The Internal Project Manager is accountable for ensuring that the Procurement strategy is produced.</p> <p>Notes:</p> <p>Work with the External Project Manager (and Lead Contractor) to sign-post to the Council's commercial teams who may wish to bid for work, when:</p> <ul style="list-style-type: none"> • <i>Work that can be separated from the main contract.</i> • <i>There are a range of work packages within a major construction contract that could be carried out by Oxford Direct Services.</i> • <i>Oxford Direct Services is the lead contractor (and can demonstrate value for money)</i> <p><i>Where there is no scope for Oxford Direct Services delivering any of the work packages</i></p> <ul style="list-style-type: none"> • <i>A representative from one of our commercial teams should be invited to be part of the project team and tender evaluation panel to assist in the appointment and provide technical and pricing knowledge to enable the Council to let a contract to a third party</i> <p>This is to be produced with input from the Project Manager, Procurement, Legal and Finance.</p> <p>The Internal Project Manager is responsible for submitting the strategy to CAMAC for approval.</p>
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	<p>Following Gateway 2</p> <p>Responsible for ensuring the Project Manager presents the procurement strategy to the Board.</p> <p>Responsible for ensuring the procurement strategy is signed-off.</p> <p>Responsible for signing-off the completed Technical Specification to ensure it meets the Councils requirements, fit for purpose and provides value for money.</p> <p>The Internal Project Manager is responsible for submitting the final tender documentation for approval by the Sponsor if an external Project Manager is in post.</p> <p>Responsible for approving the tender clarification responses.</p> <p>Responsible for undertaking the tender evaluation as a panel member.</p> <p>Responsible for ensuring that the requirements proposed in the final technical solution are fit for purpose and within the project budget.</p> <p>Submits the evaluation report to the Project Board and to the officer with delegated authority to award the contract.</p> <p>The Internal Project Manager at this point may become the Contract Manager for the project.</p> <p>This assignment needs to be agreed by Sponsor</p> <p>Following Gateway 3</p> <p>Consulted on the arrangements of contract monitoring of performance and KPIs.</p> <p>Receives and reviews contract performance data and reports</p> <p>Responsible for ensuring that the Project Manager is delivering the project in accordance with the contract.</p> <p>Responsible for ensuring the appropriate reporting is passed to CAMAC for review.</p>
<p>Contract Manager</p> <p>[May also be the Internal Project Manager]</p>	<p>Responsible for managing the relationship with external suppliers where relevant, clearly setting out the roles, responsibilities and standards</p> <p>Monitors performance (e.g. compliance with conditions, KPIs and milestones) and manages the associated risks</p> <p>Ensures that effective communication is maintained between all parties and monitoring conflicts of interest and facilitates their resolution</p> <p>Managing operational changes or variations to the contract and ensures contract documentation is regularly checked, e.g. insurance certificates</p> <p>Working with Procurement to ensure that the contract remains competitive in the current market, and that it continues to demonstrate value for money to the Council</p> <p>Works closely with an External Project Manager or may also be the Project Manager where no external appointment is made.</p>

<p>External Project Manager</p>	<p>Appointed by the project sponsor to plan and deliver the project on a day-to-day basis on behalf of the project board within the tolerances allowed by the board.</p> <p>Responsible for producing the required deliverables that will support the business case, to the required standard of quality and within the constraints of time and cost.</p> <p>The project manager must have the necessary skills and experience to undertake this role.</p> <p>Reports on progress via timed highlight reports submitted to the project board via the programme manager.</p> <p>Specific Responsibilities</p> <ul style="list-style-type: none"> • Directs the project team • Plans and monitors progress of the project • Manages the project risks and issues • Prepares revised plans and documentation through a change control process • Agree the technical and quality requirements of the project with the project board • Prepares the Project Closure Statement including lessons learned <p>For Gateway 0 (zero)</p> <p>Works with a project sponsor to develop the outline brief for consideration by CAMAC.</p> <p>Following Gateway 1</p> <p>The Project Manager is Responsible for the production of the Procurement strategy.</p> <p>Notes:</p> <p>Work with the Internal Project Manager (and Lead Contractor) to sign-post to the Council's commercial teams who may wish to bid for work, when:</p> <ul style="list-style-type: none"> • <i>Work that can be separated from the main contract.</i> • <i>There are a range of work packages within a major construction contract that could be carried out by Oxford Direct Services.</i> • <i>Oxford Direct Services is the lead contractor (and can demonstrate value for money)</i> <p><i>Where there is no scope for Oxford Direct Services delivering any of the work packages</i></p> <ul style="list-style-type: none"> • <i>A representative from one of our commercial teams should be invited to be part of the project team and tender evaluation panel to assist in the appointment and provide technical and pricing knowledge to enable the Council to let a contract to a third party</i> <p>This is to be produced with input from Procurement, Legal, Finance and the Internal Project Manager.</p>
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	<p>The Sponsor is to be consulted to ensure that the procurement strategy meets the requirements of the project in terms of budget, timeline and business outcome.</p> <p>The Project Manager submits the completed procurement strategy to the Internal Project Manager who will submit the strategy to CAMAC for approval</p> <p>Following Gateway 2</p> <p>Responsible for arranging for the technical specification to be developed to the timeline agreed in the Procurement Strategy.</p> <p>The Project Manager is responsible for consulting with other technical staff and preparing the technical specification and providing to Procurement to finalise the full tender documentation.</p> <p>Responsible for the coordination of answers to all clarification questions.</p> <p>Responsible for undertaking the tender evaluation as a panel member (subject to Council agreement)</p> <p>Responsible for the production of the technical elements of the tender evaluation report and submitting it to Procurement.</p> <p>Following Gateway 3</p> <p>Responsible for ensuring that the monitoring arrangements of performance and KPIs are in place.</p> <p>Responsible for producing highlight reporting to the project board and inclusion in the monitoring report for CAMAC.</p> <p>Responsible for the day-to-day delivery of the project against agreed plans.</p> <p>Responsible for submitting requests for change beyond agreed project tolerances.</p>
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<p>Procurement</p>	<p>Following Gateway 1</p> <p>Procurement is responsible for developing the strategy with key input from project stakeholders and ensuring that it contains all elements required by the strategy and that it meets the Councils Corporate Objectives and Constitution.</p> <p>Procurement must approve the strategy before the Internal Project Manager submits it to CAMAC for approval.</p> <p>Following Gateway 2</p> <p>Procurement is responsible for providing advice to the Board.</p> <p>Responsible for finalising the full specification documentation.</p> <p>Ensuring that the Councils Corporate Priorities are incorporated in the final specification and deliverables.</p> <p>Ensuring that the Council's commercial teams have had opportunity to bid for work where appropriate.</p> <p>Responsible for releasing the tender documents to the market.</p> <p>Accountable for ensuring that the tender process is managed in accordance with all relevant procurement regulations.</p> <p>Accountable that the clarification questions are being responded to appropriately and promptly.</p> <p>Accountable for arranging the evaluation process and ensuring that the evaluation panel carry out the evaluation compliantly in accordance with all relevant regulations.</p> <p>Accountable for finalising the tender evaluation report in conjunction with Finance and Legal.</p> <p>Following Gateway 3</p> <p>At the point of contract award, Procurement are responsible for ensuring that the final contract is prepared for signing in accordance with specification requirements and solution agreed.</p> <p>Once the contract is signed, arranging for the original contract to be signed by the other party.</p> <p>Accountable for retaining the original copy and ensuring that the relevant staff have access to an electronic copy.</p> <p>Responsible for monitoring the Risk status and market position of the contracted supplier and reporting this to the Board on a monthly basis.</p> <p>Supporting the Internal Project Manager in contract reviews.</p> <p>Responsible for reviewing and agreeing contractual variations to the contract taking professional advice from Legal.</p> <p>Receives corporate target updates through project highlight reporting.</p> <p>Ensuring that monthly performance data in relation to the Corporate Performance targets is provided for inclusion in reports to CEB.</p>
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Legal	<p>Following Gateway 1</p> <p>Legal are to be consulted during the production of the Procurement Strategy and will provide advice as required.</p> <p>Legal must approve the strategy before the Internal Project Manager submits it to the Sponsor for approval.</p> <p>Legal must advise on contract terms and any legislation.</p> <p>Following Gateway 2</p> <p>Legal are to advise on any project specific Terms and Conditions that they consider need to be included in the final contract before the final tender is submitted to the Sponsor for approval.</p> <p>Following Gateway 3</p> <p>Responsible for advising on the proposed amendments to the contract terms put forward by the preferred bidder.</p> <p>Responsible for ensuring the final contract contains the appropriate Legal contract terms</p> <p>Need to sign or seal the contract in accordance with the constitution.</p> <p>Notified of any proposed contractual changes.</p>
Finance	<p>Following Gateway 0 (zero)</p> <p>Finance is responsible for sign-posting the project manager to the Project Monitoring tool.</p> <p>On a monthly basis, collate the information provided and will update the Capital Programme Report that is reviewed by the CAMAC.</p> <p>Following Gateway 1</p> <p>Finance are to be consulted during the production of the Procurement Strategy and will provide advice where required.</p> <p>Finance must approve the strategy before the Internal Project Manager submits it to CAMAC for approval.</p> <p>Finance need to advise on:</p> <ul style="list-style-type: none"> • the selection and evaluation criteria • their requirements in terms of suitability of the selected supplier • how the cost of the project should be evaluated. <p>Following Gateway 2</p> <p>Finance need to sign-off the specification is in accordance with their advice documented in the strategy before the final tender is submitted to the Sponsor for approval.</p> <p>Responsible for undertaking the evaluation as a panel member.</p> <p>Carry out an assessment of the financial health of each of the bidders and ensuring that the financial evaluation of the preferred bid is robust and assessed correctly taking into account 'whole life' costs.</p> <p>Following Gateway 3</p> <p>Responsible for ensuring the final contract includes the correct financial considerations</p>

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	Responsible for ensuring the Capital spend is in accordance with the budget profile and reporting on any discrepancies.
Project Team / Work streams	<p>The people required by the Internal Project Manager/project manager to assist in the delivery of the project.</p> <p>A project team may be made up of people working full time on the project or others, from different areas, who provide occasional support.</p> <p>The size and composition of the project team is dependent on the nature and size of the project.</p> <p>The people on the team should have the necessary skills and expertise to carry out their roles to deliver the elements of the project under the planning and coordination of the project manager.</p> <p>It is the project manager's responsibility to identify who is needed, but the project Sponsor's responsibility to ensure they are made available.</p>

To: City Executive Board

Date: 14 May 2015

Report of: Finance Panel (panel of the Scrutiny Committee)

Title of Report: European Funding

Summary and Recommendations

Purpose of report: To present comments from the Finance Panel following an item on European Funding.

Key decision? No

Scrutiny Lead Member: Councillor Craig Simmons

Executive lead member: Councillor Ed Turner, Executive Member for Finance, Asset Management and Public Health

Policy Framework: Corporate Plan 2015-2019

Recommendations of the Finance Panel to the City Executive Board:

Recommendation 1 – We recommend that the City Council actively looks to bid for LEP managed funding.

Recommendation 2 – We recommend that the City Council identifies a small number of priority issue areas for future European funding bids. We suggest that these priorities should be drawn from the following short-list:

- Housing (see recommendation 3)
- Low Carbon Economy
- Sustainable transport
- Recycling
- Air pollution

Recommendation 3 – We recommend that the City Council keeps a watching brief on details of the EU Strategic Investment Plan, including whether this covers housing, with a view to identifying viable projects in Oxford.

Recommendation 4 – We recommend that the City Council explores whether there is an appetite amongst regional partner organisations for the establishment of a South East England European Office, similar to the East of England European Partnership Office.

Recommendation 5 – We recommend that the City Council encourages Oxfordshire Local Enterprise Partnership to develop expertise and provide advice to local organisations on obtaining European funding.

Recommendation 6 – We recommend that consideration is given to how the City Council can utilise and build on its existing expertise when making future bids for European Funding.

Recommendation 7 – We recommend that a member-champion is appointed to raise the profile of European funding opportunities across the City Council.

Recommendation 8 – We recommend that the City Council looks for opportunities to partner with Oxford's Twin Towns and other cities at EU level. This could involve working with historic cities in Southern Europe on sustainable transport solutions, for example.

Recommendation 9 – We recommend that the City Council looks for opportunities to collaborate with local businesses through the LEP on future EU funding bids.

Recommendation 10 – We recommend that the City Council looks to promote the Low Carbon Hub model through MEPs or other suitable channels, and encourages its replication across the EU.

Introduction

1. The Finance Panel convened a discussion about maximising the benefits of European Union (EU) funding on 5 February 2015. The Panel are grateful to all contributors and particular thanks go to Anneliese Dodds MEP for attending the meeting in person. The Panel would also like to thank Catherine Bearder MEP and Keith Taylor MEP for providing helpful written guidance.

Overview of EU funding

2. The EU multiannual finance framework 2014-2020 is worth a total of €960bn over the 7 years. Within this, the EU is investing in numerous areas including environmental protection, research and innovation, education, culture, health, and sustainable economic development.
3. The EU commissions specific programmes where it asks partners to participate. It also issues calls for proposals, where the onus is on the potential bidder to identify opportunities and compete with other actors for funding. All EU funding is subject to conditions and constraints, as well as on-going monitoring.
4. The UK is not eligible to access the Cohesion Fund, which is aimed at lower income countries. The UK Government took the decision to opt

out of the European Aid Instruments, which support issues such as homelessness, and the Solidarity Fund, which is aimed at disaster-stricken regions within Europe.

Oxford City Council European Funding

5. The City Council has had two successful bids for European funding and hopes to access some funding that has been allocated to the Local Enterprise Partnership.

[European Social Fund \(ESF\)](#)

6. The Welfare Reform Team successfully bid for a grant of £296k from the ESF towards the end of the previous EU funding cycle. The bid was assisted by the Department for Work and Pensions (DWP) and the funding is being used to support private sector tenants into work. This programme has been closely monitored, including through an on the spot audit.

[Intelligent Energy Europe \(IEE\)](#)

7. IEE aims to tackle non-technological barriers to the spread of more efficient use of energy and new and renewable energy sources. The City Council's Environmental Development Team has been awarded £900k from IEE as part of a £1.2m scheme to develop energy efficiency and renewable energy projects, and to lever in capital investment. The IEE programme has now closed.

European Funding through the Local Enterprise Partnership

[European Structural & Investment \(ESI\) Funds](#)

8. ESI funds are delegated to the EU's member states. The following ESI funding streams are included in the [ESI Funds Growth Programme for England 2014-2020](#):
 - European Regional and Development Fund (ERDF). This is the largest single source of EU funding. ERDF aims to support growth-enhancing sectors to improve job creation.
 - The European Social Fund (ESF). This invests in improving employment and skills opportunities (see para. 6).
 - Part of the Agricultural Fund for Rural Development.
9. The [ESI Funds Growth Programme for England 2014-2020](#) allocates around €19.5m to Oxfordshire through the City Deal. The City Council's Economic Development Team supported the development of Oxfordshire Local Enterprise Partnership's [European Structural and Investments Fund Plan](#), which sets out the local priorities for ESI funding in Oxfordshire, in accordance with the EU's thematic objectives. Calls for projects opened in March 2015.

Recommendation 1 – We recommend that the City Council actively looks to bid for LEP managed funding.

Other European funding streams that may be relevant to Oxford

10. A number of other funding streams were identified as potentially being of interest to the City Council and to Oxford more widely. These are set out below.

[Employment and Social Innovation \(EaSI\)](#)

11. EaSI includes a €561m fund that supports the modernisation of employment practices. Other EaSI funding streams focus on job mobility and access to microfinance and social entrepreneurship.

[Creative Europe](#)

12. This is a new programme to support European cinema and the cultural and creative sectors.

[Connecting Europe Facility](#)

13. This is another new programme that will invest €31.7bn on improving transport links, with a focus on making them more sustainable.

[Rights, Equality and Citizenship Programme](#)

14. This programme covers areas including domestic violence and gender equality. Funding is not normally delivered by local authorities but there are innovative parts of this agenda that may be relevant to the City Council.

[LIFE Programme](#)

15. This programme consists of Environment and Climate Action sub-programmes and covers issues including waste, nature, biodiversity and air quality.

[Horizon 2020](#)

16. This programme will invest nearly €80bn in research and innovation over 7 years.

[The Investment Plan](#)

17. The Investment Plan is a big new investment package that will provide €60bn in loans and guarantees to unlock €315bn of public and private investments in higher-risk strategic infrastructure projects between 2015 and 2017. Some groups have lobbied for housing to be a priority in this new investment package but currently, a lot of detail is lacking around the criteria and dispersal of new investments.

Recommendation 2 – We recommend that the City Council identifies a small number of priority issue areas for future European funding bids. We suggest that these priorities should be drawn from the following short-list:

- **Housing (see recommendation 3)**
- **Low Carbon Economy**
- **Sustainable transport**
- **Recycling**
- **Air pollution**

Recommendation 3 – We recommend that the City Council keeps a watching brief on details of the EU Strategic Investment Plan, including whether this covers housing, with a view to identifying viable projects in Oxford.

Overcoming barriers and maximising opportunities

18. Since the abolition of regional development agencies in 2012, England has lacked regional mechanisms for delivering EU funds.
19. South East England also lacks a regional advisory body that could provide specialist advice, support and intelligence to help organisations in maximising EU funding opportunities. In contrast, the East of England region has its own [European Partnership Office](#), which aims to help organisations in that region to get the most from Europe. Some Local Enterprise Partnerships in the South East have the expertise to provide a similar function.
20. The hurdles to achieving European funding are high and can be very resource intensive. Just getting to the stage of submitting a bid represents quite a high risk for the City Council, so it is important that opportunities are converted. The City Council needs to prioritise effectively and maximise the use of its existing resources.

Recommendation 4 – We recommend that the City Council explores whether there is an appetite amongst regional partner organisations for the establishment of a South East England European Office, similar to the East of England European Partnership Office.

Recommendation 5 – We recommend that the City Council encourages Oxfordshire Local Enterprise Partnership to develop expertise and provide advice to local organisations on obtaining European funding.

Recommendation 6 – We recommend that consideration is given to how the City Council can utilise and build on its existing expertise when making future bids for European Funding.

Recommendation 7 – We recommend that a member-champion is appointed to raise the profile of European funding opportunities across the City Council.

Building Partnerships

21. We note that a joint research based bid with Oxford University to the EU Progress Programme failed due to a lack of suitable comparators.
22. In future bids, Oxford could look to build on its relationships with its three Twin Towns within the EU; Bonn, Grenoble and Leiden.
23. Given that Oxfordshire is a relatively affluent area within the EU, there may be further opportunities to benefit from additional funding by forming partnerships with historic cities in less affluent regions of Southern Europe.
24. There may also be opportunities for the City Council to work with businesses through the Local Enterprise Partnership.
25. We note the success of the Low Carbon Hub partnership in Oxfordshire and would encourage efforts to replicate this model and share lessons learned across the EU, through a partnership of partnerships.

Recommendation 8 – We recommend that the City Council looks for opportunities to partner with Oxford’s Twin Towns and other cities at EU level. This could involve working with historic cities in Southern Europe on sustainable transport solutions, for example.

Recommendation 9 – We recommend that the City Council looks for opportunities to collaborate with local businesses through the LEP on future EU funding bids.

Recommendation 10 – We recommend that the City Council looks to promote the Low Carbon Hub model through MEPs or other suitable channels, and encourages its replication across the EU.

Name and contact details of author:-

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Law and Governance
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List of background papers: None
Version number: 0.2

Finance Panel work programme 2014-15

Items for Finance Panel meetings

Suggested Topic	Progress
Budget Scrutiny	Completed
Budget monitoring	Completed
Treasury Management	Completed
Capital process	Completed
Maximising European funding	Completed
Municipal / Local bonds	Carry forward – second item scheduled for 2 July
Ethical investment	Considered in other topics
Council tax exemptions	None – carry forward

Draft Finance Panel agenda schedule

Date and room (all 5.30pm, St. Aldate's Room)	Agenda Item	Lead Officer(s)
28 April 2015	1. Budget monitoring – quarter 3 2. Capital Strategy (pre-scrutiny) 3. Draft European Funding report	Nigel Kennedy Nigel Kennedy Cllr Simmons / Andrew Brown
2 July 2015	1. <i>Municipal/Local Bonds</i> 2. <i>Low Carbon Hub</i> 3. <i>Corporate Debt Policy (pre-scrutiny)</i>	<i>Steve Drummond (Low Carbon Hub), Aidan Brady or Christian Wall (Local Capital Finance Company)</i> <i>Steve Drummond (Low Carbon Hub); Anna Winship</i> <i>Nigel Kennedy</i>

Provisional 2015/16 Finance Panel dates: 2 July, 3 November, 14 January, 28 January & 7 April.