

# Agenda

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## Finance and Performance Panel (Panel of the Scrutiny Committee)

This meeting will be held on:

Date: **Wednesday 7 December 2022**

Time: **6.00 pm**

Place: **Zoom - Remote meeting**

**For further information** please contact:

Richard Doney, Scrutiny Officer

☎ 01865 252955

✉ [DemocraticServices@oxford.gov.uk](mailto:DemocraticServices@oxford.gov.uk)

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- may register in advance to speak to the committee in accordance with the [committee's rules](#)
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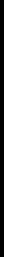
**Committee Membership**

Councillor James Fry (Chair)

Councillor Chris Jarvis

Councillor Tom Landell Mills

Councillor Dr Amar Latif



# Agenda

	<b>Pages</b>
<b>1 Apologies</b>	
<b>2 Declarations of interest</b>	
<b>3 Finance and Performance Work Plan</b>	7 - 10
The Panel is asked to note its work plan and to agree any amendments.	
<b>4 Notes of Previous Meeting</b>	11 - 16
<b>Recommendation:</b> that the notes of the meeting on Monday 05 September 2022 are approved as a true and accurate record, subject to any corrections.	
<b>5 Integrated Performance Report Q2</b>	17 - 36
The Integrated Performance Report Q2 will be considered by Cabinet on 14 December 2022. The Head of Financial Services will attend to present the report and answer questions.	
The Panel is asked to consider the report and to agree any recommendations it wishes to make to Cabinet.	
<b>6 Treasury Management Mid-Year Review for April – September 2022</b>	37 - 52
The Treasury Management Mid-Year Review for April-September 2022 will be considered by Cabinet on 14 December 2022. The Head of Financial Services will attend to present the report and to answer questions.	
The Panel is asked to consider the report and to agree any recommendations it wishes to make to Cabinet.	
<b>7 Medium Term Financial Strategy 2024-25 to 2026-27 and 2023-24 Budget for Consultation</b>	
<i>Report and appendices to follow on 06 December.</i>	

The Medium Term Financial Strategy 2024-25 to 2026-27 and 2023-24 Budget for Consultation will be considered by Cabinet on 14 December 2022. The Head of Financial Services will attend to present the report and to answer questions.

The Scrutiny Committee has established a Budget Review Group to scrutinise the 2023/24 Budget. The Panel is asked to note the budget but to agree a list of written questions to Heads of Service which will form part of the discussion for the Budget Review Group.

## **8 Scrutiny Performance Monitoring**

*Report to follow.*

The Finance and Performance Panel has agreed to have Scrutiny Performance Monitoring as a standing item on its agendas.

The Panel is recommended to note the performance monitoring update, identify any questions it wishes to receive written responses to, or agree to invite relevant officers to a future meeting.

The Panel is also recommended to receive any written responses to questions raised at previous meetings.

## **9 Dates of Future Meetings**

The Finance and Performance Panel will meet on 23 January 2023 and on 28 March 2023.

The Budget Review Group will meet officers on 04 January, 05 January, 10 January 2023 and members are asked to agree a date for a fourth meeting before 23 January 2023.

## **Information for those attending**

### **Recording and reporting on meetings held in public**

Members of public and press can record, or report in other ways, the parts of the meeting open to the public. You are not required to indicate in advance but it helps if you notify the Committee Services Officer prior to the meeting so that they can inform the Chair and direct you to the best place to record.

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- To follow the protocol which can be found on the Council's [website](#)
- Not to disturb or disrupt the meeting
- Not to edit the recording in a way that could lead to misinterpretation of the proceedings. This includes not editing an image or views expressed in a way that may ridicule or show a lack of respect towards those being recorded.
- To avoid recording members of the public present, even inadvertently, unless they are addressing the meeting.

Please be aware that you may be recorded during your speech and any follow-up. If you are attending please be aware that recording may take place and that you may be inadvertently included in these.

The Chair of the meeting has absolute discretion to suspend or terminate any activities that in his or her opinion are disruptive.

### **Councillors 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; licenses 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". 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 member's spouse, civil partner or person they are living with as husband or wife or as if they were civil partners.

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# Finance and Performance Panel Work Plan

December 2022 to January 2023

Published on 29/11/22

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This work plan is provisional and subject to change, usually relating to changes on the Forward Plan. Changes made outside meetings are agreed in consultation with the Panel Chair.

The work plan covers items due for consideration over a three-month period.

## Finance and Performance Panel

### 07 December 2022

Agenda item	Cabinet item	Description	Cabinet portfolio	Lead officer
Integrated Performance Report for Q2	Yes	A report to Members on Finance, Risk & Performance as at 30 September 2022.	Deputy Leader (Statutory) - Finance and Asset Management	Anna Winship, Management Accountancy Manager
Treasury Management Mid-year Report	Yes	To report on the performance of the Treasury Management function for the six months to 30 September 2022.	Deputy Leader (Statutory) - Finance and Asset Management	Bill Lewis, Financial Accounting Manager
Budget 2023/24	Yes	To propose a Medium Term Financial Strategy and the 2023/24 Budget for consultation.	Deputy Leader (Statutory) - Finance and Asset Management	Nigel Kennedy, Head of Financial Services

- Scrutiny-selected Performance Monitoring

- 23 January 2023

Agenda item	Cabinet item	Description	Cabinet portfolio	Lead officer
Medium Term Financial Strategy 2024/25 to 2026/27 and 2023/24 Budget	Yes	To sign off on the Budget Review Group's recommendations regarding the Medium Term Financial Strategy and the 2023/24 Budget.	Deputy Leader (Statutory) - Finance and Asset Management	Nigel Kennedy, Head of Financial Services
Capital Strategy 2023/24 to 2027/27	Yes	To seek approval for the Capital Strategy 2023/24 to 2026/27	Deputy Leader (Statutory) - Finance and Asset Management	Nigel Kennedy, Head of Financial Services
Treasury Management Strategy 2023/24	Yes	To seek approval for the Council's Treasury Management Strategy for 2023/24.	Deputy Leader (Statutory) - Finance and Asset Management	Nigel Kennedy, Head of Financial Services
Report on Park and Ride/Car Parking Income	No	To provide information to the Panel on income at car parks and Park and Ride sites	Deputy Leader (Statutory) - Finance and Asset Management	Nigel Kennedy, Head of Financial Services

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- Scrutiny-selected Performance Monitoring





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## **Minutes of a meeting of the Finance and Performance Panel (Panel of the Scrutiny Committee) on Monday 5 September 2022**

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### **Committee members present:**

Councillor Fry (Chair)

Councillor Jarvis

### **Officers present for all or part of the meeting:**

Alice Courtney, Committee and Member Services Manager (Interim Acting)

Nigel Kennedy, Head of Financial Services

Anna Winship, Management Accountancy Manager

Laura Bessell, Benefits Manager

Richard Doney, Scrutiny Officer

## **7. Apologies**

Apologies received from Councillor Latif.

## **8. Declarations of Interest**

None.

## **9. Finance and Performance Panel Work Plan**

The Scrutiny Officer advised the Panel that the Forward Plan had been updated since publication of the agenda. The Panel accepted the officer recommendation that the Budget 2023/24, the Integrated Performance Report for Q2, and the Treasury Management Mid-year Report be considered at the Panel meeting on 07 December 2022.

The Panel requested that a briefing note be supplied by the Head of Financial Services and the Head of Corporate Strategy to the Panel presenting information on the savings achieved by implementing renewable energy sources at leisure sites and the potential savings that could be achieved.

The Panel further requested that:

- The Head of Financial Services produce a report on park and ride/car parking income to be presented to the Panel.
- The Head of Corporate Property brief the Panel on corporate debts before the work of the Budget Review Group begins.

The Scrutiny Officer advised that he would shortly consult members and officers on the viability of proposed meeting dates for the Budget Review Group.

## **10. Notes of Previous Meeting**

The Panel agreed the notes of its meeting on 07 July 2022 as a true and accurate record of its discussion.

*The Panel agreed to amend the order of the agenda to take Council Tax Reduction Scheme 2023/24 next; followed by Treasury Management Annual Report 2021/22; then Integrated Performance Report Q1; and then return to the remainder of the agenda as listed.*

## **11. Integrated Performance Report Q1**

Cllr Ed Turner, Cabinet Member for Finance and Asset Management, joined the meeting and presented the report.

Cllr Turner explained that the scale of the pressure of energy costs and inflation rates for the Council could not have been anticipated. He also highlighted that the Council would be facing financial pressures going forward and that it was hoped greater clarity would be achieved once the new Prime Minister's Cabinet was appointed.

In response to questions, Cllr Turner advised that the Council had been working with the District Councils Network to draw the attention of Government to the pressures that councils were facing, particularly highlighting the erroneous assumption that councils had been able to increase their reserves rather than draw on them;

Nigel Kennedy, Head of Financial Services, and Anna Winship, Management Accountancy Manager, were also invited to comment on the report.

The Head of Financial Services explained that an increase of up to £1.0m was anticipated for utilities costs in the next 12 months.

The Management Accountancy Manager reported that ODS had declared a dividend for 2021/22 of £600k which would be received in the current financial year and would be reported as additional income.

In response to questions, the Head of Financial Services reported that there had been significant progress and that the problems with QL were almost at an end.

The Head of Financial Services also explained that the £17.0m slippage on Regeneration Property related to property transactions. Recent changes in PWLB borrowing rules forbade purchase of property solely for financial gain: property transactions were required to be of a regeneration nature. Given these restrictions, suitable properties which were in line with the new criteria for the total amount of budget had yet to be identified, resulting in slippage. The Head of Financial Services explained that there were projects under discussion that gave him confidence for future years spend. The Panel noted that, over the past three years, the capital budget for such purposes had decreased from an initial £50.0m.

The Panel requested that the Scrutiny Officer ask the Head of Business Improvement for further information regarding indicator BIC025: *Reduction of number of face to face visits*, to be received at a later Panel.

The Chair thanked the Cabinet Member, the Head of Financial Services, and the Management Accountancy Manager for attending.

The Panel noted the contents of the report.

## **12. Treasury Management Annual Report 2021/22**

Nigel Kennedy, Head of Financial Services, presented the report which set out the Council's Treasury Management activity and performance for the financial year 2021/22.

In response to questions, the Head of Financial Services advised that:

- The 'green bond' at Barclays was not currently invested in because the yield did not warrant it;
- Whilst higher interest rates on treasury investments were beneficial to the Council, the impact of rising interest rates on OX Place were of concern and would undoubtedly impact surpluses in the company and hence the dividend return to the Council;
- Treasury investments were ordinarily made for six months at a time and that the variation in interest rates of 0.8%-2.0% indicated the level of increase which was anticipated to continue;

The Chair thanked the Head of Financial Services for attending to present the report.

The Panel noted the contents of the report.

## **13. Council Tax Reduction Scheme 2022/23**

Laura Bessell, Benefits Manager, presented the report which set out proposals for consultation on changes to the Council's Council Tax Reduction Scheme for 2023/24 and answered the Panel's questions.

The Benefits Manager explained that the paper is fundamentally identical to that for 2022/23 and that, for 2022/23, 400 consultation responses had been received from a wide variety of stakeholders and that it was hoped at least a similar level of engagement would be achieved this year.

The Benefits Manager explained that the Localism Act dictated the consultation period and that the Council also consulted Oxfordshire County Council and the Thames Valley Police & Crime Commissioner. The Benefits Manager also advised the Panel that the scheme sought to simplify the administrative burden of Council Tax Reduction in a way that ensured cost effectiveness.

The Chair thanked the Benefits Manager for attending to present the report.

The Panel noted the contents of the report.

## **14. Scrutiny Performance Monitoring**

The Scrutiny Officer reported that updates had been received to:

- BI038 (commentary was added to say that “This figure represents the last 12 months and equates to 94 leavers. This average for annual turnover is now back at pre-pandemic levels.”);
- CH001: a correction to note that the June actual was 5.45 and should be marked as green
- RS005: commentary added to say that “This is tracking indicator that we use to measure the reactive demand for the service. The numbers are wholly dependent on tenants contacting the service who are at risk of eviction in the PRS.”
- CS025: The June actual was updated to 35.87% and commentary added to say that “NDR collection remains above target, we are looking to book our first magistrates court shortly.”

The Panel expressed its concern that the number of rough sleepers was higher than the target and requested that the Scrutiny Officer contact the Head of Housing Services to establish how many of the 40 people rough sleeping had no recourse to public funds.

In response to questions on FSC020, the Management Accountancy Manager explained that no bids had been submitted so far this year but that she anticipated that some currently being prepared would be reported in the next quarterly report.

The Panel requested that the Scrutiny Officer work with officers so that, going forward, a column be included in the report to show the data for the relevant month in the preceding year so that a comparison may be more easily drawn. The Panel also requested that there be greater consistency in the reporting data so that either numbers or percentages were used, rather than a mixture of the two. The Panel suggested that brief commentary was preferred and that the key indicator was progress: even if the target had not been achieved, the Panel wanted to see if progress was being made towards it.

The Panel noted the contents of the performance monitoring update.

## 15. Dates of Future Meetings

The Panel noted the dates of future meetings and requested that the Scrutiny Officer establish the viability of proposed meeting dates for the Budget Review Group.

**The meeting started at 6.00 pm and ended at 7.30 pm**

**Chair .....**  
**December 2022**

**Date: Wednesday 7**

*When decisions take effect:*

*Cabinet: after the call-in and review period has expired*

*Planning Committees: after the call-in and review period has expired and the formal decision notice is issued*

*All other committees: immediately.*

*Details are in the Council's Constitution.*



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**To:** Cabinet  
**Date:** 14 December 2022  
**Report of:** Head of Financial Services  
 Head of Business Improvement  
**Title of Report:** Integrated Performance Report for Quarter 2 2022/23

<b>Summary and recommendations</b>	
<b>Purpose of report:</b>	To update the Cabinet on finance, risk and corporate performance matters as at 30 September 2022
<b>Key decision:</b>	No
<b>Executive Board Member:</b>	Councillor Ed Turner, Deputy Leader (Statutory) – Finance and Asset Management
<b>Corporate Priority:</b>	Efficient and Effective Council
<b>Policy Framework:</b>	Council Strategy 2020-24
<b>Recommendation:</b> That the Cabinet resolves to:	
1.	<b>Note</b> the projected financial outturn for 2022-23 as well as the position on risk and performance as at 30 September 2022.

<b>Appendices</b>	
Appendix A	General Fund - September 2022 Forecast Outturn
Appendix B	Housing Revenue Account - September 2022 Forecast Outturn
Appendix C	Capital Programme – September 2022
Appendix D	Corporate KPIs - September 2022

## Introduction and background

1. This report updates the Cabinet on the financial, corporate performance and corporate risk positions of the Council as at 30<sup>th</sup> September 2022. A brief summary is as follows:

## Financial Position

- **General Fund** – the outturn position is forecasting an adverse variance of £0.193 million against the net budget agreed by Council in February 2022 of £22.382 million;

- **Housing Revenue Account** – The budgeted surplus agreed by the Council in February 2022 was £0.064 million. Currently the outturn forecast is an adverse variance of £1.444 million;
  - **Capital Programme** – The budget, as approved at Council in February 2022, was set at £210.981 million with carry forward of unspent balances in 2021-22 and a reprofile of the HRA budget. After some additional slippage in the first quarter of the year we now have a latest budget of £158.974 million. At the end of quarter one we had a forecast budget of £185.624 million with slippage in the current quarter of £34.353 to bring us to the current forecast position of £151.271 million.
2. **Performance** – There are 23 Corporate Indicators for the current financial year, 6 of which are rated Green (on target); 4 are rated Amber (within a tolerance of target) and 3 are rated Red (outside of target), there are also 10 indicators which are tracking indicators or have no data available. More details can be found in paragraph 19.
  3. **Corporate Risk Management** – There are five red corporate risks at the end of quarter one. These relate to actions taken to ensure housing delivery and supply for the city of Oxford and to enable sufficient house building and investment; local, national or international factors adversely affecting the economic growth of the city; negative impacts of Climate Change; potential terrorist incident in the city that affects normal life and delivery of services by external suppliers and partners. More details of the risks can be found in paragraphs 17 to 18.

## Financial Position

### General Fund Revenue

4. The overall Net Budget Requirement agreed by the Council in February 2022 was £22.382 million. Since setting the budget, service area expenditure has increased by a net total of £0.625 million. This is the net movement to release the pay inflation to services offset by the adjustment required to pension contributions, from the contingency pot in line with the agreed pay award. The Net Budget Requirement remains unchanged since this is simply a virement.
5. As at 30<sup>th</sup> September 2022 the General Fund Service Areas excluding SLA's (service level agreement) and capital charges are showing an adverse variance of £1.071 million, the details of these variances are summarised below:
  - **Corporate Property** – an adverse variance forecast of £1.117 million due to income from a commercial deal that has been budgeted for as revenue income, which now needs to be classified as capital income. The offset of this variance is shown in corporate accounts against Direct Revenue Funding resources used to finance the capital programme and corporate contingencies which are now both reduced to zero. The remaining income budget is on target with a level of bad debt provision still in place. Outstanding debt is approximately £6million and a provision for bad debt stands at around £4million.
  - **Community Services** – a favourable variance of £0.311 million. This is based on the assumption that the Leisure Management fee will be paid in full in year. There are also savings on salaries within the Community Centre team due to posts not being filled and also additional income from Blackbird Leys and East Oxford Community Centres due to the delay of their closure pending

redevelopment. The Town Hall is also seeing a favourable variance due to income over and above budget and some operational cost savings.

- **Oxford Direct Services Client** – favourable variance of £0.200 million. The ODS board have declared a dividend for 2020-21 of £0.600 million which should be payable this year, 2022-23, and represents a positive variance. The 2021-22 dividend of £1.068 million dividend is not expected to be declared until the sign off of the accounts later this year.

Car park income has an adverse variance forecast of £0.400 million as overall usage is still an average of 16% down on pre-Covid usage levels. At Cabinet on 13<sup>th</sup> July 2022 the Council agreed an adjustment in park and ride charges for a 6 month period commencing in October 2022, in order to safeguard the future of the park and ride facilities and encourage usage, the impact of which will be incorporated into future monitoring reports;

- **Business Improvement** – adverse variance of £0.192 million which is due to staffing overspends in the Contact Centre, this is due to an increase in call volumes mainly relating to enquiries regarding the £150 energy rebate grants which has recently been intensely promoted by the Council, together with an expected overspend on postage charges in year.
- **Financial Services** – adverse variance of £0.200 million primarily due to bank charges continuing to be above budget due to non-compliance of Payment Card Industry Data Security Standards (PCIDSS), work on which is currently in progress to resolve. Additionally court cost income is forecast an adverse variance of £0.080 million due to successful arrears recovery processes which mitigate the need for residents in arrears to attend court, while there is an additional adverse variance of £0.020 million on audit costs due to increased fees;
- **Law & Governance** – adverse variance of £0.060 million due to continuing recruitment issues and the need to use locum staff who command a higher rate although this is mitigated somewhat by additional income from the management arrangements with West Oxfordshire District Council.

## Corporate Accounts

6. Overall favourable variance of £1.438 million, which is made up of

- £0.550 million reduction in the budget of Direct Revenue Funding for the capital programme to contribute towards the variation in the commercial rents of £1.117 million referred to above;
- A favourable variance of £1.1 million on interest payable due to a reduced need to borrow for HRA and GF capital schemes estimated at around £45 million over 2021-22 and forecast for 2022-23;
- A favourable variance of £0.587 million on investment interest due to higher balances and interest rates being received on investments;
- An adverse variance of £0.582 million relating to interest charged to the HRA due to reduced borrowing requirements;
- Reduction in interest due from ODS of £0.200 million due to less vehicles being purchased in 2021/22.

## Contingencies

7. Overall adverse variance of £0.560 million, resulting from a:

- Favourable variance of £0.550 million as the second part of the adjustment to cover the £1.117 million reduction in commercial rents shown above. Contingencies are now reduced to zero.
- A pressure of £0.400 million which has been included to cover the cost of a one off payment of £500 to be made to all staff to help support them with the cost of living increases under a decision made by the Chief Executive under urgent powers.
- Utility cost pressure is now reduced to £0.710 million as our best estimate to date, however, the market is very volatile and fluctuating on a daily basis, and the forecasts are being updated as information is available.

## Efficiencies

8. Of the £2.351 million of new efficiencies introduced in the 2022/23 budget, most are on target to be achieved. A £0.050 million saving in procurement to be made from contracts for supplies and services is still to be fully identified. The recent decision regarding the letting of the whole of St Aldate's Chambers will allow us to realise these savings. The printing and scanning budget is currently overspending in year and further investigation is required to ensure these savings are achieved. As mentioned above call volumes in the contact centre have increased significantly making it difficult to realise those savings identified

	Budgeted savings 2022/23 £000's	On track Y/N	Comments
<b>Efficiencies</b>			
St Aldates Chambers	199	Y	On track to make savings with new tenant to occupy building by Dec 2022
ICT Contracts - Strategic review	200	Y	System rationalisation, as contracts come to an end should be achievable
Service Integration Project	480	Y	Post savings in Communities £168k; £90k saving on Director roles, post in HIA £46k and £176k turnover savings across the teams
Housing Needs System and Structure change	200	Y	Restructure almost complete and on track to deliver £238k in 22/23 and a further £50k in 23/24 and 24/25
County Wide rough sleeping recommissioning strategy efficiencies	142	Y	savings across a variety of areas identified to make the total saving
Council Tax Reduction Scheme	120	Y	Linkage to channel shift and Civica Open Revenues introduction
Replacement Revenues and Benefits system	100	Y	Linkage to channel shift and Civica Open Revenues introduction
			Full management fee of £500k agreed and being paid. Utility costs are being reviewed and have been calculated and recharged to Fusion, but unsure if these will be paid in full, but £100k saving will be achieved in year
Leisure services review	100	Y	savings identified
Review of voluntary sector grants	200	Y	
Cashless payments	20	Y	partially implemented, trials on cashless car parks looking successful
Printing and scanning	50	N	Overspends showing in this area - further review needed to ensure savings are achieved
Selective licensing	369	Y	the scheme has now gone live and income is being received
<b>Transformation projects</b>			
Procurement	50	N	at risk but procurement are working with services to identify savings
Customer services	63	N	Currently overspending on staffing in the contact centre due to increased call volumes which is making it difficult to find these savings
Service based savings	46	Y	customer experience savings
CORVU replacement	12	Y	CORVU has been taken off line so savings will be made
	<b>2,351</b>		

## Housing Revenue Account (“the HRA”)

9. The HRA budgeted surplus agreed by the Council in February 2022 was £0.064 million. The forecast outturn is currently projecting an adverse variance of £1.444 million.

10. Key variances within the HRA are detailed below:

- **Miscellaneous Income** – favourable variance of £0.100 million additional income from Furnished Tenancy, this will help offset the increase in furniture purchases mentioned below.
- **Management and Services (stock related)** – a small adverse variance of £0.006 million, this is the net position of pressures on utility costs (£319k) and additional furniture purchases (£268k) offset by savings on vacant posts and some supplies and services budgets, namely court costs.
- **Other Revenue Spend (Stock related)** – favourable variance of £0.270 million of the consultancy budget held, as there hasn't been any spend to date.
- **Responsive and Cyclical repairs** - an adverse forecast variance of £1.808 million, the majority of which relates to the budgets delegated to ODS. Included within this is approximately £0.223 million of material price increases as a result of the current economic market. The Council is working closely with the team at ODS to ensure all reasonable steps of mitigation are taken to mitigate the forecast overspend where possible and work on the management of the delegated budgets to ensure that this situation does not happen again. The main adverse variances are:
  - General Minor Works (£1.262m) – the expenditure against this budget is to be examined for any items that can be legitimately charged to capital. A significant proportion of this spend relates to items costing between £5,000 and £10,000
  - Fencing (£0.641m) – ODS have reported an increase in fencing work due to storm damage. A revised approach to the replacement of broken fencing is currently being composed, with the intention of introducing a more pragmatic and cost effective solution for the re-provision of fencing.
  - Void works (£0.256m) – an increase in the number of void properties has arisen as a result of the investment in new housing stock. ODS estimate that for every 10 new properties, 7 voids are generated as tenants move out of the older stock into the new builds.

## Capital

11. The budget, as approved by the Council at its meeting in February 2022, was set at £210.981 million. Since that date the budget has been increased to take account of unspent balances rolled forward from 2021-22 totalling £26.8 million across HRA and GF, other adjustments include reprofiling of the HRA capital programme, addition of new approvals and slippage of schemes, giving a revised latest budget of £158.974 million. Whilst some profiling was undertaken there is still work to be done in this area to obtain a more accurate assessment with which to commence the new financial year.

12. Spend against the budget is £29.432 million which equates to 19% of the latest budget, and the forecast outturn is £151.271 million with a total of £34.353 million

variance on Quarter 1. It is worth noting that this spend is likely to be understated. Members will be aware of the issues that the council have experienced with regard to QL and the reduced spend will reflect building works jobs that have yet to be billed by ODS. The position is being rectified and business as usual in this respect is likely to resume from November onwards.

## General Fund

13. A summary of the General Fund schemes by project type is shown below and this provides an insight into the value of development projects that the Council is undergoing. It also highlights that a significant percentage of the capital programme relates to Housing Company Loans of which the spend is reliant on the progress of the Housing company development programme, spend on which given the nature of the work can be difficult to forecast with accuracy.

Project Classification	Projects	In Delivery Stage	Latest Budget	Spend to Date	% Spent	Q1 Forecast	Variance from Q1	Forecast Spend
Project - Development	37	10	14,397,638	751,908	5%	41,921,425	(28,176,447)	13,744,978
Project - ICT	12	7	1,001,944	613,658	61%	1,001,944	45,260	1,047,204
Project - Compliance	4	0	274,477	(64,060)	-23%	274,477	49,783	324,260
Project - Other	14	4	2,957,208	175,957	6%	3,044,349	(87,141)	2,957,208
Rolling Programme	9	1	7,906,180	1,456,606	18%	10,382,570	(2,796,173)	7,586,397
Housing Company Loans	2	0	25,371,476	1,863,977	7%	25,371,476	-	25,371,476
Other Capital Spend	17	1	26,765,647	9,547,898	36%	23,160,792	3,605,202	26,765,994
<b>General Fund Total</b>	<b>95</b>	<b>23</b>	<b>78,674,570</b>	<b>14,345,944</b>	<b>18%</b>	<b>105,157,033</b>	<b>(27,359,516)</b>	<b>77,797,517</b>

14. Details of the General Fund slippage are:

- Disabled Facilities Grants – budget of £0.579 million has been slipped into future years, it is business as usual in Housing Improvement Agency with referrals being progressed;
- Vehicle purchases – slippage of £2.357 million due to supply chain issues across the globe following the pandemic which has led to extended lead times on many vehicles. There are also delays whilst decisions are made as to which vehicles should be replaced by electric ones;
- Gas Works Bridge – showing an overspend of £50k but to be vired from the Stock condition survey budget to cover costs of the works in line with approvals;
- Repairs to 2-4 Gloucester Street and 24-26 George Street - £270k slippage into 23/24, Cabinet approval received and the works have now started but will continue into 23/24 due to complications identified during site set up;
- Blackbird Leys regeneration – slippage of £8.416 million, delays due to ongoing viability review and deferral of the planning application while this is carried out;
- Car Parking Oxpens – underspend of £103k, work to remove decking has now completed and the car park is reopened, and the project has been delivered under budget;
- Cave Street Development - £2.246 million slippage into 23/24. Planning has been approved but further work required to business plan due to construction cost increase and increase in interest rates. Agreed to proceed to tender of main contract to explore value engineering opportunities to inform and improve the business case;

- Osney Mead path works – slippage of £5.223 million – timescales linked to the Osney Bridge project, which has been delayed due to funding gap issues. Feasibility work identified that there is not sufficient funding to improve the whole route between Osney Mead and Grandpont Nature Park as originally intended. A revised proposal that the funding be used to improve the connections from the proposed new bridge through Grandpont Nature Park as far as the existing rail bridge has been agreed;
- Osney Mead growth deal – slippage of £4.245 million - Funding gap issues for the Osney Bridge have delayed scheme. Routing of HIF funding from pathworks to Bridge is currently assumed to help address funding gap;
- Northern Gateway – slippage of £8.493 million - Although a first claim for funding from Homes England has been made and paid to the Council, it cannot be passed on to the main contractor Thomas White Oxford (TWO) until agreements are completed with Homes England. A further claim cannot be made until the Deed of Variation and pre conditions are met and these have been delayed. A positive meeting was held with all parties in last October to move this issue forward;
- ZEZ Phase 1 feasibility – Full budget of £141k slipped due to delays with the project, expected to need the funding in 2023/24.

## HRA

15. A summary of the HRA schemes by project type is shown in the table below, and this shows that a significant element of the capital programme is a rolling programme, for example kitchen and bathroom replacements, heating and electrics etc. The other large element is the Other Capital Spend classification, and these schemes relate to acquisitions and developments.

Project Classification	Projects	In Delivery Stage	Latest Budget	Spend to Date	% Spent	Q1 Forecast	Variance from Q1	Forecast Spend
Project - Development	4	2	5,310,988	114,725	2%	5,478,773	(417,785)	5,060,988
Project - Compliance	1	0	102,000	-	0%	102,000	(52,000)	50,000
Project - Other	1	0	333,753	-	0%	333,753	-	333,753
Rolling Programme	20	1	20,157,376	1,270,204	6%	20,157,376	(6,880,979)	13,276,397
Other Capital Spend	9	2	54,395,677	13,701,597	25%	54,395,677	357,027	54,752,704
<b>HRA Total</b>	<b>35</b>	<b>5</b>	<b>80,299,794</b>	<b>15,086,526</b>	<b>19%</b>	<b>80,467,579</b>	<b>(6,993,737)</b>	<b>73,473,842</b>

16. Details of the HRA slippage showing in Appendix B are:

- Controlled Entry – Slippage of £275k – need approval and carry out tender process to upgrade all systems from 3G to 5G, and no other work planned for the current year;
- Heating – Slippage of £1.4m – 26 full installations and 75 boilers complete year to date, budget will not be spent in year and will be vired to cover other budgets which are under pressure in year;
- Extensions and Major adaptations – Slippage of £1.056 m, no projects currently on site, expecting five to start on site but no completions this financial year;
- Communal Areas – Slippage of £581k – there isn't a planned programme of works for communal areas therefore ad hoc work is on going but will not spend full budget in year. A plan is being developed alongside the stock condition survey;

- Fire doors – slippage of £1.838 m – works to doors in Tower Blocks to commence shortly and other work identified in Fire Risk Assessments to be programmed;
- Great Estates Programme – slippage of £688k, one project on site but will not complete this financial year and other projects awaiting approval;
- Barton Regeneration – slippage of £588k, works are completed with a decision needed on Underhill Circus;
- Masons Road – Slippage of £250k – order placed but delay in starting on site, now due to start in January.

## Corporate Risk

17. There are five red risks on the current Corporate Risk Register, which are as follows:

- **Housing** – the Council has key priorities around housing which include ensuring housing delivery and supply for the city of Oxford and enabling sufficient house building and investment. Insufficient housing in Oxford leads to an increase in homelessness which has an impact on residents. There are also health and quality of life issues. The Council is implementing delivery methods for temporary accommodation and accommodation for homelessness prevention which include a rent guarantee scheme, a growth deal to facilitate additional affordable housing and a tranche of property purchases to be delivered via real lettings. In addition the Council's housing companies are in the process of constructing new affordable homes the social housing elements will be purchased by the Council;
- **Economic Growth** – this relates to local, national or international factors adversely affecting the economic growth of the City. Whilst COVID 19 restrictions are currently lifted, the supply chain challenges relating to Brexit, the war in Europe, energy security and related inflationary issues are a heightened risk. The Council is able to affect this risk through the delivery of the Oxford Economic Strategy and City Centre Vision Action Plan, This aims to stimulate recovery through targeted measures and the Council will work with Economic Growth Board & City Centre Task Force and engage with businesses to understand long term impact of COVID and EU Transition, taking action where possible, Macroeconomic impacts are outside the Council's direct control but the effects can be managed and mitigated at the local level;
- **Negative Impact of Climate change** – areas of concern are flooding, which is highly weather dependent; poor air quality and increased episodes of excess heat. The Council does not have control over the global climate positions but it can make changes and improvements within its sphere of influence. The Council has made action on climate change one of its corporate priorities and has stepped up its programme of action, partnering and influencing to seek to mitigate social health and environmental impacts on the City. The Oxford Flood Alleviation Scheme (OFAS) scheme continues to progress. Work is ongoing through Zero Carbon Oxfordshire Partnership (ZCOP) to reduce carbon



emissions across the City. Oxford City Council’s Carbon Management Plan, ongoing work around flood mitigation, tree planting and partnership with EA-led programme to deliver the OFAS scheme. Control measure relating to advocacy, clear communication and negotiation over our land assets, in particular at Seacourt and Redbridge Park and Ride sites are also employed.

- **Terrorism** – this relates to a potential terrorist incident in the city centre that adversely affect normal life in the city, including a negative impact on the Council’s business or targets an individual event such as May Morning or St. Giles’ Fair. Dependent on nature of attack and where it occurs could result in lock down of buildings, including Council offices, severe travel disruption and a need to disperse large numbers of people to places of safety. The Council cannot prevent a terrorist attack but working with partners, particularly the Police and County Council on the Crowded Places Plan, which includes mitigation intervention, it can hopefully help reduce impact.
- **Delivery of Services by External Suppliers/Partners/Supply Chain** – this relates to the Council’s arrangements for the management of its leisure centres by an external body. The external partner continues to focus on embedding their new delivery model which in summary is a reduction of staff in the Oxford contract, a concierge cashless system, they have exited their offices, reduced support services, alongside implementing COVID safe procedures. Recruitment is a challenge and there is a requirement for safeguarding checks, induction and mandatory training before employees can commence duties. Given the state of the leisure industry at present, the risk is that our partner is manoeuvred into a position where they are unable to deliver on the contract and the Council will need to take back responsibility of delivery the services.

18. The table below shows the level of Red, Amber and Green current risks over the last 12 months:

<b>Current Risk</b>	<b>Q3 2021/22</b>	<b>Q4 2021/22</b>	<b>Q1 2022/23</b>	<b>Q2 2022/23</b>
Red	3	3	5	5
Amber	11	11	9	9
Green	0	0	0	0
<b>Total Risks</b>	<b>14</b>	<b>14</b>	<b>14</b>	<b>14</b>

### Performance Indicators

19. There are three red corporate performance indicators being reported at the end of quarter 2, these relate to:

- Reduction of number of face to face visits – target of 10% with an actual increase of 12.9%. Tracking 228 more visits year to date this year than last, this is mainly due to visits querying how to claim the £150 energy rebate, particularly if they don’t have access to on line forms

- Reduction of call volume into Customer contact centre – target of 5% reductions, actual reduction is 1.2%. year to date we have received 1225 more calls than last year, many of these are also related to queries about the £150 energy rebate, but also in relation to Council Tax reminders and the high volume of chase calls due to backlogs across the services;
- Number of rough sleepers without an offer of accommodation – target of 30 with an actual of 38 – at the end of Sept there were 38 rough sleepers and 38 did not have an offer of accommodation.

**Financial implications**

20. All financial implications are covered in the body of this report and the appendices, as required by 8.14b of the Council’s Constitution.

**Legal issues**

21. There are no legal implications arising directly from this report.

**Level of risk**

22. All risk implications are covered in the body of this report and the Appendices.

**Equalities impact**

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

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**Background Papers:** None

## Appendix A

General Fund Outturn Report 22/23 @ 30 September 2022	Approved Budget (per Budget book)	Previous Months Budget	Current Month Virements & Ear Marked Reserve Transfers	Latest Budget	Projected Outturn against Latest Budget	PO Variance	PO Variance (Prev Month)	PO Variance Mvt from Previous Month	PO Variance (Prev Quarter)	PO Variance Mvt from Previous Quarter
	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's
S13 - Housing Services	4,718	4,619		4,619	4,619					
S15 - Regulatory Services & Community Safety	722	634	(9)	625	685	60		60		60
S22 - Community Services	5,010	4,852		4,852	4,541	(311)		(311)		(311)
Communities & People	10,450	10,105	(9)	10,096	9,845	(251)		(251)		(251)
S09 - Corporate Property	(9,068)	(9,131)		(9,131)	(8,014)	1,117	1,117		1,100	17
S10 - Regeneration & Economy	723	691		691	691					
S16 - Planning Services	570	494		494	494					
Development	(7,775)	(7,946)		(7,946)	(6,829)	1,117	1,117		1,100	17
S01 - Corporate Strategy	907	873		873	826	(47)		(47)		(47)
S20 - Environmental Sustainability	1,130	1,147		1,147	1,147					
Chief Executive	2,037	2,020		2,020	1,973	(47)		(47)		(47)
S26 - Oxford Direct Services Client	13,051	13,411		13,411	13,211	(200)	(200)		(600)	400
ODS Development Director	13,051	13,411		13,411	13,211	(200)	(200)		(600)	400
S03 - Business Improvement	9,730	9,527		9,527	9,719	192		192		192
S32 - Financial Services	3,169	3,020		3,020	3,220	200	200		100	100
S34 - Law and Governance	3,563	3,472		3,472	3,532	60	60			60
Corporate Resources	16,462	16,019		16,019	16,471	452	260	192	100	352
<b>Directorate Total Excl SLA's &amp; Capital Charges</b>	<b>34,225</b>	<b>33,609</b>	<b>(9)</b>	<b>33,600</b>	<b>34,671</b>	<b>1,071</b>	<b>1,177</b>	<b>(106)</b>	<b>600</b>	<b>471</b>
SLA's & Capital Charges	(9,632)	(9,632)		(9,632)	(9,632)					
Corporate Accounts	(1,466)	(1,466)		(1,466)	(2,904)	(1,438)	(150)	(1,288)	(150)	(1,288)
Contingencies	1,238	1,893		1,893	2,453	560	450	110	(550)	1,110
<b>Total Corporate Accounts &amp; Contingencies</b>	<b>(228)</b>	<b>427</b>		<b>427</b>	<b>(451)</b>	<b>(878)</b>	<b>300</b>	<b>(1,178)</b>	<b>(700)</b>	<b>(178)</b>
<b>Net Expenditure Budget</b>	<b>24,365</b>	<b>24,404</b>	<b>(9)</b>	<b>24,395</b>	<b>24,588</b>	<b>193</b>	<b>1,477</b>	<b>(1,284)</b>	<b>(100)</b>	<b>293</b>
S48D - Transfers To/From Earmarked Reserves	(1,983)	(2,022)	9	(2,013)	(2,013)					
<b>Net Budget Required</b>	<b>22,382</b>	<b>22,382</b>		<b>22,382</b>	<b>22,575</b>	<b>193</b>	<b>1,477</b>	<b>(1,284)</b>	<b>(100)</b>	<b>293</b>
<b>Funding</b>										
S47E - New Homes Bonus	471	471		471	471					
S47B - Council Tax Funding	15,028	15,028		15,028	15,028					
S47C - Parish Precept	(271)	(271)		(271)	(271)					
S47D - NDR Funding	7,154	7,154		7,154	7,154					
<b>Total Funding Available</b>	<b>22,382</b>	<b>22,382</b>		<b>22,382</b>	<b>22,382</b>					
<b>(Surplus) / Deficit for the year</b>					<b>193</b>	<b>193</b>	<b>1,477</b>	<b>(1,284)</b>	<b>(100)</b>	<b>293</b>

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## Appendix B

<b>HRA Report 22/23 @ Sept 2022</b>	Approved Budget (per Budget book)	Latest Budget @ 30th Sept 2022	Actual YTD	Budget YTD	Variance YTD	Projected Outturn against Latest Budget @ 30th Sept 2022	Projected Outturn Variance	Projected Outturn Variance Mvt from Previous Month
	£000's	£'000's	£000's	£000's	£'000's	£'000's	£000's	£'000's
Dwelling Rent	(44,733)	(44,733)	(22,201)	(22,366)	165	(44,733)		
Service Charges	(2,091)	(2,091)	(1,181)	(1,046)	(136)	(2,091)		
Garage Income	(226)	(226)	(132)	(113)	(19)	(226)		
Miscellaneous Income	(781)	(781)	(460)	(424)	(36)	(881)	(100)	(100)
Right to Buy (RAF)	(52)	(52)	(26)	(26)		(52)		
<b>Net Income</b>	<b>(47,882)</b>	<b>(47,882)</b>	<b>(24,000)</b>	<b>(23,975)</b>	<b>(25)</b>	<b>(47,982)</b>	<b>(100)</b>	<b>(100)</b>
Management & Services (Stock Related)	11,434	11,434	5,110	5,459	(349)	11,440	6	6
Other Revenue Spend (Stock Related)	1,127	1,127	100	110	(10)	857	(270)	(270)
Misc Expenditure (Not Stock Related)	1,021	1,021	205	383	(178)	1,021		
Bad Debt Provision	786	786	16	15	2	786		
Responsive & Cyclical Repairs	15,498	15,498	2,439	7,417	(4,978)	17,307	1,808	1,808
Interest Paid	8,620	8,620	4,310	4,310		8,620		
Depreciation	9,412	9,412				9,412		
<b>Total Expenditure</b>	<b>47,899</b>	<b>47,899</b>	<b>12,180</b>	<b>17,693</b>	<b>(5,512)</b>	<b>49,443</b>	<b>1,545</b>	<b>1,545</b>
<b>Net Operating Expenditure/(Income)</b>	<b>16</b>	<b>16</b>	<b>(11,820)</b>	<b>(6,282)</b>	<b>(5,538)</b>	<b>1,461</b>	<b>1,444</b>	<b>1,444</b>
Investment Income	(81)	(81)	(40)	(40)		(81)		
Other HRA Reserve Adjustment			122		122			
<b>Total Appropriations</b>	<b>(81)</b>	<b>(81)</b>	<b>82</b>	<b>(40)</b>	<b>122</b>	<b>(81)</b>		
<b>Total HRA (Surplus)/Deficit</b>	<b>(64)</b>	<b>(64)</b>	<b>(11,738)</b>	<b>(6,323)</b>	<b>(5,415)</b>	<b>1,380</b>	<b>1,444</b>	<b>1,444</b>

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# Appendix C

Capital Budget and Spend as at 30th September 22														
											2022/23 Forecast Variance from Q1 Position			
Cost Centre	Capital Scheme	Progress Update Provider	2022/23 Original Budget	Carry Forwards	Adjustments Since Original Budget	Forecast @ Q1	Forecast @ Q2	Latest 2022/23 Budget	Spend to 30/09/2022	Budget Remaining	Forecast Variance	Variance due to Slippage	Over / Under Spend	2022/23 Outturn Forecast
			£	£	£			£	£	£	£	£	£	£
<b>General Fund Capital Programme</b>														
<b>Communities and People Directorate</b>														
<b>Community Services Projects</b>														
-														
A4820	Upgrade Existing Tennis Courts	Hagan Lewisman	-	-	35,000	35,000	35,000	35,000	-	35,000	-	-	-	35,000
A4847	Rose Hill Community Centre - Parking Management	Dave Morrell	-	-	10,000	10,000	10,000	10,000	-	10,000	-	-	-	10,000
B0075	Museum of Oxford Development	David Hunt	-	-	-	-	-	-	7,208	(7,208)	-	-	-	0
B0083	East Oxford Community Centre	Douglas Kerrigan	3,547,154	(2,115)	125,000	3,670,039	3,670,039	3,670,039	85,396	3,584,643	-	-	-	3,670,039
B0096	Bullingdon Community Centre	Douglas Kerrigan	1,064,578	(412,655)	453,000	951,923	1,104,923	1,104,923	(389,505)	1,494,428	153,000	-	153,000	1,104,923
<b>Community Services Projects Total</b>			<b>4,611,732</b>	<b>(414,770)</b>	<b>623,000</b>	<b>4,666,962</b>	<b>4,819,962</b>	<b>4,819,962</b>	<b>(296,901)</b>	<b>5,116,863</b>	<b>153,000</b>	<b>-</b>	<b>153,000</b>	<b>4,819,962</b>
<b>Housing Services Projects</b>														
B0102	Replace or refurbish Lifts	James Viljoen	76,190	43,294	(119,484)	119,484	-	-	-	-	(119,484)	(119,484)	-	0
B0108	Floyds Row Refurbishment	0	-	99,217	-	99,217	99,217	99,217	14,306	84,911	-	-	-	99,217
C3057	Housing System Replacement	Dave Shaw	-	-	418,787	418,787	418,787	418,787	418,787	(0)	0	-	0	418,787
M5024	National Homelessness Property Fund	0	-	-	4,000,000	-	4,000,000	4,000,000	-	4,000,000	4,000,000	-	-	4,000,000
M5038	Roken House	Dave Scholes	230,000	(500)	1,430,000	1,659,500	1,659,500	1,659,500	1,406,930	252,570	-	-	-	1,659,500
<b>Housing Services Projects Total</b>			<b>306,190</b>	<b>142,011</b>	<b>5,729,303</b>	<b>2,296,988</b>	<b>6,177,504</b>	<b>6,177,504</b>	<b>1,840,024</b>	<b>4,337,480</b>	<b>3,880,516</b>	<b>(119,484)</b>	<b>0</b>	<b>6,177,504</b>
<b>Regulatory &amp; Community Safety Projects</b>														
A4845	CCTV Suite Upgrade	Richard Adams	-	10,583	-	10,583	10,583	10,583	11,083	(500)	-	-	-	10,583
A4852	Bodycams for Community Safety Team	Dan Courtenay	-	60,450	-	60,450	60,450	60,450	-	60,450	-	-	-	60,450
E3511	Essential Repairs Grant	Becky Walker	15,000	5,015	-	20,015	20,015	20,015	4,902	15,113	-	-	-	20,015
E3521	Disabled Facilities Grants	Becky Walker	1,400,000	(21,452)	(361,170)	1,595,926	1,017,378	1,017,378	322,421	694,957	(578,548)	(578,548)	-	1,017,378
<b>Regulatory &amp; Community Safety Projects Total</b>			<b>1,415,000</b>	<b>54,596</b>	<b>(361,170)</b>	<b>1,686,974</b>	<b>1,108,426</b>	<b>1,108,426</b>	<b>338,406</b>	<b>770,020</b>	<b>(978,548)</b>	<b>(978,548)</b>	<b>-</b>	<b>1,108,426</b>
<b>Oxford Direct Services Projects</b>														
R0005	MT Vehicles/Plant Replacement Programme.	Owain Pearce	4,277,121	1,558,482	(2,053,661)	6,138,848	3,781,942	3,781,942	575,266	3,206,676	(2,356,906)	(2,356,906)	-	3,781,942
T2272	Car Parks Resurfacing	Sophie Hearn	335,864	406,433	-	742,297	742,297	742,297	379,218	363,079	-	-	-	742,297
T2309	Cowley Marsh Extension	Douglas Kerrigan	-	-	225,000	-	225,000	225,000	-	225,000	225,000	-	225,000	225,000
T2307	Transformation Funding	Suzanne White	130,798	-	(130,798)	-	-	-	-	-	-	-	-	0
T2308	Additional Technology Requirements	Suzanne White	537,000	-	(537,000)	-	-	-	-	-	-	-	-	0
<b>Oxford Direct Services Projects Total</b>			<b>5,280,783</b>	<b>1,964,915</b>	<b>(2,496,459)</b>	<b>6,881,145</b>	<b>4,749,239</b>	<b>4,749,239</b>	<b>954,485</b>	<b>3,794,754</b>	<b>(2,131,906)</b>	<b>(2,356,906)</b>	<b>225,000</b>	<b>4,749,239</b>
<b>Communities and People Directorate Total</b>			<b>11,613,705</b>	<b>1,746,752</b>	<b>3,494,674</b>	<b>15,532,069</b>	<b>16,855,131</b>	<b>16,855,131</b>	<b>2,836,014</b>	<b>14,019,117</b>	<b>1,323,062</b>	<b>(3,054,938)</b>	<b>378,000</b>	<b>16,855,131</b>
<b>Development Directorate</b>														
<b>Corporate Property Projects</b>														
B0100	Gloucester Green Car Park (H&S)	Jonathan Wright	262,123	241,916	(262,123)	241,916	241,916	241,916	(136,169)	378,085	-	-	-	241,916
B0101	Capital Works at Covered Market	Jonathan Wright	-	28,863	-	29,043	29,043	28,863	2,500	26,363	-	-	-	29,043
B0104	Old Gas Works Bridges	James Axford	-	20,451	-	20,451	70,234	20,451	70,234	(49,783)	49,783	-	49,783	70,234
B0106	Covered Market Roof Works (Capitalised Planned)	Richard Davison	426,000	131,406	-	557,406	557,406	557,406	264,157	293,249	-	-	-	557,406
B0110	Covered Market Vacant Unit Works	Emma Gubbins	-	-	-	-	-	-	-	-	-	-	-	0
B0111	Town Hall Dry Risers	Jonathan Wright	-	12,110	-	12,110	12,110	12,110	1,875	10,235	-	-	-	12,110
B0117	Regeneration Property	Emma Gubbins	20,000,000	-	(16,976,597)	3,000,000	3,023,750	3,023,403	3,023,750	(347)	23,750	23,750	-	3,023,750
B0126	Asset Surveys	Jonathan Wright	-	120,000	180,000	300,000	300,000	300,000	-	300,000	-	-	-	300,000
B0136	Covered Market CCTV	Elaine Phillips	-	73,648	-	73,648	73,648	73,648	39,549	34,099	-	-	-	73,648
B0138	Enabling works - Decarbonisation Project	Onsmus Mazanzi	-	698,610	-	698,610	698,610	698,610	126,152	572,458	-	-	-	698,610
B0139	SAC Feasibility	Douglas Kerrigan	-	37,965	-	37,965	37,965	37,965	37,965	0	(0)	-	(0)	37,965
B0142	Stock condition surveys (including bridge works)	Jonathan Wright	2,362,500	-	(770,000)	1,592,500	1,542,717	1,592,500	-	1,592,500	(49,783)	-	(49,783)	1,542,717
B0143	Town Hall Relocation	Douglas Kerrigan	1,000,000	-	300,000	1,000,000	1,300,000	1,300,000	47,321	1,252,679	300,000	-	300,000	1,300,000
B0147	Repairs to 2-4 Gloucester Street and 24-26 George	Jonathan Wright	-	-	770,000	770,000	500,000	770,000	4,680	765,320	(270,000)	(270,000)	-	500,000
<b>Corporate Property Projects Total</b>			<b>24,050,623</b>	<b>1,364,969</b>	<b>(16,758,720)</b>	<b>8,333,649</b>	<b>8,387,399</b>	<b>8,656,872</b>	<b>3,482,014</b>	<b>5,174,858</b>	<b>53,750</b>	<b>(246,250)</b>	<b>300,000</b>	<b>8,387,399</b>
<b>Regeneration &amp; Economy Projects</b>														
M5033	Blackbird Leys Regeneration (GF Element)	Andrew Humpherson	8,387,991	205,663	(8,329,228)	8,680,256	264,426	264,426	30,463	233,963	(8,415,830)	(8,415,830)	-	264,426
A4853	City Wide Cycling Infrastructure Contribution	Mim Norvell	109,956	12,500	-	122,456	122,456	122,456	20,744	101,712	-	-	-	122,456
B0081	Car Parking Oxpens	Jenny Barker	225,355	(517)	-	224,838	121,838	224,838	5,010	219,828	(103,000)	-	(103,000)	121,838
B0086	Seacourt Park & Ride Extension	Douglas Kerrigan	-	137,846	-	137,846	137,846	137,846	45,590	92,256	-	-	-	137,846
B0092	Cave Street Development (Standingford House)	Andrew Humpherson	2,948,824	(14,902)	(1,813,954)	3,051,099	804,831	1,119,968	93,817	1,026,151	(2,246,268)	(2,246,268)	-	804,831
B0098	1-3 George Street	Roo Humpherson	1,226,769	(339,924)	170,000	1,056,845	1,164,205	1,056,845	12,724	1,044,121	107,360	107,360	-	1,164,205
T2301	Depot Rationalisation	Douglas Kerrigan, Oliver	996,663	-	(721,663)	500,000	275,000	275,000	6,268	268,732	(225,000)	-	(225,000)	275,000
B0116	Osney Mead Path Works (HIF)	Steve Weitzel	5,300,000	18,914	(5,118,914)	5,422,914	200,000	200,000	65,359	134,641	(5,222,914)	(5,222,914)	-	200,000
B0148	Oxford Flood Alleviation HIF Contribution	Steve Weitzel	-	-	-	-	-	-	-	-	-	-	-	0
B0120	Osney Bridge (Growth Deal)	Steve Weitzel	4,583,745	75,949	(4,209,694)	4,694,694	450,000	450,000	206,424	243,576	(4,244,694)	(4,244,694)	-	450,000

B0122	City Cycle Schemes (Growth Deal)	Douglas Kerrigan	751,662	118,102	-	869,764	869,764	869,764	6,447	863,317	-	-	-	869,764
B0125	City Centre Restart	Matt Peachey	50,000	-	-	100,000	100,000	50,000	-	50,000	-	-	-	100,000
B0145	St Michael's Street Levelling Works	Mim Norvell	-	-	35,000	35,000	35,000	35,000	2,801	32,199	-	-	-	35,000
B0131	Meanwhile In Oxfordshire	Steve Weitzel	253,874	281,496	-	535,370	535,370	535,370	444,572	90,798	-	-	-	535,370
														0
B0130	CIL Feasibility		-	150,000	(106,650)	100,000	43,350	43,350	-	43,350	(56,650)	-	(56,650)	43,350
B0074	R & D Feasibility Fund	James Marriott	740,576	-	(740,576)	138,862	-	-	-	-	(138,862)	(138,862)	-	0
	Allocated Feasibility Funding (various schemes)		-	264,783	998,908	796,329	1,012,628	1,263,691	198,485	1,065,206	216,299	216,299	-	1,012,628
<b>Regeneration &amp; Economy Projects Total</b>			<b>25,575,415</b>	<b>909,910</b>	<b>(19,836,771)</b>	<b>26,466,273</b>	<b>6,136,714</b>	<b>6,648,554</b>	<b>1,138,704</b>	<b>5,509,850</b>	<b>(28,129,339)</b>	<b>(19,944,909)</b>	<b>(384,610)</b>	<b>6,136,714</b>
<b>Housing Delivery Projects</b>														
M5025	Barton Park - Purchase by Council	David Watt	8,455,017	1,495,609	361,239	10,311,865	10,311,865	10,311,865	1,851,977	8,459,888	-	-	-	10,311,865
M5026	Housing Company Loans (excl Barton Park)	David Watt	5,234,291	12,040,000	(2,214,680)	15,059,611	15,059,611	15,059,611	1,863,977	13,195,634	-	-	-	15,059,611
M5032	Barton Park - loan to OCHL	David Watt	8,455,017	1,481,608	375,240	10,311,865	10,311,865	10,311,865	-	10,311,865	-	-	-	10,311,865
M5034	Affordable Housing Supply	Dave Scholes	914,000	-	-	914,000	914,000	914,000	-	914,000	-	-	-	914,000
M5035	Growth Deal Registered Provider Payments	Dave Scholes	2,560,000	781,000	160,000	3,341,000	3,501,000	3,501,000	2,448,000	1,053,000	160,000	160,000	-	3,501,000
M5037	Northern Gateway (Oxford North)	Jenny Barker	9,300,000	747,538	(8,547,538)	9,993,538	1,500,000	1,500,000	-	1,500,000	(8,493,538)	(8,493,538)	-	1,500,000
<b>Housing Supply Projects Total</b>			<b>34,918,325</b>	<b>16,545,755</b>	<b>(9,865,739)</b>	<b>49,931,879</b>	<b>41,598,341</b>	<b>41,598,341</b>	<b>6,163,953</b>	<b>35,434,388</b>	<b>(8,333,538)</b>	<b>(8,333,538)</b>	<b>-</b>	<b>41,598,341</b>
<b>Planning Projects</b>														
T2299	Controlled Parking Zones	Amanda Ford	250,000	250,000	-	500,000	500,000	500,000	-	500,000	-	-	-	500,000
F7011	Headington Environmental Improvements	Jonathan Wright	60,781	3,050	(30,000)	33,831	33,831	33,831	-	33,831	-	-	-	33,831
F7024	St Clements Environmental Improvements	Lorraine Freeman	20,000	-	30,000	50,000	50,000	50,000	-	50,000	-	-	-	50,000
<b>Planning Projects Total</b>			<b>330,781</b>	<b>253,050</b>	<b>-</b>	<b>583,831</b>	<b>583,831</b>	<b>583,831</b>	<b>-</b>	<b>583,831</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>583,831</b>
<b>Development Directorate Total</b>			<b>84,875,144</b>	<b>19,073,684</b>	<b>(46,461,200)</b>	<b>85,315,632</b>	<b>56,706,285</b>	<b>57,487,598</b>	<b>10,784,671</b>	<b>46,702,926</b>	<b>(28,609,347)</b>	<b>(28,524,697)</b>	<b>(84,610)</b>	<b>56,706,285</b>
<b>Corporate Resources</b>														
<b>Business Improvement Projects</b>														
C3044	ICT Software and Licences	Rocco Labellarte	245,000	-	-	245,000	245,000	245,000	224,659	20,341	-	-	-	245,000
C3058	CRM Replacement	Rocco Labellarte	100,275	655	(50,000)	50,930	50,930	50,930	-	50,930	-	-	-	50,930
C3060	End-Point Devices (Desktops/Laptops)	Rocco Labellarte	153,485	24,022	(3,485)	174,022	174,022	174,022	1,400	172,622	-	-	-	174,022
C3066	Telephony Device Refresh	Rocco Labellarte	60,000	(16,987)	-	43,013	43,013	43,013	7,227	35,786	-	-	-	43,013
C3068	Windows 2008 Server Replacement	Rocco Labellarte	109,345	18,270	(19,345)	108,270	108,270	108,270	1,140	107,130	-	-	-	108,270
C3072	Council Website Replacement	Rocco Labellarte	-	87,108	-	87,108	87,108	87,108	-	87,108	-	-	-	87,108
C3081	Capitalised ICT Projects	Rocco Labellarte	386,600	-	-	386,600	386,600	386,600	19,698	366,902	-	-	-	386,600
<b>Business Improvement Projects Total</b>			<b>1,054,705</b>	<b>113,068</b>	<b>(73,830)</b>	<b>1,094,943</b>	<b>1,094,943</b>	<b>1,094,943</b>	<b>254,124</b>	<b>840,819</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,094,943</b>
<b>Financial Services Projects</b>														
M5033	OxWED Loans	Bill Lewis	-	-	600,000	600,000	600,000	600,000	-	600,000	-	-	-	600,000
B0144	Salary Costs across the Council to be capitalised	0	480,000	-	-	480,000	480,000	480,000	-	480,000	-	-	-	480,000
C3067	Paris Payment System, Replacement / PCI DSS	Tim Martin	-	98,304	-	98,304	143,564	98,304	143,564	(45,260)	45,260	-	45,260	143,564
C3078	Revs and Bens System Replacement	Shaun Butler	-	7,622	-	7,622	7,622	7,622	(994)	8,616	-	-	-	7,622
C3080	Telephony Contract Replacement	Rocco Labellarte	-	41,675	-	41,675	41,675	41,675	9,712	31,963	-	-	-	41,675
<b>Financial Services Projects Total</b>			<b>480,000</b>	<b>147,601</b>	<b>600,000</b>	<b>1,227,601</b>	<b>1,272,861</b>	<b>1,227,601</b>	<b>152,282</b>	<b>1,075,319</b>	<b>45,260</b>	<b>-</b>	<b>45,260</b>	<b>1,272,861</b>
<b>Law &amp; Governance</b>														
L1000	Audio & Visual Equipment	Alice Courtney	-	110,000	-	110,000	110,000	110,000	-	110,000	-	-	-	110,000
<b>Law &amp; Governance Projects Total</b>			<b>-</b>	<b>110,000</b>	<b>-</b>	<b>110,000</b>	<b>110,000</b>	<b>110,000</b>	<b>-</b>	<b>110,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>110,000</b>
<b>Corporate Resources Directorate Total</b>			<b>1,534,705</b>	<b>370,669</b>	<b>527,170</b>	<b>2,432,544</b>	<b>2,477,804</b>	<b>2,432,544</b>	<b>406,405</b>	<b>2,026,139</b>	<b>45,260</b>	<b>-</b>	<b>45,260</b>	<b>2,477,804</b>
<b>Chief Executive</b>														
<b>Environmental Sustainability Projects</b>														
E3558	Go Ultra Low Oxford - On Street	Vikki Robins	500,000	18,620	-	518,620	518,620	518,620	6,122	512,498	-	-	-	518,620
E3557	Oxford and Abingdon Flood Alleviation Scheme	Richard Waple	-	-	-	-	-	-	-	-	-	-	-	0
E3560	Go Ultra Low Oxford - Taxis	Sarah Hassenpflug	-	137,491	(10,491)	137,491	127,000	127,000	26,153	100,847	(10,491)	(10,491)	-	127,000
E3563	Clean Bus Technology Grants	Mai Jarvis	-	174,060	-	174,060	174,060	174,060	-	174,060	-	-	-	174,060
E3565	Decarbonisation Fund - OCC element	Onsmus Mazanzi	-	905,617	-	905,617	905,617	905,617	286,580	619,037	-	-	-	905,617
B0127	ZEZ Phase 1 Feasibility	Mai Jarvis	-	141,000	-	141,000	-	141,000	-	141,000	(141,000)	(141,000)	-	0
E3567	Town Hall Lighting Upgrade (SALIX)	Keith Reynolds	-	-	-	-	-	-	-	-	-	-	-	0
E3568	Leisure Centre LED Lighting Feasibility	Paul Spencer	-	-	33,000	-	33,000	33,000	-	33,000	33,000	33,000	-	33,000
<b>Environmental Sustainability Projects Total</b>			<b>500,000</b>	<b>1,376,788</b>	<b>22,509</b>	<b>1,876,788</b>	<b>1,758,297</b>	<b>1,899,297</b>	<b>318,855</b>	<b>1,580,442</b>	<b>(118,491)</b>	<b>(118,491)</b>	<b>-</b>	<b>1,758,297</b>
<b>Chief Executive Total</b>			<b>500,000</b>	<b>1,376,788</b>	<b>22,509</b>	<b>1,876,788</b>	<b>1,758,297</b>	<b>1,899,297</b>	<b>318,855</b>	<b>1,580,442</b>	<b>(118,491)</b>	<b>(118,491)</b>	<b>-</b>	<b>1,758,297</b>
<b>General Fund Total</b>			<b>98,523,554</b>	<b>22,567,893</b>	<b>(42,416,877)</b>	<b>105,157,033</b>	<b>77,797,517</b>	<b>78,674,570</b>	<b>14,345,945</b>	<b>64,328,625</b>	<b>(27,359,516)</b>	<b>(31,898,136)</b>	<b>338,610</b>	<b>77,797,517</b>
<b>Housing Revenue Account Capital Programme</b>														
<b>HRA - Property Services Schemes</b>														
N6384	Tower Blocks	Darowen Jones	-	883,642	-	883,642	883,642	883,642	45,463	838,180	-	-	-	883,642
N6385	Adaptations for disabled	Mark Smart	756,000	-	400,000	1,156,000	1,156,000	1,156,000	329,386	826,614	-	-	-	1,156,000





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## Appendix D

MeasureID	Short Name	Owner	22/23 tarj	September	Actual	Comments
BIC018	% of BAME staff	Helen Bishop	15.5	TBC	14.78	Currently, the percentage of the workforce from a black or minority ethnic group is 14.78 % so we are just below our end of year target. With new specialist roles in recruitment and diversity and inclusion, we can continue to improve and believe the target is achievable.
BIC022	Number of online forms completed and submitted as a proportion of total enquiries related to that service for top 10 services	Helen Bishop	Tracking	TBC		KPI under review.
BIC024	Reduction of call volume into Customer Contact Centre	Mark Chandler	5	5	1.2+	Year to date we have received 1225 more calls into the Contact Centre than last year. Whilst some services have reduced in call volume, Council Tax, Benefits and Rents have all increased substantially with us seeing 9522 more calls (Apr-Sep) across these services compared to the same period last year. This is mainly due to higher volumes of council tax reminder letters queries, energy rebate queries and higher volumes of chase calls as Financial Services have long backlogs to get to their requests.  The energy rebate scheme has now closed albeit we are now likely to get refund requests after £150 is applied to Council Tax bills. Council Tax reminders have returned to normal levels although we may be impacted if it's decided to re-introduce summons letters later in the year. A QL portal is due to be launched in November which will allow residents to book Repairs on-line which should reduce calls into the Contact Centre
BIC025	Reduction of number of face to face enquiries	Helen Bishop	10	10	12.9+	Compared to last September visits have reduced by 114 to 331. However, we are still tracking at 228 more than last year to date mainly due to higher-than-average visits due in the main to residents querying how to claim their £150 rebate, particularly if they didn't have access to on-line forms.  Visit volumes do seem to be reducing now but we are likely to be impacted by energy rebate refund requests in October after the £150 has been applied to Council Tax accounts.
CPC017	Oxford residents' satisfaction with City Council services	Mish Tullar	Tracking indicator	n/a		
CSC004a	Number of people supported into work placements, apprenticeships, training, or back into employment leading to high growth jobs in the city	Carolyn Ploszynski, Ian Brooke	90	TBC		
CSC004b	The percentage who are from deprived areas or ethnic minority backgrounds	Carolyn Ploszynski, Ian Brooke	Tracking	TBC		
CSC009	Satisfaction with parks and green spaces	Ian Brooke	91	91	92	
CSC012	Physically active adults	Ian Brooke	76	76	76	
ESC013	Reduction of greenhouse emissions linked to Oxford City Council's operations (where it pays the bill) consistent with achieving net zero carbon Council by 2030.	Mish Tullar	526 tonnes of CO2 equivalent	TBC	in progress	Public Sector Decarbonisation Scheme (PSDS) works projects approaching completion - seasonal commissioning of new installations at Ferry, Barton and Leys in process, Hinksey pending final commissioning dependent on completion of installation and connections of new substation to meet additional loads. On completion and full commissioning modelled CO2 reductions of over 950tCO2/year anticipated. A range of other carbon reduction projects in progress or development including LED lighting and controls upgrades in leisure centres, LED upgrades of public space lighting, developing the case for additional renewable energy installations on leisure centre buildings - Barton and Ferry - and possibly adjacent to Hinksey Pool.
ESC016	Total carbon emissions for the city	Mish Tullar	Tracking indicator	n/a	574.6 kt CO2	<ul style="list-style-type: none"> <li>The data we use to track this comes from BEIS on an annual basis and is two years in arrears. So not granular enough to give a quarterly update.</li> <li>Recent updates in BEIS data collection methodology make it difficult to compare greenhouse gas emissions prior to 2018.</li> <li>If we use data for carbon dioxide alone (as opposed to all greenhouse gasses) the comparison becomes more straightforward. This should be a reasonable proxy as the vast majority of Oxford's greenhouse gas emissions will be carbon dioxide rather than other greenhouse gasses.</li> <li>The most recent data, released in summer 2022, was for 2020. It shows that the city had reduced its carbon dioxide emissions by 48.2% by 2020 (compared to a 2005 baseline). This is well in excess of the 40% by 2020 target that was set. Oxford had already reached the 40% threshold in 2019.</li> <li>The Carbon budgets and targets for the city, as agreed by the Zero Carbon Oxford Partnership, set a target to reduce emissions by 44.3% by 2025, compared to a 2018 baseline.</li> <li>From 2018 to 2020, carbon dioxide emissions reduced by 15.97%. This included a more than 10% reduction from 2019 to 2020. This figure alone would indicate that Oxford is on track for the 2025 target as well as subsequent targets through to 2040. However, disruption caused by the coronavirus pandemic will no doubt have affected the data for 2020. We cannot yet tell to what extent the gains made in 2020 will be maintained in subsequent years. Also, decarbonisation will likely get harder as time goes on and fewer 'carbon reduction quick wins' remain.</li> <li>We do not yet have enough data (from 2018 onwards) to make any long term assumptions about future trends.</li> <li>Oxford's carbon reduction targets remain highly ambitious and will require sustained effort through to 2040 to achieve.</li> </ul> <p>Recent climate action in Oxford - following the declaration of a climate emergency by the City Council - is yet to be reflected in the available data. We cannot yet say what impacts carbon reduction activity since 2021 (ZCOP, LED, ESO, PSDS, etc.) will have made.</p>
FSC002	% of Council spend with local businesses including SMEs (excluding ODS and OCHL)	Nigel Kennedy	46	45	40.51%	An increase of 15% from August
FSC003	% of Council spend with local businesses (excluding ODS and OCHL)	Nigel Kennedy	45	45	44.92	The target for this should be 45% not 65%
FSC019a	Total income collection as % of plan (Council Tax)	Nigel Kennedy	96.5	56	55.47	Council Tax collection remains constant at around 0.5% under our profiled target, once the formal recovery process commences and the Housing team pay their outstanding bills we hope to close the gap.
FSC019b	Total income collection as % of plan (Business Rates)	Nigel Kennedy	95	53	52.65	NNDR remains under profiled target, we plan to retore formal court action to recover debt in November, this should move our collection back closer to the profile target
FSC020	Discretionary funding won by the Council	Anna Winship, Nigel Kennedy	Tracking indicator	n/a	0	no additional funding received that we have been notified of
FSC021	Efficiencies delivered against plan	Anna Winship, Nigel Kennedy	2904100	TBC	£1,265,000	on track
HPC005	Total number of affordable homes in Oxford completed in year	Nerys Parry	NA	TBC	87	The Council has a corporate target of completing 1,600 affordable homes , across all tenures, for the next four financial years (22/23 - 25/26). There is a service level target of 850 for the number of Social Rent homes completed of those 1,600. The programme is currently forecast to achieve the four-year targets. To date, 174 affordable homes have been completed in Oxford, of which 87 are social rented homes.
HSC023	Number of rough sleepers without an offer of accommodation	Nerys Parry	30	30	38	At the end of September, a total of 46 persons were estimated to be rough sleeping in the city. 38 did not have an offer of accommodation. The summer saw a sustained increase in the number of people rough sleeping for the first time on a weekly basis. This was driven by people new to rough sleeping. During this period, the number of persons sleeping rough for the first time was 2.5 times higher than earlier in the year. Demand from people new to rough sleeping was higher than capacity at the Somewhere Safe to Stay service at Floyds Row, resulting in more people rough sleeping who did not have an offer of accommodation. In the last month, rough sleeping numbers have stabilised with fewer people new to rough sleeping seen bedded down, but there has been an increase in the number of people already known to homelessness services returning to rough sleeping. The ongoing rollout of Housing First will provide new accommodation for this group.

PSC022	Provide a quarterly update on the five year housing delivery supply	Rachel Williams	567	142	3	<p>This KPI depends upon us managing quarterly monitoring however owing to the pressures on the team to get to the consultation for the OLP 2040 we have not done this hence why this number is so low. Also the challenge is managing the phased completions which is usual for a non flatter scheme which can result in peaks and troughs with completions.</p> <p>To establish whether quarterly monitoring is achievable or to review the KPI and adjust to 6 monthly.</p>
REC001	Jobs in the city created or saved by OCC	Carolyn Ploszynski	1000	n/a		
REC002	Number of Oxford Living Wage employers and employees	Carolyn Ploszynski	90	100	101	
RSC006	% of privately rented homes improved	Ian Wright	60	57	59%	Improved/compliant

**To:** Cabinet  
**Date:** 14 December 2022  
**Report of:** Head of Financial Services  
**Title of Report:** Treasury Management Mid-Year Review for April – September 2022

<b>Summary and recommendations</b>	
<b>Purpose of report:</b>	To report on the performance of the Treasury Management function for the 6 months to 30 September 2022
<b>Key decision:</b>	No
<b>Executive Board Member:</b>	Councillor Ed Turner, Deputy Leader (Statutory) - Finance and Asset Management
<b>Corporate Priority:</b>	All
<b>Policy Framework:</b>	Council Strategy 2020-24
<b>Recommendation:</b> That Cabinet resolves to:	
1. <b>Note</b> the performance of the Treasury Management function for the six months to 30 September 2022.	

<b>Appendices</b>	
Appendix 1	List of investments as at 30 September 2022
Appendix 2	Risk Register

## Introduction and Background

- This report has been written in accordance with the requirements of the Chartered Institute of Public Finance and Accountancy's (CIPFA) Code of Practice on Treasury and has been prepared in compliance with CIPFA's Code of Practice on Treasury Management, covering the following:
  - An economic overview for the first part of the 2022/23 financial year
  - A review of the Council's investment portfolio for 2022/23
  - A review of the Council's borrowing strategy for 2022/23
  - A statement of compliance with Treasury and Prudential Limits for 2022/23

2. The Council operates a balanced budget, which broadly means cash raised during the year will meet its cash expenditure. Part of the treasury management operations ensure this cash flow is adequately planned, with surplus monies being invested in suitable counterparties, providing adequate liquidity and security initially before considering optimising investment return.
3. The second main function of the treasury management service is the funding of the Council's capital plans. These capital plans provide a guide to the borrowing need of the Council, essentially the longer term cash flow planning to ensure the Council can meet its capital spending operations. This management of longer term cash may involve arranging long or short term loans, or using longer term cash flow surpluses, and on occasion any debt previously drawn may be restructured to meet Council risk or cost objectives.
4. The budgeted Treasury Management investment income for 2022/23 is £1.138 million. As at the 30th September 2022, forecast investment income for 2022/23 is £2.097 million. Overall Treasury Management investment income, is forecast to be beneficial at £0.959 million higher than budget. There are a number of factors giving rise to this overall position:
  - Rising Interest rates which are higher than anticipated in budget calculations
  - Lower than anticipated lending to companies resulting in more external investments;
  - The delays in in the capital programme have resulted in higher than anticipated cash for investment.
5. Budgeted income from loans to OCHL and Oxwed for the year is £3.253 million. As at the 30th September 2022, forecast income for 2022/23 is £2.999 million, an adverse variance of £0.253 million. This is more than offset by there being no external General Fund borrowing 2020/21 and none anticipated for the 2022/23 financial year leading to a favourable variance of £0.546 million compared to budget.

### **Economic Overview**

6. The second quarter of 2022/23 saw:
  - GDP revised upwards in Q1 2022/23 to +0.2% q/q from -0.1%, which means the UK economy has avoided recession for the time being;
  - Signs of economic activity losing momentum as production fell due to rising energy prices;
  - CPI inflation ease to 9.9% y/y in August, having been 9.0% in April, but domestic price pressures showing little sign of abating in the near-term;
  - The unemployment rate fall to a 48-year low of 3.6% due to a large shortfall in labour supply;
  - Bank Rate rise by 1% over the quarter, taking Bank Rate to 2.25% with further rises to come the Monetary Policy Committee (MPC) of the Bank of England raised the base rate by 0.75% to 3% on 3<sup>rd</sup> November 2022;
  - Gilt yields surge and sterling fall following the "fiscal event" of the new Prime Minister and Chancellor on 23<sup>rd</sup> September.

## Interest and Interest Rate Forecasts

7. The Council has appointed Link Group as its treasury advisors and part of their service is to assist the Council to formulate a view on interest rates. The Public Works Loan Board (PWLB) is a lending facility is operated by the UK Debt Management Office (DMO) on behalf of HM Treasury and provides loans to local authorities. The PWLB rate forecasts below are based on the Certainty Rate (the standard rate minus 20 bps) which has been accessible to most authorities since 1st November 2012.
8. The latest forecasts set out a view that both short and long-dated interest rates will be elevated for some little while, as the Bank of England seeks to squeeze inflation out of the economy, whilst the government is providing a package of fiscal loosening to try and protect households and businesses from the significant increases in wholesale gas and electricity prices.
9. The increase in PWLB rates reflects a broad sell-off in sovereign bonds internationally but more so the disaffection investors have with the position of the UK public finances after September's "fiscal event". To that end, the Monetary Policy Committee has increased short-term interest rates with a view to trying to slow the economy sufficiently to keep the secondary effects of inflation – as measured by wage rises under control.
10. Our PWLB rate forecasts below are based on the Certainty Rate (the standard rate minus 20 basis points, calculated as gilts plus 80 basis points) which has been accessible to most authorities since 1st November 2012.

Link Group Interest Rate View 27.09.22												
	Dec-22	Mar-23	Jun-23	Sep-23	Dec-23	Mar-24	Jun-24	Sep-24	Dec-24	Mar-25	Jun-25	Sep-25
<b>BANK RATE</b>	4.00	5.00	5.00	5.00	4.50	4.00	3.75	3.25	3.00	2.75	2.75	2.50
3 month ave earnings	4.50	5.00	5.00	5.00	4.50	4.00	3.80	3.30	3.00	2.80	2.80	2.50
6 month ave earnings	4.70	5.20	5.10	5.00	4.60	4.10	3.90	3.40	3.10	3.00	2.90	2.60
12 month ave earnings	5.30	5.30	5.20	5.00	4.70	4.20	4.00	3.50	3.20	3.10	3.00	2.70
5 yr PWLB	5.00	4.90	4.70	4.50	4.20	3.90	3.70	3.50	3.40	3.30	3.20	3.20
10 yr PWLB	4.90	4.70	4.60	4.30	4.10	3.80	3.60	3.50	3.40	3.30	3.20	3.20
25 yr PWLB	5.10	4.90	4.80	4.50	4.30	4.10	3.90	3.70	3.60	3.60	3.50	3.40
50 yr PWLB	4.80	4.60	4.50	4.20	4.00	3.80	3.60	3.40	3.30	3.30	3.20	3.10

Link Group Interest Rate View 08.11.22													
	Dec-22	Mar-23	Jun-23	Sep-23	Dec-23	Mar-24	Jun-24	Sep-24	Dec-24	Mar-25	Jun-25	Sep-25	Dec-25
<b>BANK RATE</b>	3.50	4.25	4.50	4.50	4.50	4.00	3.75	3.50	3.25	3.00	2.75	2.50	2.50
3 month ave earnings	3.60	4.30	4.50	4.50	4.50	4.00	3.80	3.30	3.00	3.00	2.80	2.50	2.50
6 month ave earnings	4.20	4.50	4.60	4.50	4.20	4.10	3.90	3.40	3.10	3.00	2.90	2.60	2.60
12 month ave earnings	4.70	4.70	4.70	4.50	4.30	4.20	4.00	3.50	3.20	3.10	3.00	2.70	2.70
5 yr PWLB	4.30	4.30	4.20	4.10	4.00	3.90	3.80	3.60	3.50	3.40	3.30	3.20	3.10
10 yr PWLB	4.50	4.50	4.40	4.30	4.20	4.00	3.90	3.70	3.60	3.50	3.40	3.30	3.20
25 yr PWLB	4.70	4.70	4.60	4.50	4.40	4.30	4.10	4.00	3.90	3.70	3.60	3.50	3.50
50 yr PWLB	4.30	4.40	4.30	4.20	4.10	4.00	3.80	3.70	3.60	3.40	3.30	3.20	3.20

## Investment Portfolio and Performance

11. The budgeted investment income for 2022/23 is £1.138 million. As at the 30th September 2022, forecast investment income for 2022/23 is £2.097 million.
12. Overall Treasury Management investment income, is forecast to be beneficial at £0.959 million higher than budget. External borrowing has been less than anticipated due to delays in the capital programme along with lower than anticipated lending to companies this has meant a higher than anticipated cash for investment which together with higher than anticipated interest rates has resulted in the positive interest forecast.

13. The beneficial impact to the City Council of higher interest rates indicated by this report will be also be reported in the regular monitoring reports to Cabinet. However, it is important to note that there are other, detrimental consequences of higher interest rates falling outside the scope of this report and time period, so the medium-term impact of rising interest rates is likely to be negative to the Council's financial position. These detrimental effects include increased external borrowing to finance the Council's capital programme, which also has a knock on impact on the Council's housing company, and also secondary impacts on other council services such as potential increased pressures on homelessness.
14. The Treasury Management Strategy for 2022/23 was approved by this Council in February 2022; to date the Strategy has been fully adhered to.
15. As part of its Strategy, the Council aims to maintain a diversified investment portfolio whilst ensuring there are no policy and procedure breaches. Security of investments is always the primary concern when arranging investments with liquidity and yield being secondary, but key considerations.
16. The Council operates an approved counterparty listing which details all institutions with whom the Council may invest, the maximum amount which may be invested with any single counterparty group at any given point and the maximum duration period. The counterparty list is set in association with recommendations from Link Asset Services although ultimate authorisation of approved counterparties rests with the Section 151 Officer. The list is actively managed and reviewed on a weekly basis or more regularly if required.
17. Monthly monitoring meetings are held with the Section 151 Officer, Financial Accounting Manager and Treasury staff to discuss investments in terms of counterparties and maturity dates, cash flow, interest and borrowing rates and Treasury operational and Strategic strategies.
18. The strategy also adopts an ethical approach to investments, summarising that:

*“The Council will not knowingly invest directly in businesses whose activities and practices pose a risk of serious harm to individuals or groups, or whose activities are inconsistent with the Council’s mission and values. This would include, inter alia, avoiding direct investment in institutions with material links to:*

  - *Human rights abuse (e.g. child labour, political oppression)*
  - *Environmentally harmful activities (e.g. pollutants, destruction of habitat, fossil fuels)*
  - *Socially harmful activities (e.g. tobacco, gambling)”*
19. The current approach to Environmental & Social governance (ESG) is to weigh up ESG criteria into account when choosing new investment providers as one of the matters that the council consider, however under the Treasury Management Code we have to prioritise Security, Liquidity and Yield factors. ESG criteria are used as an overlay to this.
20. The Council regularly reach out to our current investment providers to give us a breakdown of their ESG principles and provide any information they have on their ESG credentials and we regularly question investment partners on their policies when the council meet with them to discuss our investments and, where necessary, to apply what pressure the council can to improve their ESG position.



21. It should be noted that ESG information is not always available and not always consistent across counterparties.

### **Property Investment Funds**

22. At present, the Council has placed investments with two property funds; CCLA Investment Management, which is a property fund that limits its investors to Charities, Churches and Local Authorities and Lothbury Investment Management, a specialist UK property fund manager with a range of funds providing high quality exposure to different property sectors. Property values have recovered from the shock of the Covid Pandemic and are still giving us a good return on our investments. Both property funds have reduced their retail holdings which de-risks the capital value they hold.
23. Changes to the accounting rules on pooled investment funds means that the principal gain or loss will now be charged to the Surplus or Deficit on the Provision of Services, within the Council's Income and Expenditure Account, rather than being held on the balance sheet. However, following consultation by Ministry for Housing Communities and Local Government (MHCLG), the government has introduced a mandatory statutory override for local authorities to reverse out the effect for five years from 1st April 2018 after which surpluses as well as deficits will impact on the Councils revenue position. Whilst the council currently has significant 'surplus' in capital to cushion any adverse effect on the revenue account when the accounting overrides are removed, given the fluctuations in the property markets this impact will draw closer. The position continues to be closely monitored.

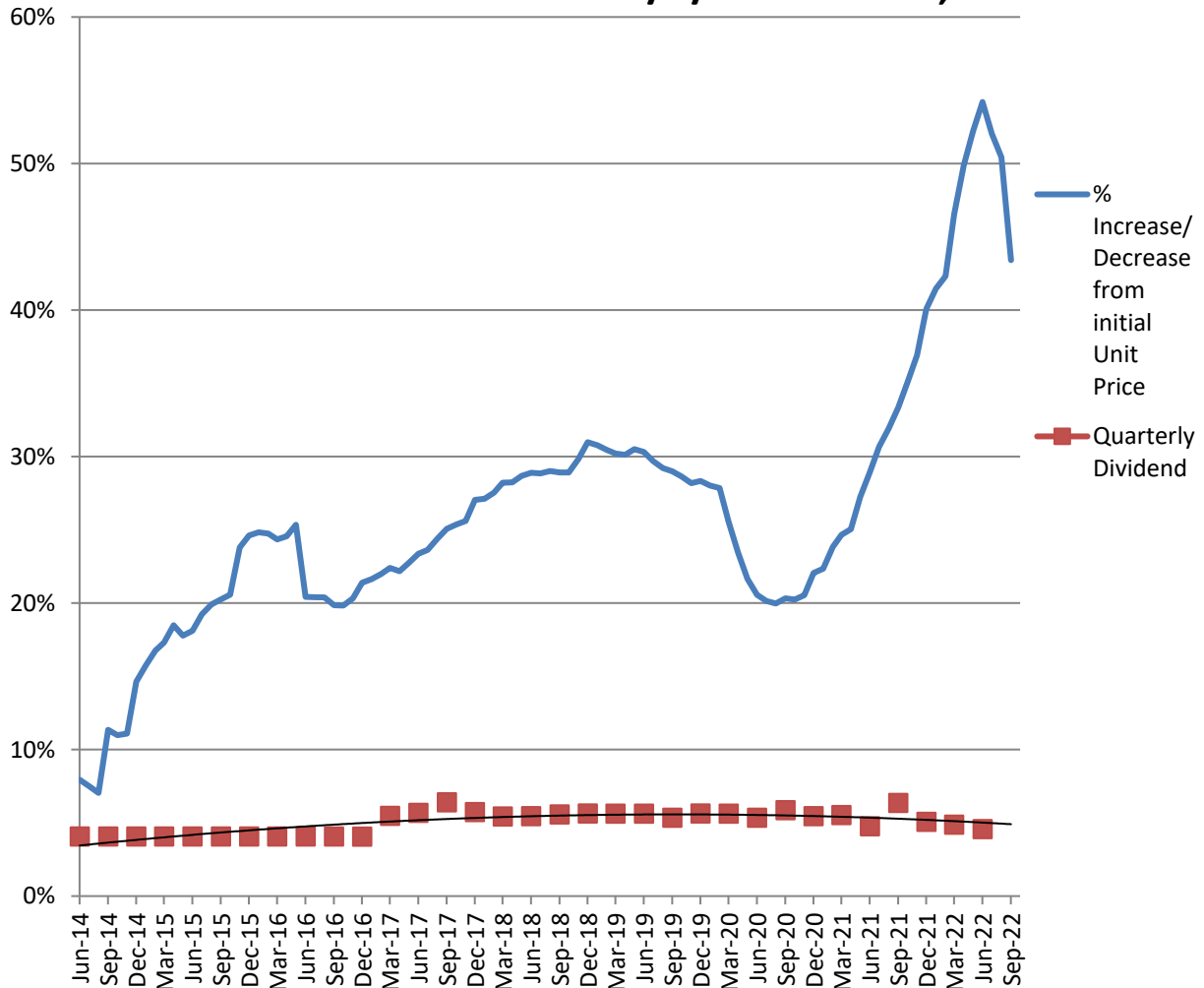
### **CCLA Investment Management Limited**

24. The Council has held a £3m investment in the CCLA fund since September 2013. The investment has produced quarterly returns ranging between 5% and 6% and it is expected that the Fund will continue to achieve rates in this region.
25. Additionally, the value of the Council's investment with CCLA has appreciated from £3m to £4.360m as at 30th September 2022, equating to growth of 43% to date from inception. However, the values of the individual unit prices have fluctuated over time and the effect of capital appreciation (and depreciation) is illustrated in the graph below. There has been pressure on the overall property value but the dividend is being maintained and prices are always going to fluctuate over time. This is seen as a long term investment.

**CCLA Property Fund**  
**(£3m investment as at 30/09/2013)**

**No of Units held: 1,273,613**

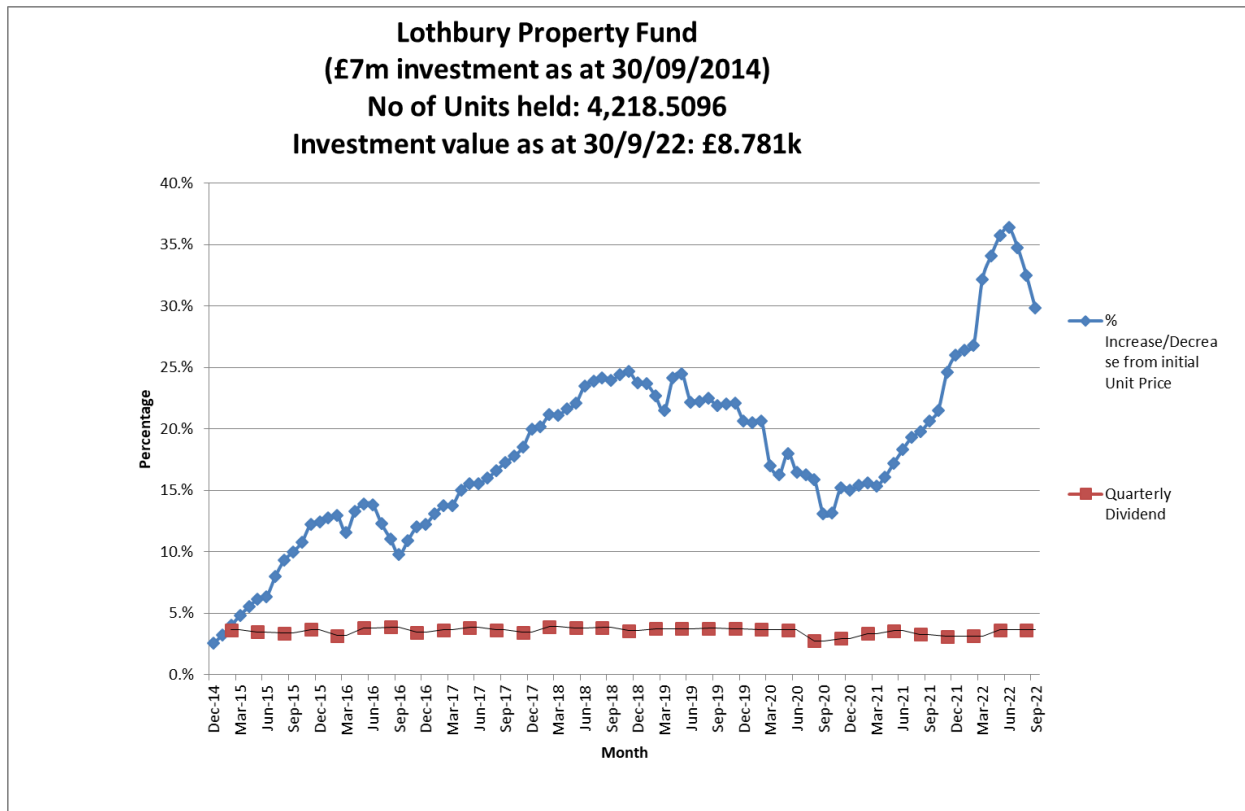
**Investment value as at 30/9/22: £4.360k,**



26. The investment returns around £40k per quarter.

**Lothbury Investment Management**

27. During 2014/15, the Council invested £7m in the Lothbury Property fund and the Fund has produced quarterly returns in the range of 3-4%. Furthermore, the Fund has seen a capital appreciation over the period with the value currently standing at £8.781m, compared with £7m at inception, equating to overall growth of 29.82% to date. However, as with CCLA, the values of the individual unit prices have fluctuated over time and the effect of capital appreciation (and depreciation) is illustrated in the graph below.



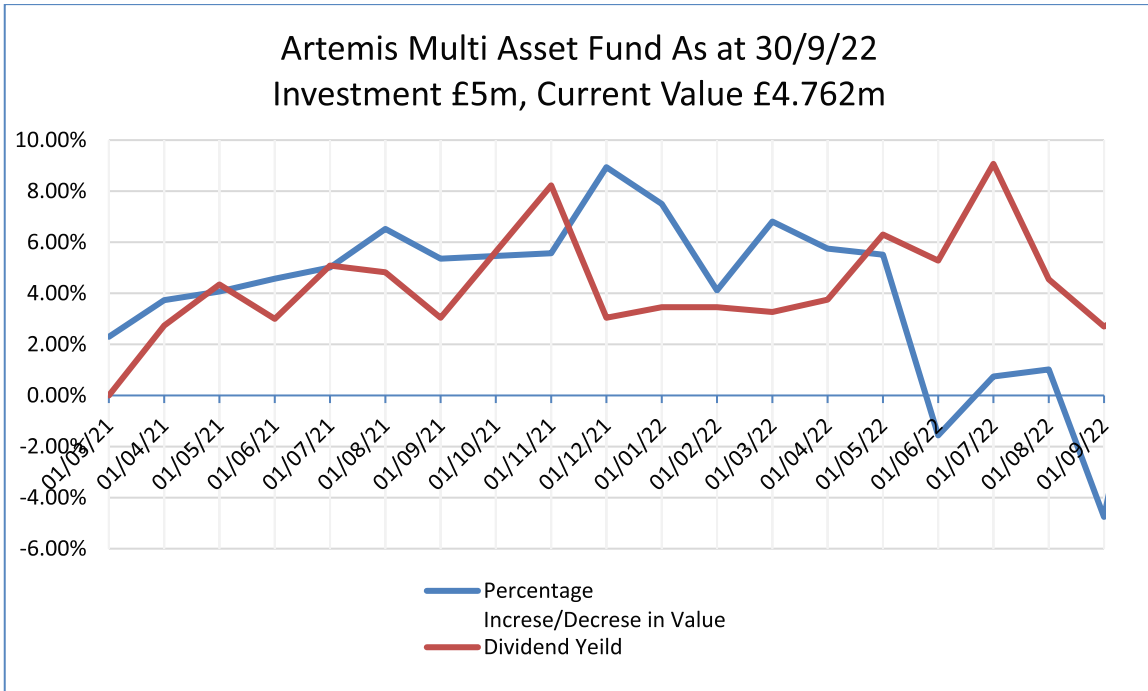
28. The investment returns around £60k per quarter.

### Multi-Asset Funds

29. The council has invested in two multi asset funds as set out in the treasury strategy, Multi-asset funds are able to invest across the investment landscape and may include equities, bonds and cash. This provides a greater degree of diversification than investing in a single asset class. The same accounting rules apply to multi-asset funds as apply to property funds.

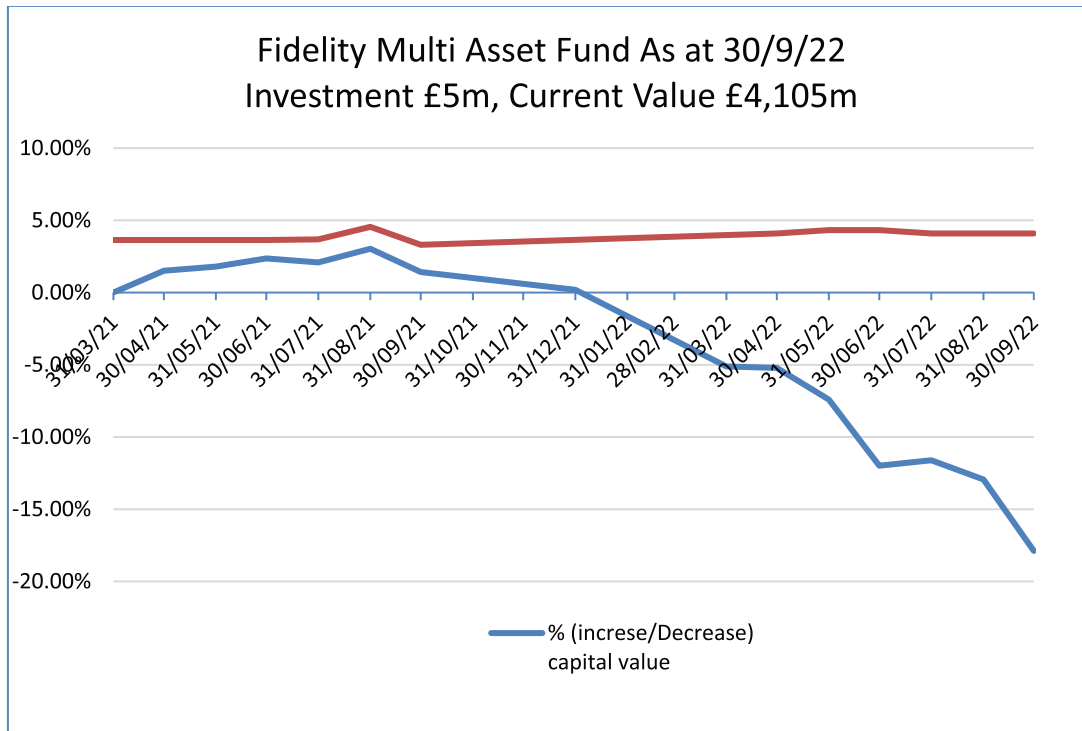
### Artemis Multi Asset Fund

- 30. £5m is invested into the Artemis multi asset fund. Since inception the capital value has fallen to £4,762m equating in a fall of (4.76)% with an average monthly dividend payment of £18.9k giving an average percentage return of 4.55%
- 31. Reasons behind the stock market falls are well-documented, inflation, rising interest rates, an energy crisis made worse by Russia's war in Ukraine.
- 32. Capital values should improve when interest rates start to fall.



### Fidelity Multi Asset Fund

- 33. In accordance with the 2020/21 budget, in line with the treasury strategy, £5m was invested into the Fidelity multi asset fund. Since inception the capital value has fallen to £4,105m equating in a fall of (17.89) % with an average monthly dividend payment of £16.3k giving an average percentage return of 3.92%.
- 34. The reasons behind the stock market falls are well-documented: inflation, rising interest rates, an energy crisis made worse by Russia’s war in Ukraine.
- 35. Capital values should improve when interest rates start to fall.



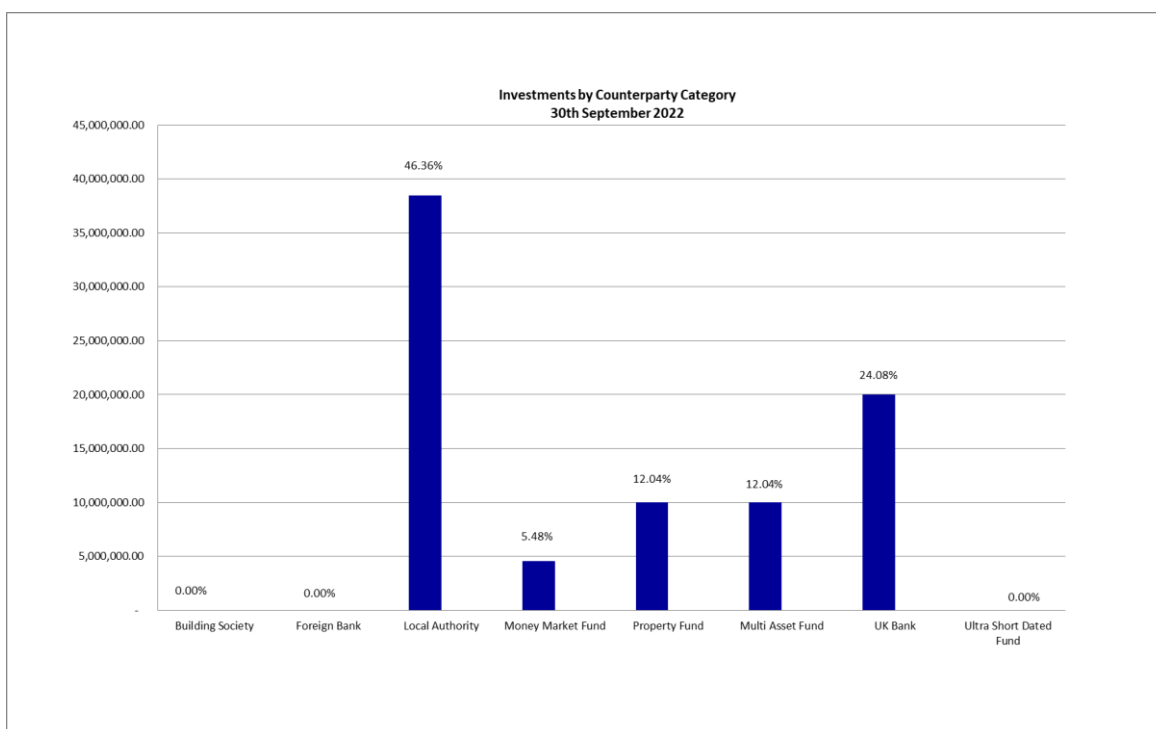
## Funds Overall position

36. Although the capital value of the multi asset funds and the property funds has seen a downturn over the past six months, over the lifetime of the investments the capital value remains £3.798m above the initial investment and all the funds continue to provide dividend receipts to enhance our investment returns. These investments are seen as long term investments and the capital values should remain stable over time. Past performance of both funds over the past 10 years suggests that over time capital values will recover from the recent downturn.

## Investment Portfolio

37. As at 30th September 2022, the Council's total investment portfolio amounted to £83m, with £10m of this being held in property funds, £10m in Multi asset funds and £4.55m being held in instant access cash facilities, in order to manage day to day cash flow requirements, with the balance being held in banks and loaned to local authorities.

38. The graphs below illustrate how the Council's investment portfolio is distributed, both in terms of the type of investment and counterparty category:

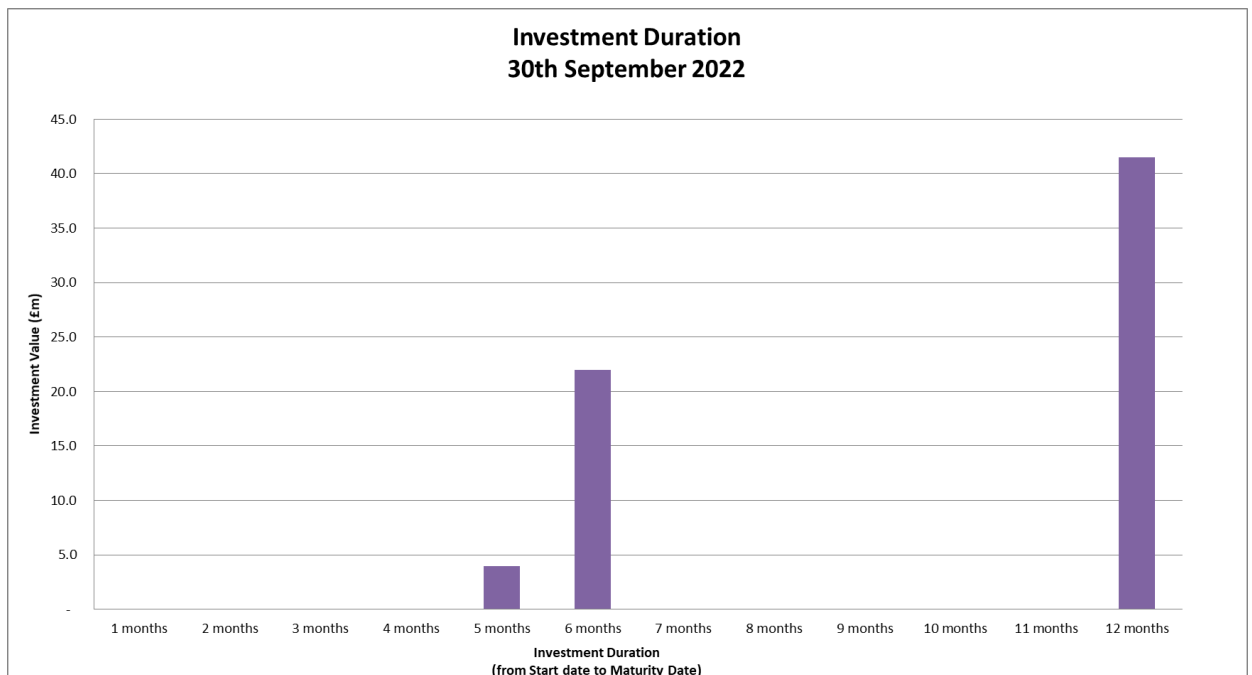


39. Fixed deposits and certificates of deposits both have an agreed start and end date which are arranged where possible, to suit the cash flow requirements. However, as mentioned previously, it is also important to keep a proportion in instant access funds.

40. The Council's Treasury Management Strategy limits non-specified investments to 25% (or £25m whichever is greater) of the previous year's average investment portfolio. This limit is reviewed each year when setting the Strategy in order to ensure a balanced and diversified portfolio of investments. Property funds and investments in excess of 364 days are classified as non-specified due to the

associated risk; property funds by nature are high risk due to the volatility of the market. There are several factors that deem longer term investments to be more risky in nature including the risk of interest rate rises and the commitment of cash for longer periods.

41. In addition to the above the Council has £5 million invested in the National Homelessness Property Fund (Real Lettings) Resonance developed the Real Lettings Property Fund with leading homelessness charity St Mungo's. It is the largest impact investment fund in the UK and closed at nearly £57m. The Fund was developed in response to the lack of private rented accommodation accessible to rising numbers of people living in temporary accommodation or otherwise at risk of homelessness in London. This is classified as a service investment undertaken using service delivery powers rather than treasury powers under Section 12 of the Local Government Act 2003. This means the counterparty limit for the £5m loaned to the National Homelessness Property Fund is not taken into account when assessing the residual headroom available for investment in non-specified investments.
42. The Strategy defines a specified investment as one that is in sterling, less than one year in duration or, if it is a year or more, can be repaid earlier on request and with counterparties that meet the Council's credit rating criteria. Additionally, once the duration of a non-specified investment falls below 365 days, it also falls into the Specified category. The maturity profile for the Council's specified investments (equating to £58.5m when excluding the instant access cash) is illustrated below.
43. The graph below illustrates the same investments by duration period in order to demonstrate duration periods. It is not surprising that the majority of investments have a duration period of six months as this is the limit for most of the banks and building societies with whom the Council may invest. When the opportunity arises, longer investments are arranged to allow for a greater yield.



## Borrowing

44. The Council has not taken on any additional debt during the year to date and so the balance of its external borrowing remains at approximately £198.5 million. This

figure relates to funds borrowed from the PWLB to buy out the Housing Revenue Account (HRA) from the subsidy system and relates wholly to Housing with interest repayment being met by the HRA. The Council does not consider that debt restructuring and/or premature repayment would be practical at this time as due to the differential in interest rates, the Council would incur a large premium from the PWLB for doing so. The Council continues to monitor borrowing interest rates and forecasts on a regular basis and will continue to review its position on debt restructuring.

45. The Council anticipates borrowing in the future to meet its capital expenditure requirements, including loans to the Housing Company, but does not anticipate any external borrowing during 2022/23.

### **Treasury and Prudential Limits for 2022/23**

46. The Council has operated all of its Treasury Management activity within the parameters set by the Treasury and Prudential indicators in the Treasury Management Strategy for 2022/23.

### **Other Key Updates**

#### **Changes in Risk Appetite**

47. The 2018 CIPFA Codes and guidance notes have placed enhanced importance on risk management. Where an authority changes its risk appetite e.g. for moving surplus cash into or out of certain types of investment funds or other types of investment instruments, this change in risk appetite and policy should be brought to members' attention in treasury management update reports. The Council has not made any significant changes to its investment approach at this time. The risk will continue to be managed by understanding the individual investment vehicles and also by considering the appropriate percentage of non-specified investments that can be held in the overall portfolio.

#### **Treasury Advisor**

48. Treasury advice and market information is provided by Link Asset Services. Information provided by Link Asset Services is used to advise Council Officers when making investment decisions.

#### **Financial Implications**

49. Any financial implications are contained within the body of this report.

#### **Legal Issues**

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

#### **Level of Risk**

51. There are no risks in connection with the report's recommendations. Risk assessment and management is a key part of Treasury Management activity especially in the selection of counterparties when considering investment opportunities. The Council uses external advisors and counterparty credit ratings issued by the rating agencies to assist in this process.

#### **Equalities Impact**

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

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**Background Papers:** None



Appendix 1

OXFORD CITY COUNCIL LOANS LIST 2022/23									
OCC Investments as at:		30/09/2022	83,050,000.00						
Counterparty Group	Group Operational Lending Limit	Counterparty Name	Investment Amount	Interest Rate	Trade Date	Start Date	Maturity Date	Remaining Limit	Broker
<b>SPECIFIED INVESTMENTS</b>									
<b>Barclays Bank (NRFB)</b> Fixed Deposits Call Account <b>6 months maturity limit</b> PJ checked 21/01/2020	10,000,000.00	Barclays Bank BPA (call account)	-	0.05%	12/11/2019				
		Barclays Green Deposits: 65-day Notice Account	-	0.35%	20/02/2019		07/05/2021		Direct
		Barclays Green Deposits: 95-day Notice Account	-	0.35%	03/05/2019			10,000,000.00	Direct
<b>Lloyds Banking Group (RFB)</b> Lloyds Bank Bank of Scotland <b>£15m operational limit agreed by JY 02/08/16</b> <b>364-day maturity limit</b> PJ checked 21/01/2020	15,000,000.00	175-day notice account	-						
<b>Royal Bank of Scotland Group (RFB)</b> RBS NatWest <b>364-day maturity limit</b> PJ checked 21/01/2020	10,000,000.00								
<b>Close Brothers</b> <b>£7m operational limit agreed by NK 25/11/15</b> <b>6 month maturity limit</b> PJ checked 24/03/2021	7,000,000.00		-						
<b>Goldman Sachs International</b> <b>£15m operational limit agreed by NK 21/04/2021</b> <b>6 month maturity limit</b> PJ checked 14/04/2021	15,000,000.00		5,000,000.00	2.545%	15/02/2022	16/08/2022	16/02/2023		ICAP
			4,000,000.00	1.457%	14/04/2022	14/04/2022	14/10/2022		TRADITION
			6,000,000.00	1.530%	24/04/2022	25/04/2022	25/10/2022		ICAP
<b>HSBC Bank plc</b> <b>12 month maturity limit</b> PJ checked 21/01/2020	10,000,000.00								
<b>Santander UK plc</b> <b>£7m operational limit agreed by NK 25/11/15</b> <b>6 month maturity limit</b> PJ checked 21/01/2020	7,000,000.00	Santander Instant Access Call Account	-	0.80%					
		Corporate Notice Account Statement (35 days)	-	0.80%					
		Corporate Notice Account Statement (95 days)	-	1.20%					
		Corporate Notice Account Statement (180 days)	-	1.05%					
<b>SMBC</b> <b>£7m operational limit agreed by NK 25/11/15</b> <b>6 month maturity limit</b> PJ checked 21/01/2020	7,000,000.00	Sumitomo Mitsui Banking Corporation	-						
<b>Standard Chartered</b> <b>£7m operational limit agreed by NK 25/11/15</b> <b>6 month maturity limit</b> PJ checked 21/01/2020	7,000,000.00	Loan 1342	7,000,000.00	2.43%	05/08/2022	08/08/2022	08/02/2023		
<b>Svenska Handelsbanken</b> <b>£7m operational limit agreed by NK 09/06/17</b> <b>12 month maturity limit</b> PJ checked 21/01/2020	7,000,000.00	Instant Access Call Account	-	0.65%					
		35-day Notice Account							
<b>Coventry Building Society</b> <b>£7m operational limit agreed by NK 25/11/15</b> <b>6 month maturity limit</b> PJ checked 21/01/2020	7,000,000.00								
<b>Leeds Building Society</b> <b>£7m operational limit agreed by NK 25/11/15</b> <b>100 days maturity limit</b> PJ checked 21/01/2020	7,000,000.00								
<b>Nationwide Building Society</b> <b>6 month maturity limit</b> PJ checked 21/01/2020	10,000,000.00								
<b>Skipton Building Society</b> <b>100 days maturity limit</b> PJ checked 21/01/2020	3,000,000.00								
<b>Yorkshire Building Society</b> <b>£7m operational limit agreed by NK 25/11/15</b> <b>100 days maturity limit</b> PJ checked 21/01/2020	7,000,000.00								
<b>Treasury Bills</b>	7,000,000.00								
<b>Local Authorities</b> <b>£18,977m limit per authority</b> <b>as per 2015/16 Strategy</b>	18,977,000.00	1332 Thurrock Council	10,000,000.00	0.20%	15/10/2021	15/11/2021	14/11/2022	8,977,000.00	R P Martin
		1329 Slough Borough Council	5,500,000.00	0.15%	29/09/2021	29/10/2021	28/10/2022	10,477,000.00	R P Martin
		1330 Slough Borough Coouncil	3,000,000.00	0.20%	06/10/2021	05/11/2021	04/11/2022	10,477,000.00	R P Martin
		1341 - MiD Suffolk District Council	8,000,000.00	2.10%	19/07/2022	01/08/2022	31/07/2023	10,977,000.00	TRADITION
		1340 - Babergh District Council	10,000,000.00	2.10%	19/07/2022	04/08/2022	03/08/2023	8,977,000.00	TRADITION
<b>Money Market Funds</b> <b>Limited set to match Treasury Strategy 23/3/20</b> <b>£25m operational limit per MMF agreed by NK 23/03/20</b>	75,000,000.00	Legal and General Investment Management	-						
		Federated Investors	4,550,000.00		30/09/2022				
		Aberdeen Standard	-						
<b>Cash Plus Funds</b> <b>£15m operational limit of Fund agreed by JY 02/08/16</b>	15,000,000.00	Royal London Cash Plus	-						
									70,450,000.00
<b>NON-SPECIFIED INVESTMENTS (Discuss with BL before arranging non-specified investments)</b>									
<b>Property Funds</b>	25,000,000.00	CCLA	3,000,000.00		30/04/2013	30/04/2013			
		Lothbury	3,500,000.00		06/08/2014	06/08/2014			
			3,500,000.00		04/09/2014	04/09/2014			
<b>Unrated Building Societies (100 days maturity limit)</b> <b>Local Authorities (2 years maturity limit)</b>									
<b>Multi Asset Fund</b>		Artemis	5,000,000.00		09/02/2021				
		Fidelity	5,000,000.00						
<b>Total Investments as at 30 September 2022</b>									<b>83,050,000.00</b>

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Appendix 2- Risk Register

Treasury Management

As at: 30 September 2022

Ref	Title	Risk description	Risk			Date Raised	Owner	Gross		Current		Target		Comments	Controls				
			Opp/ threat	Cause	Consequence			I	P	I	P	I	P		Control description	Due date	Status	Progress	Action Owner
Treasury Management																			
1	Loss of capital investment due to a counterparty collapsing	The Council loses its principal investment or an investment becomes impaired.	T	Counterparty collapses or hits a financial crisis rendering it unable to repay investments.	The Council may lose money or repayment of funds could be significantly delayed which could have an adverse impact on operational funding levels	05/08/16	Bill Lewis	5	3	5	3	5	3	Reducing risk by limiting the use of high risk counterparties. Imposing a maximum investment value on approved counterparties in order to spread and reduce risk. Controls and procedures are in place to ensure investment and durations limits with approved counterparties are not exceeded. Counterparties are also monitored and reviewed on a weekly basis at least, or more regularly if considered necessary to do so.	Ongoing	Ongoing	100%	Bill Lewis	
2	Pooled fund investments lose value	The value of the Council's units held in pooled fund investments decreases.	T	Uncertainty in the commercial property market and investment markets following Brexit, Covid and slowdown in general economic activity.	Capital depreciation will decrease the overall value of the investment.	05/08/16	Bill Lewis	4	3	3	3	3	2	The Council receives monthly valuations from the fund managers detailing the indicative redemption value of the individual units. These are reported to the Head of Finance on a monthly basis. The Council has the option to sell its units if there is a concern that the fund value is likely to decrease for a prolonged period.	Ongoing	Ongoing	100%	Bill Lewis	
3	Decline in interest rates	Interest rates continue to fall with very little prospect of upward movement in the next 12 months.	T	Economic growth forecasts remain subdued leading to low interest rates. Consequently lower risk counterparties tend to offer low investment rates.	The Council may not achieve its target level of interest.	05/08/16	Bill Lewis	2	3	2	3	2	3	In the current economic climate where rates tend to be static, arranging investments over a longer period of time where possible will allow the Council to capitalise on a higher rate of return without there being an opportunity cost. The Council continually monitors base rate and rates being achieved against budget to ensure it has secured the best value possible in a difficult economic climate.	Ongoing	Ongoing	100%	Bill Lewis	
4	Fraudulent activity	Potential fraud by staff	T	Fraudulent activity	Loss of money for the Council Disciplinary action for the staff involved	05/08/16	Bill Lewis	3	3	2	1	2	1	Segregation of staff duties, reviewing and monitoring of internal controls to ensure the correct protocol is being followed. Ensuring all insurance policies and the fidelity guarantee are fully up to date.	Ongoing	Ongoing	100%	Bill Lewis	
5	Money laundering	Money laundering by external parties	T	External parties pay a transaction by cash and subsequently request a refund	Fine and/or imprisonment	05/08/16	Bill Lewis	4	2	4	1	4	1	Ensuring the money laundering policy is reviewed and up to date. Checking refunds back to source. Raising awareness of this issue amongst staff and reviewing the financial regulations.	Ongoing	Ongoing	100%	Bill Lewis	
6	Network failure/Barclays.net being inaccessible	The Council is unable to carry out its daily treasury functions due to a network failure	T	Barclays.net is unavailable or the Council's network has failed	Daily Treasury functions will not be carried out	05/08/16	Bill Lewis	2	3	1	2	1	2	Invoke the business continuity plan to minimise the effects of a network issue.	Ongoing	Ongoing	100%	Bill Lewis	
7	Revenue Budgets	Revenue budgets are unable to meet borrowing costs of capital schemes	T	Revenue budgets come under pressure from restricted government funding or non delivery of programmed savings	The Council may not be able to execute some desired projects.	05/08/16	Bill Lewis	3	3	2	2	2	2	Revenue budgets monitored on monthly basis and future year forecasts undertaken. Reserve some capital receipts to cover borrowing costs in the short term. Monthly financial reports and forecasts.	Ongoing	Ongoing	100%	Bill Lewis	
8	Lack of suitable counterparties	The Council does not have enough "space" with approved counterparties to place investments/deposit surplus cash balances.	T	Rising cash balances and a restricted counterparty list	Use of counterparties not paying best value rates.	05/08/16	Bill Lewis	3	4	3	3	3	3	The Council continually monitors its approved counterparty listing in conjunction with cash balances. Any potential new investment opportunities are discussed at Treasury Management performance meetings. The Council utilises money market and enhanced cash funds to deposit surplus cash balances in the event of no space with other counterparties and also to ensure there is always cash instantly available in order to meet payment obligations when they fall due. However, there are also limits on the amounts deposited to such funds. The Council has a facility to deposit cash with the Debt Management Office should all other investment options be exhausted.	Ongoing	Ongoing	100%	Bill Lewis	

Current Risk Score

This is the risk score at the time that the risk is reviewed. When the risk is first identified it will be the same as the gross risk score. The current risk score is tracked to ensure that progress is being made to manage the risk and reduce the Council's exposure.

Residual Risk Score

This is the risk score after mitigating actions have taken place. The residual risk score shows how effective your action plans are at managing the risk.

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