

# Agenda

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

This meeting will be held on:

Date: **Wednesday 6 December 2023**

Time: **6.00 pm**

Place: **Zoom - Remote meeting**

**For further information** please contact:

Alice Courtney, Scrutiny Officer

📞 01865 529834

✉ DemocraticServices@oxford.gov.uk

**Members of the public can attend to observe this meeting and.**

- may register in advance to speak to the committee in accordance with the [committee's rules](#)
- may record all or part of the meeting in accordance with the Council's [protocol](#)

Information about speaking and recording is set out in the agenda and on the [website](#)

Please contact the Committee Services Officer to register to speak; to discuss recording the meeting; or with any other queries.

*View or subscribe to updates for agendas, reports and minutes at  
[mycouncil.oxford.gov.uk](http://mycouncil.oxford.gov.uk).*

*All public papers are available from the calendar link to this meeting once published*

## **Committee Membership**

Membership will be confirmed at the Scrutiny Committee meeting on 04 December 2023.

Apologies received before the publication are shown under *Apologies for absence* in the agenda. Those sent after publication will be reported at the meeting.

# Agenda

	<b>Pages</b>
<b>1 Apologies</b>	
<b>2 Declarations of Interest</b>	
<b>3 Chair's Announcements</b>	
<b>4 Notes of the previous meeting</b>	9 - 12
<p>The Panel is asked to <b>agree</b> the notes of the meeting held on 06 September 2023 as a true and accurate record.</p>	
<b>5 Finance and Performance Panel Work Plan</b>	13 - 16
<p>The Panel is asked to consider the Work Plan and agree any amendments.</p>	
<b>6 Integrated Performance Report Q2 2023/24</b>	17 - 38
<p>Cabinet, at its meeting on 13 December 2023, will consider a report from the Head of Financial Services on the Integrated Performance Report for Q2 2023/24. Anna Winship, Management Accountancy Manager has been invited to present the report and answer questions. The Panel is asked to consider the report and agree any recommendations.</p>	
<b>7 Treasury Management Mid-Year Report</b>	39 - 60
<p><i>Appendix 3/3A to this item includes exempt information pursuant to Paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972. If the Panel wishes to discuss matters relating to the information set out in Appendix 3/3A to the report, it will be necessary for the Panel to pass a resolution to exclude the press and public from the meeting.</i></p> <p>Cabinet, at its meeting on 13 December 2023, will consider a report from the Head of Financial Services on the Treasury Management Mid-Year Review. Bill Lewis, Financial Accounting Manager and Paul Jeffery, Treasury Manager have been invited to present the report and answer questions. The Panel is asked to consider the report and agree any recommendations.</p>	

## 8 Budget 2024/25

*Report to follow on 05 December 2023.*

Cabinet, at its meeting on 13 December 2023, will consider a report on the Medium Term Financial Strategy 2025/26 - 2027/28 and 2024/25 Budget for consultation.

The Scrutiny Committee has established a Budget Review Group to Scrutinise the 2024/25 Budget. The Panel is asked to note the Budget and agree a list of written questions to Heads of Service which will form part of the discussion for the Budget Review Group meetings.

Nigel Kennedy, Head of Financial Services has been invited to attend for this item.

## 9 Background and Implications of Local Authority Section 114 Notices

*Report to follow.*

Following a request by the Panel at its meeting on 06 September 2023, the Head of Financial Services has prepared a report to update the Panel on the background and implications of the series of local authority Section 114 notices which have been issued recently and how Oxford compares to those local authorities and others across the country.

The Panel is asked to note and comment on the contents of the report; and agree any recommendations.

## 10 Acquisition vs Leasing of Properties and the HRA

61 - 66

Following a request by the Panel at its meeting on 06 September 2023, the Finance Business Partner (HRA) has submitted a report to brief the Panel on acquisition vs leasing of properties and the HRA. The Panel is asked to note and comment on the contents of the report.

## 11 Scrutiny Performance Monitoring

67 - 86

The Panel agreed to have Scrutiny Performance Monitoring as a standing item on its agendas for 2023/24.

The Panel is asked to:

1. **Note and comment on** the performance report for KPIs selected by the Finance and Performance Panel in the 2023/24 municipal year as at September 2023.
2. **Agree** any written questions to submit for response after the meeting; **and/or agree** to invite relevant officers to a future

meeting.

3. **Note** the written responses to questions submitted after the previous Panel meeting on 06 September 2023.

## **12 Dates of future meetings**

The Panel is asked to note the dates and times of future meetings of the Finance and Performance Panel:

- 22 January 2024, 6pm
- 26 March 2024, 6pm

*Meetings will take place remotely via Zoom.*

## **13 Matters exempt or part exempt from publication and exclusion of the public**

If the Panel wishes to exclude the press and the public from the meeting during consideration of any aspects of the preceding or following agenda items it will be necessary for the Panel to pass a resolution in accordance with the provisions of Section 100A(4) of the Local Government Act 1972 specifying the grounds on which their presence could involve the likely disclosure of exempt information as described in specific paragraphs of Part 1 of Schedule 12A of the Act if and so long, as in all the circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information.

(The Access to Information Procedure Rules – Section 15 of the Council’s Constitution – sets out the conditions under which the public can be excluded from meetings of the Council).

### **13a Exempt Treasury Management Matters [discussion item]**

## **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.

The Council asks those recording the meeting:

- 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.

#### **Members Code – Other Registrable Interests**

Where a matter arises at a meeting which directly relates to the financial interest or wellbeing\*\* of one of your Other Registerable Interests\*\*\* then you must declare an

interest. You must not participate in discussion or voting on the item and you must withdraw from the meeting whilst the matter is discussed.

### **Members Code – Non Registrable Interests**

Where a matter arises at a meeting which **directly relates** to your financial interest or wellbeing (and does not fall under disclosable pecuniary interests), or the financial interest or wellbeing of a relative or close associate, you must declare the interest.

Where a matter arises at a meeting which affects your own financial interest or wellbeing, a financial interest or wellbeing of a relative or close associate or a financial interest or wellbeing of a body included under Other Registrable Interests, then you must declare the interest.

You must not take part in any discussion or vote on the matter and must not remain in the room, if you answer in the affirmative to this test:

“Where a matter affects the financial interest or well-being:

- a. to a greater extent than it affects the financial interests of the majority of inhabitants of the ward affected by the decision and;
- b. a reasonable member of the public knowing all the facts would believe that it would affect your view of the wider public interest You may speak on the matter only if members of the public are also allowed to speak at the meeting.”

Otherwise, you may stay in the room, take part in the discussion and vote.

\*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.

\*\* Wellbeing can be described as a condition of contentedness, healthiness and happiness; anything that could be said to affect a person’s quality of life, either positively or negatively, is likely to affect their wellbeing.

\*\*\* Other Registrable Interests: a) any unpaid directorships b) any Body of which you are a member or are in a position of general control or management and to which you are nominated or appointed by your authority c) any Body (i) exercising functions of a public nature (ii) directed to charitable purposes or (iii) one of whose principal purposes includes the influence of public opinion or policy (including any political party or trade union) of which you are a member or in a position of general control or management.

This page is intentionally left blank



## **Minutes of a meeting of the Finance and Performance Panel (Panel of the Scrutiny Committee) on Wednesday 6 September 2023**



### **Committee members present:**

Councillor Fry (Chair)

Councillor Jarvis

Councillor Smowton

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

Bill Lewis, Financial Accounting Manager

Anna Winship, Management Accountancy Manager

Alice Courtney, Scrutiny Officer

### **Also present:**

Councillor Ed Turner, Deputy Leader (Statutory) and Cabinet Member for Finance and Asset Management

### **Apologies:**

No apologies were received

## **11. Declarations of Interest**

None.

## **12. Chair's Announcements**

The Chair informed the Panel that a series of written questions relating to the items on the agenda had been produced prior to the meeting, which had been circulated to Panel Members and officers earlier in the day. The intention was that they would be submitted to officers for written responses after the meeting, together with any additional questions asked at the meeting which required a written response, and answers would be published as a supplement to the notes of the meeting.

## **13. Notes of the previous meeting**

The Panel agreed the notes of the meeting held on 26 January 2023 as a true and accurate record.

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

The Panel considered the Work Plan.

The Scrutiny Officer advised that the Work Plan was similar to that of previous years. The Panel was informed that, following discussion with the Chair of the Scrutiny Committee and the Chair of the Finance and Performance Panel, it was intended that the Integrated Performance Report for Q4 2022/23 would be considered by the Panel at its next meeting in December after it had been considered by Cabinet in November. This was unusual, but the consensus was that it would not be a decision report, could usefully feed into Budget discussions and would free-up space on the already busy November Scrutiny Committee agenda. The Scrutiny Officer added that, due to the timing of the report and the next Panel meeting not being aligned, the Council Tax Reduction Scheme 2024/25 Cabinet report would be considered by the Scrutiny Committee in November.

The Panel noted that discussion on the Scrutiny Performance Monitoring standing item for the Work Plan would be considered later in the meeting; and requested that the Scrutiny Officer engage with officers to explore the possibility of adding a 'Social Value/Impact in Procurement' report to the Work Plan, as the last update was provided to the Panel on 02 August 2021.

The Panel agreed the Work Plan as set out in the agenda pack.

## **15. Integrated Performance Report for Q1 2023/24**

Cllr Ed Turner, Deputy Leader (Statutory) and Cabinet Member for Finance and Asset Management introduced the report, setting the context that the Council's position reflected the current national financial climate. He added that the Council's single biggest challenge was around Temporary Accommodation costs, which was an issue nationally rather than being unique to Oxford; and there were also issues around the cost of utilities and pay negotiations which would need to be factored into the Council's Medium Term Financial Strategy. Cllr Turner stated that the Council was preparing for difficult times ahead, unless a number of issues were addressed by the Government.

In response to questions, the Panel was advised that:

- In relation to the choice between acquisition and leasing of properties, where the Council purchased a property outright there were sometimes implications as to whether or not the property could sit in the Housing Revenue Account (HRA). A report was being prepared on this matter and it was confirmed that this would be shared with the Panel once available.
- It was difficult for the Council to forecast anticipated savings as a result of the installation of renewable energy sources at Leisure Centres at this early stage.
- Slippage within the Capital Programme was not intentional; in terms of budgeting, officers explained that work was required to better align Capital budgets with the cost of delivery.
- Cllr Turner and officers would go away and reflect on if/how the Council could ensure a more realistic Capital Programme in terms of deliverability and timescales.
- It was expected that the Council would begin receiving rent for the letting of St Aldate's Chambers in 2024/25.
- The Great Estates Programme had been paused as it involved a substantial amount of money and work was required to integrate the programme with Tenancy Services and the wider work of the Council before it was recommenced.

- The Council was taking forward opportunities to further exploit the functionality within its Housing Management System.
- There was currently no mechanism to rank local authorities in terms of financial stability; there were conversations ongoing between the Local Government Association and the Government to develop an index to check Council resilience nationally.

The Panel requested:

- A report to its next meeting from the Head of Financial Services setting out the implications of the series of local authority Section 114 statements which had been issued recently, to include a sense of how Oxford compared to those local authorities and others across the country.
- A report to a future meeting from the Procurement Manager to explain the realism of the proposed Procurement savings in the current financial year.

The Panel noted the contents of the report; no recommendations were agreed.

*Cllr Turner left the meeting and did not return.*

## **16. Treasury Management Annual Report 2022/23**

The Panel considered the report and asked a range of questions relating to the information contained in Appendix 1 to the report (which was exempt from publication); the scale of the Council's direct property investments versus its investments in Property Funds; and the Council's investment in green deposits.

The Panel requested that the information contained within the exempt Appendix 1 to the report be included as a standing item for future Panel meetings, to enable the Panel to monitor progress.

The Panel noted the contents of the report; no recommendations were agreed.

*Anna Winship, Management Accountancy Manager and Bill Lewis, Financial Accounting Manager left the meeting and did not return.*

## **17. Scrutiny Performance Monitoring**

The Panel considered the report, which had been produced to support it in selecting Key Performance Indicators (KPIs) to monitor over the 2023/24 municipal year.

The Scrutiny Officer provided the following updates to the information contained in the appendices:

- Appendix B – BV008: the information provided indicated that only 14.92% of invoices had been paid on time by the Council; however, the figure provided mistakenly related to the number of invoices paid late. The percentage of invoices paid on time for the year to date was 92% (April), 95% (May) and 95% (June).
- Appendix A – FSC020: the result for the end of 2022/23 was missing; it should have stated £0, as the Finance Team had not had any discretionary funding reported to it in that financial year.
- Appendix B – FN034: the target for June 2023 was £54,999 but the actual was £30,949, approximately £25,000 below target; the target was split as a flat average over the course of the financial year, but it was actually an end of year target and invoices were raised at different times throughout the year based on

work completed for external clients and contract billing frequencies. As a result, the value would never match the profiled monthly accumulation.

- Appendix B – FN036 – the target for June 2023 was £550,000 but the actual was £341,129, approximately £210,000 below target; similarly to FN034 above, the target was an end of year target; the Counter-Fraud Team work plan addressed different risk types throughout the year and although a deficit would show at certain times, when certain projects were tackled the outcomes in those areas would spike and, more often than not, overtake the profiled monthly performance.

The Scrutiny Officer advised the Panel that the KPIs were being reviewed and that more information would be made available to the Panel in due course; it was anticipated that the Panel would have the opportunity to input into the work at the appropriate stage. The Panel noted that it would be useful if, in future, some KPIs were presented in different ways, rather than being reduced to a simple number, as this did not always show an accurate picture.

The Panel requested that the Scrutiny Officer submit the written questions circulated before the meeting to officers for written responses, to be considered at the next meeting.

The Panel:

- **Noted** the end of year performance report for KPIs selected by the Finance and Performance Panel in the 2022/23 municipal year.
- **Noted** the Q1 2023/24 performance report for KPIs selected by the Finance and Performance Panel in the 2022/23 municipal year.
- **Agreed** to have Scrutiny Performance Monitoring as a standing item on the Finance and Performance Panel agenda, where written questions or invitations to relevant officers to attend the next meeting can be agreed, and previous written responses considered.
- **Agreed** to continue monitoring the KPIs selected in 2022/23 during the 2023/24 municipal year, until such a time as the work being undertaken in respect of KPIs progressed further.

## 18. Dates of future meetings

The Panel noted the dates and times of future meetings.

**The meeting started at 6.10 pm and ended at 7.38 pm**

Chair .....

**Date: Wednesday 6 December 2023**

*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.*

## Finance and Performance Panel Work Plan

NB This work plan is provisional and is subject to change. Changes made outside meetings are agreed between the Scrutiny Officer and the Chair.

Cabinet items beyond two months in advance are not included on the work plan owing to the greater potential they will move or alternative items of higher priority arise in the meantime.

### 06 December 2023 – confirmed reports

Agenda item	Cabinet item	Description	Cabinet portfolio	Lead officer
Integrated Performance Report for Q2 2023/24	Yes	To update Cabinet on finance, risk and corporate performance matters as at 30 September 2023.  To consider the report and agree any recommendations.	Deputy Leader (Statutory) – Finance and Asset Management	Nigel Kennedy, Head of Financial Services
Treasury Management Mid-Year Report	Yes	To report on the performance of the Treasury Management function for the six months to 30 September 2023.  To consider the report and agree any recommendations.	Deputy Leader (Statutory) – Finance and Asset Management	Nigel Kennedy, Head of Financial Services
Budget 2024/25	Yes	To propose a Medium Term Financial Strategy and the 2024/25 Budget for consultation.  To note the report and agree a list of written questions to Heads of Service which will form part of the discussion for the Budget Review Group.	Deputy Leader (Statutory) – Finance and Asset Management	Nigel Kennedy, Head of Financial Services
Background and Implications of Local Authority Section 114 Notices	No	To note and comment on the contents of the report and to agree any recommendations.	Deputy Leader (Statutory) – Finance and Asset Management	Nigel Kennedy, Head of Financial Services

Acquisition vs Leasing of Properties and the HRA	No	To note and comment on the contents of the report.	Deputy Leader (Statutory) – Finance and Asset Management	Nigel Kennedy, Head of Financial Services
Scrutiny Performance Monitoring	No	To consider the report and agree any written questions or invitations to relevant officers to attend the next meeting; and to consider responses to previous written questions.	N/A	N/A
Exempt Treasury Management Matters [discussion item]	No	To receive a verbal update on exempt matters relating to Treasury Management.	Deputy Leader (Statutory) – Finance and Asset Management	Nigel Kennedy, Head of Financial Services

## 22 January 2024 – provisional reports

14

Agenda item	Cabinet item	Description	Cabinet portfolio	Lead officer
Budget Review Group Report	No	To approve the report of the Budget Review Group for submission to the Scrutiny Committee; and to recommend that the Scrutiny Committee approves the report of the Budget Review Group for submission to Cabinet.	Deputy Leader (Statutory) – Finance and Asset Management	Nigel Kennedy, Head of Financial Services
Council Tax Reduction Scheme for 2024/25	Yes	To consider any proposed changes to the Council Tax Reduction Scheme for 2024/25.	Cabinet Member for Inclusive Communities and Culture	Nigel Kennedy, Head of Financial Services
Integrated Performance Report	Yes	To update Cabinet on finance, risk and corporate performance matters as at 31 March 2023.	Deputy Leader (Statutory) – Finance and	Nigel Kennedy, Head of Financial Services

for Q4 2022/23			Asset Management	
Housing Revenue Account (HRA) Rent Setting Report 2024/25	Yes	To present the outcome of Oxford City Council's annual rent review and associated rent setting proposal for 2024/25 in respect of all council dwellings within the Housing Revenue Account, including the setting of associated services and facilities charges.	Deputy Leader (Statutory) – Finance and Asset Management Cabinet Member for Housing	Nigel Kennedy, Head of Financial Services
Social Value/Impact in Procurement	No	To consider the report and agree any recommendations.	Deputy Leader (Statutory) – Finance and Asset Management	Annette Osborne, Procurement Manager
Scrutiny Performance Monitoring	No	To consider the report and agree any written questions or invitations to relevant officers to attend the next meeting; and to consider responses to previous written questions.	N/A	N/A
Exempt Treasury Management Matters [discussion item]	No	To receive a verbal update on exempt matters relating to Treasury Management.	Deputy Leader (Statutory) – Finance and Asset Management	Nigel Kennedy, Head of Financial Services

## 26 March 2024 – provisional reports

Agenda item	Cabinet item	Description	Cabinet portfolio	Lead officer
Scrutiny Performance Monitoring	No	To consider the report and agree any recommendations.	N/A	N/A
Exempt Treasury Management Matters [discussion item]	No	To receive a verbal update on exempt matters relating to Treasury Management.	Deputy Leader (Statutory) – Finance and Asset Management	Nigel Kennedy, Head of Financial Services



**To:** Cabinet  
**Date:** 13 December 2023  
**Report of:** Head of Financial Services  
 Head of Business Improvement  
**Title of Report:** Integrated Performance Report for Quarter 2 2023/24

<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 2023
<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>	Corporate Strategy 2020-24
<b>Recommendation:</b> That Cabinet resolves to:	
1. <b>Note</b> the projected financial outturn as well as the current position on risk and performance as at 30 September 2023.	

<b>Appendices</b>	
Appendix A	General Fund - Sept 2023 Forecast Outturn
Appendix B	Housing Revenue Account - Sept 2023 Forecast Outturn
Appendix C	Capital Programme – Sept 2023
Appendix D	Corporate KPIs Sept 2023

## 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 2023. A brief summary is as follows:

## Financial Position

- **General Fund** – the outturn position is forecasting an adverse variance of £0.474 million against the net budget agreed by the Council in February 2023 of £24.793 million. This would change if the additional dividend of £4 million from ODS is received before the financial year end as per paragraph 4;

- **Housing Revenue Account** – The HRA budgeted surplus agreed by the Council in February 2023 was £1.232 million. The current forecast outturn is expected to be an adverse variance of £0.604 million, giving a total surplus of £0.627 million; and
  - **Capital Programme** – The budget, as approved at the Council meeting in February 2023, was set at £235.623 million with carry forward of unspent balances in 2022-23 of £19.540 million, some additional budget changes including new allocations, leads to a revised latest budget of £157.805 million. The outturn forecast position is currently £137.381million with a total slippage of £20.516 million in the second quarter.
2. **Performance** – There are 19 Corporate Indicators for the current financial year, 7 of which are rated Green (on target); 5 are rated Amber (within a tolerance of target) and 3 are rated Red (outside of target). There are also 4 indicators that have no data available. More details can be found in paragraph 26.
  3. **Corporate Risk Management** – There are four red corporate risks at the end of quarter two. 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 and non delivery of services by external suppliers and partners. More details of the risks can be found in paragraphs 24 to 25.

## Financial Position

### General Fund Revenue

4. The overall Net Budget Requirement agreed by the Council in February 2023 was £24.793 million after a £1.3 million transfer from general reserves. Since setting the budget, budgeted service area expenditure has decreased by a net total of £0.016 million. This is mainly due to the release of pay inflation to services from the contingency, in line with the agreed pay award, offset against other transfers to Earmarked Reserves. The Net Budget Requirement remains unchanged, in this respect since this is simply a virement.
5. As at 30<sup>th</sup> September 2023 the General Fund Service Areas are forecasting an adverse variance of £2.126 million against the latest budget of £33.773 million. These variances are summarised below:
  - **Housing Services** – pressure of £0.750 million on Temporary Accommodation (TA) due to an increased level of usage. The pressure is shown net of any potential housing benefit. The proposed in-year mitigation is to acquire, via a lease, properties suitable for this purpose. The cost of the lease should be able to be funded from the associated Housing Benefit, but there may be a requirement for additional staff to manage the properties. Grant received which is currently in Earmarked Reserves could also be used to part fund this overspend. The situation will be monitored very closely over the coming months.

The rise in Temporary Accommodation usage is part of a national trend, with temporary accommodation levels in England now at the highest level since records began. In Oxford data shows the main groups where homelessness presentations have increased include: evictions from the Private Rented Sector, evictions by family and friends, domestic abuse, and evictions from supported housing.

Cost of living seems to be the major factor driving this pattern, with people unable to afford to stay in accommodation, in particular in the Private Rented Sector (PRS) where the Local Housing Allowance is frozen despite rental inflation being high. Factors driving increasing rents in the city seem to be linked to continuing high demand for rented properties, alongside shrinking supply with landlords exiting the market when faced with high interest rates and reports of short term lets increasing. The rise in domestic abuse presentations is at least partially due to legislation changes, with survivors of domestic abuse now able to present as homeless to any authority, and the Council has had a number present from outside Oxfordshire. Finally, another driver is due to homelessness case law over recent years, with a number of decisions expanding the definition of "priority need" and other parts of housing law, significantly increasing the number of people the Council has to accommodate when they present for help.

- **Community Services** – overall pressure of £0.620m, which is broken down as follows:
  - Leisure Management – total adverse variance of £0.247 million, made up of adverse variances of staffing (£0.052m) and utilities (£0.575m, which is being offset by a favourable variance in contracted services (£0.290m) and additional income (£0.090m). The utilities pressure is being mitigated by use of contingencies set aside for this purpose;
  - Sport and Physical Activity – a new post of Wellbeing Officer has been approved in year leading to an adverse variance of £0.026m. This post will help promote free swims and other wellbeing activities offered by the service;
  - Youth Ambition - favourable variance of £0.033m due to savings in salaries;
  - Town Hall - total adverse variance of £0.315 million, made up of adverse variances relating to Utilities (£0.120 m) and Business Rates (£0.240 m). These pressures are offset by savings in salaries (£0.016m) and offset by additional income (£0.030 m );
  - Culture – adverse variance of £0.065m due to a shortfall of income which is due to some large commercial events not taking place together with some pressures on Museum income.
- **Corporate Property** – total pressure of a total of £0.740m against a base income budget of £9.177 m, £0.440m reduced income due to delays in the letting of St Aldates Chambers offices, although a tenant has now been found. Similarly, delays in the letting of Cadogan House have been experienced and even if a tenant is found it is unlikely that rental income will be received in this financial year which will lead to a shortfall in income this year of £0.150m. The remaining pressures are £0.050m on the recruitment of an additional post within the property team to assist with back log of repairs and maintenance together with £0.100m due to under achieving on capital fee income.
- **ODS Client** – a favourable variance of £0.222m due to a slight increase in parking income but mainly due to a rebate on Business Rates due to the removal of the decked parking area at Oxpens Car park; ODS Board have declared a £4 million payment of dividend shortfalls which will be paid when their

2022-23 accounts have been approved by the auditors. This amount will be included in the Council's forecast outturn when paid.

- **Business Improvement** – total pressure of £0.220m, relating to staffing overspends in the contact centre arising from unrealised savings due to the delay on implementation of new systems; unbudgeted maternity cover; and low staff turnover leading to higher than budgeted staffing costs as staff progress through the trainee grading scales. In addition, there is £0.040m relating to the extension of Programme Manager Support for the Fit for the Future programme which has been mitigated by £0.040m savings in Human Resources within staff offers and the corporate training programme; and
  - **Financial Services** - £0.062m overall pressure, due to previously agreed procurement savings being unable to be identified across the organisation.
6. This overspend position is offset by a revised forecast variance within the corporate accounts, with regard to interest on borrowing and receivable from investments. This is showing a favourable variance of £1.052 million which is due to higher than anticipated cash for investment, borrowing being lower than anticipated caused by slippages in the capital programme and more use of internal balances anticipated in lieu of external borrowing. Contingencies of £600k will need releasing to cover the pressures held within the services from utilities.
7. Whilst there are not any current predicted variances on the following areas the Council will be monitoring these closely during the year:
- **Museum income** – There is potentially a total budget pressure of £0.100m which is unlikely to be met in full this year. This is made up of the expenditure budget being removed from a previous years bid and additional income target of £0.040m being added. Mitigations are in place to reduce this pressure such as savings in other areas of the budget relating to facilities expenditure and additional income in Town Hall events, however the shortfall could reach £0.050m. The museum is asking for donations on entry to further mitigate the pressure.
  - **Car Park income** – no significant variance showing year to date, although there is a delay with starting to charge for Godstow Road and Florence Park car parks due to the changes that need to be made to the parking orders.

### **Efficiencies**

8. There are £1.993 million of new efficiencies and transformation savings introduced or continuing into the 2023/24 budget. Some of these savings are already at risk of not being met. The table below shows a summary of the savings and highlights those known to be at risk which have been reflected in the forecast outturn where appropriate. All of these savings are being closely monitored by the Finance team and Heads of service and are being reported to the Organisational Change Board on a monthly basis. Current forecast outturn of efficiencies achieved is £1.103 million, a shortfall of £0.890 million against the budget, which is reflected in the commentary above.
9. As highlighted above there are pressures on the Customer Services salary budgets together with shortfalls in income forecasts for the letting of St Aldate's Chambers.

Service Area	Description	23/24 Budgeted Saving £000s	On Track	Comments
Business Improvement	Housing System rationalisation saving (ICT element)	(65)	Y	
Business Improvement	Vacancy factor	(50)	N	Pressures on existing salary budget
Business Improvement	Savings from Customer experience change programme	(44)	N	Pressures on existing salary budget
Business Improvement	ICT Savings from change programme	(46)	Y	
Business Improvement	Savings from Customer experience change programme	(7)	Y	
Community Services	Projected loss in room hire income - Covid related (60% reduction in 21-22, 40% reduction in 22-23) - base budget £233k in 22/23	(98)	Y	
Community Services	Projected loss in Town Hall income - Covid related - base budget in 22/23 is £808k - some cost savings already included in 21/22	(250)	Y	
Community Services	Invest in leisure during a changing market to devise a new model and consider new arrangements	(200)	Y	
Community Services	Future Working Programme (SAC) - Projected TH Hall Income Loss	34	N	Delays to letting out of SAC
Community Services	Future Working Programme (SAC) - Projected Expenditure Savings	(235)	N	Delays to letting out of SAC
Community Services	Vacancy factor	(54)	Y	
Corporate Property	Income pressures resulting from Covid19 on commercial income based on assumptions previously submitted which includes Westgate - current budget is £12m	190	Y	
Corporate Property	Reversal of previous budget to create 1 FTE to deliver Investment Property Strategy - require dedicated resource to oversee purchase process	(60)	Y	
Corporate Property	Future Working Programme (SAC) - Rent Income	(440)	N	Delays to letting out of SAC
Corporate Property	Future Working Programme (SAC) - Projected Corporate Property R&M savings	(42)	Y	Assumed R&M is minimal as building is unoccupied.
Corporate Property	1-3 George St - OxLEP part funded Capital Project (Returns on £1.9m Capital Programme)	(105)	N	Further delays, project slipping, handover is likely to be Q4 at earliest
Corporate Property	Cave Street Regeneration Project (assumed Income streams)	114	Y	
Corporate Property	Vacancy factor	(9)	Y	
Corporate Property	Vacancy factor	(5)	Y	
Environmental Sustainability	Environmental Sustainability - post saving	(66)	Y	
Environmental Sustainability	Vacancy factor	(5)	Y	
Environmental Sustainability	£23k funding from Planning fee income to contribute towards G5 officer role to support Environmental Quality team with assessing various environmental impacts of developments. Remaining £12k costs will be covered by existing resources. Link to pressure on line 2	(23)	Y	
Environmental Sustainability	£25k funding from Selective Licencing income to pay for additional 0.5FTE of Energy Efficiency Officer to provide increased support on securing funding driving energy efficiency uptake in the Private Rented Sector.	(25)	Y	
Financial Services	Housing Benefit & Council Tax Support Admin grants base review with a current budget of £443k - Council Tax Admin being rolled into RSG in 23/24 (£197k)	65	Y	
Financial Services	Vacancy factor	(21)	Y	
Financial Services	Savings from contract change programme - unallocated	(50)	N	Difficulty identifying procurement savings across the organisation
Financial Services	Savings of 0.2FTE from flexi retirement	(10)	Y	
Financial Services	Revenues & Benefits management changes	(60)	Y	
Financial Services	Increased income - currently circa £200k per annum	(20)	Y	
Housing Services	Housing needs system and structure change	(50)	Y	Funded from reserves - will be achieved
Housing Services	Vacancy factor	(37)	Y	
Housing Services	Savings from Customer experience change programme	(33)	Y	Savings have been factored into the new structure.
Law and Governance	vacancy factor	(30)	Y	
Law and Governance	Unallocated budget not required	(3)	Y	
Law and Governance	Manageable savings within general contracted services	(7)	Y	
Law and Governance	Member training budget - free training is available from LGA	(2)	Y	
Law and Governance	Members books and publication budget - currently unused	(1)	Y	
Law and Governance	It is proposed to add an additional grade 10 full time permanent property lawyer to the establishment to be funded by way of a recharge to Oxford City Housing Limited	69	Y	
Law and Governance	Additional SLA income from OCHL	(69)	Y	
Oxford Direct Services	Channel shift to cashless payments for car parks £30k base budget	(10)	Y	
Oxford Direct Services	ODS Clienting	60	Y	
Oxford Direct Services	Removal of all recycling banks - option 1	(27)	Y	
Oxford Direct Services	Reducing streetscene in city centre	(30)	Y	
Planning	Paperlite Digitalisation of Planning -on the back of investment in new planning system, savings can be achieved in 2024/25	(73)	Y	
Planning	Vacancy factor	(16)	Y	
Planning	Savings from Customer experience change programme	(15)	Y	
Regeneration & Economy	Vacancy factor	(8)	Y	
Regulatory Services & Community Safety	Reduce hours of Community Safety Support Officer	(13)	Y	
Regulatory Services & Community Safety	Vacancy factor	(17)	Y	
Regulatory Services & Community Safety	Cover base budget costs of 0.5FTE Tenancy Relations Officer post with licence fees	(24)	Y	
Regulatory Services & Community Safety	Funding from HRA to cover additional CCTV costs	(10)	Y	
Regulatory Services & Community Safety	Reduction of Team Manager post	(60)	Y	
<b>TOTAL Efficiencies and Transformation</b>		<b>(1,993)</b>		

## **Housing Revenue Account (“the HRA”)**

10. The HRA budgeted surplus agreed by the Council in February 2023 was £1.232 million. The current forecast outturn is expected to be an adverse variance of £0.604 million, giving a total surplus of £0.627 million.
11. The adverse variance is predominantly due to unplanned capital expenditure currently charged to Responsive & Cyclical Repairs. Plans are already in progress to transfer the unbudgeted expenditure that is eligible for capitalisation by the end of the financial year, mitigating the current forecasted overspend.

## **Capital**

12. The budget, as approved by the Council at its meeting in February 2023, was set at £235.623 million. Since that date the budget has been increased to take account of unspent balances rolled forward from 2022-23 (£19.540 million) and further adjustments including new budget allocations and slippage (£97.358 million), giving a latest budget of £157.805 million
13. Spend against the budget is £29.899 million which equates to 19% of the latest budget and the forecast outturn is £137.381 million with a total of £20.516 million slippage.

## **Standingford House, Cave Street**

14. The existing building at Standingford House, Cave Street was identified to be no longer lettable as it did not comply with the required national legislation for Minimum Energy Efficiency Standards (MEES) for commercial properties and the building was in poor condition generally and in need of repair and urgent maintenance. The existing building did not meet adequate accessibility standards with no wheelchair provision, no lift access and poor legibility and accessibility generally. It was not considered financially viable to refurbish the existing building.
15. Therefore, a project was pursued to redevelop the site and secure. In November 2021 the Cabinet and then the Council gave approval for:
  - Demolition and redevelopment of Standingford House Cave Street with a commercial development providing the best option for the Council in terms of financial viability, policy objectives, increased workspace and rental area and improved sustainability; and
  - A capital budget of £9.70m to deliver the project and including the use of £1.13m of funds awarded to the Council from OxLEP’s Local Growth Fund.
16. Since then, planning permission was secured on the site. The planning permission was for a reduced floorspace compared to that originally assumed. In addition, since November 2021 there have been significant cost increases in terms of construction costs and cost of borrowing, rendering the agreed budget insufficient. This triggered a review of options Unfortunately this meant the OxLEP funding could not be retained as it took the project outside of delivery timescales but it was not possible to proceed without an options appraisal due to the budget with the funding being insufficient.
17. A thorough options appraisal exercise was undertaken by officers to look at options to address increased costs. This included a pre-contract services agreement to look at reducing construction costs.

18. All options would have required an increase in budget and require a long term payback period. This would increase pressure on the council's Medium Term Financial Plan. The revenue pressure of the cost of borrowing would be between £1m and £1.6m.
19. Officers are therefore pausing progression of this development of the site given the present uncertain economic climate and the financial challenges progressing the development at this time creates. The project will remove the remaining budget except for up to £50k to secure the site. This provides a revenue saving to the MTFs of £1.23m. The asset will be retained by the Council and other work is progressing to work up options which will then be reflected in future budget planning.

### General Fund Capital

20. 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. From the start of 2023/24 a revised approach to aligning the OX Place Business Plan with the quarterly Capital Monitoring has been in place and this should realise improved projections in terms of both loans to the company and HRA purchases.

Project Classification	Projects	Latest Budget	Spend to Date	% Spent	Q2 Forecast	Variance from Q1
Project - Development	32	35,776,904	2,906,317	8%	27,184,156	(6,994,113)
Project - ICT	26	2,709,193	496,673	18%	2,709,193	58,110
Project - Compliance	4	1,977,456	130,122	7%	2,206,426	166,331
Project - Other	12	2,645,619	478,436	18%	2,398,618	200,000
Rolling Programme	9	6,413,668	2,040,506	32%	6,790,304	(2,415,615)
Housing Company Loans	2	15,026,000	3,298,620	22%	13,043,000	530,000
Other Capital Spend	14	18,650,297	9,528,619	51%	13,624,468	(6,110,470)
<b>General Fund Total</b>	<b>99</b>	<b>83,199,137</b>	<b>18,879,292</b>	<b>23%</b>	<b>67,956,165</b>	<b>(14,565,757)</b>

21. Details of the main GF schemes being slipped are as follows:

- **East Oxford Community Centre** – Slippage of £2.777 million, due to delays in the programme while the budget was increased due to construction cost inflation. Princes Street demolition complete and demolition commenced on East Oxford Games Hall;
- **MT Vehicles** – Slippage of £2.791 million; due to a difficult stage in transitioning vehicles to EV. Each replacement has to be assessed on a case by case basis which is causing delays;
- **Town Hall Relocation** – Slippage of £0.536 million, project running in line with programme, and completion on programme, snagging and in use changes are ongoing;
- **Works Town Hall**– bring forward budget of £0.280 million To allow for detailed plans for Phase 2 work to be undertaken, aligning the need to establish a long-term vision for the facility, with a planning and preventative maintenance asset management plan;

- **Capital Works at Covered Market** – bring forward budget of £0.403 million from future years. Project on hold while Covered Market Master Plan is defined and concluded;
- **Covered Market Roof Works** – bring forward budget of £0.345 million from future years. Phase 5a is proceeding and due to complete shortly with Phase 6c to start in January 2024;
- **Blackbird Leys Regeneration** – Slippage of £2.181 million. Project ongoing.
- **Cave Street** – budget reduced to £0.200 see paragraphs 14 to 19 above
- **Osney Mead path works** – bring forward budget of £0.565 million to allow project to move forward and spend funding by March 2024;
- **Cowley Branch Line** – slippage of £0.273 million due to a slight delay in the project starting due to finalising contracts;
- **Barton Park/Loan to OX Place** – slippage of £5.869 and £7.178 million. Following review of the scheme appraisals;
- **Housing Company Loans** – bring back £7.708 million of loans from future years;
- **Northern Gateway** – Slippage of £3.0 million, £7million to be spent in year in line with claim for funding that needs to be made by March 2024
- **Capitalised ICT projects** – bring £0.302 million of budget into current year to cover costs incurred;
- **Go Ultra Low On Street** – slippage of £0.501 million, a back-to-back legal agreement is required to transfer the funds to the Oxfordshire County Council; and
- **ZEZ Phase 1 Feasibility** – slippage of £0.141 million, will not be spent this year and further discussions are needed with the Oxfordshire County Council.

## HRA

22. 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	Latest Budget	Spend to Date	% Spent	Q2 Forecast	Variance from Q1
Project - Development	4	6,695,004	220,789	3%	1,602,947	(5,092,057)
Project - Compliance	1	176,802	15,221	9%	176,802	-
Project - Other	2	430,000	52,368	12%	430,000	245,000
Rolling Programme	23	18,693,315	5,101,309	27%	19,255,815	350,117
Other Capital Spend	11	48,602,274	5,635,226	12%	48,593,033	(810,241)
<b>HRA Total</b>	<b>41</b>	<b>74,597,394</b>	<b>11,024,912</b>	<b>15%</b>	<b>70,058,597</b>	<b>(5,307,181)</b>

23. Details of the HRA main schemes being slipped are as follow:

- Adaptions for Disabled – bring forward £0.200 million budget from future years to cover expenditure in year. A backlog in demand has caused this year's



overspend. Going forward, processes have been reviewed for the approval of new schemes;

- Controlled entry – bring forward £0.132 million budget from future years. This will help to replace additional controlled entry systems that would otherwise be expensive to repair;
- Lift Replacement Programme – slippage of £0.295 million. This programme has been re-profiled to match the known planned replacements.
- Damp proof works – bring forward of £0.397million, to carry out work as planned rather than reactive, and a large number of reported issues over winter;
- Fire Doors – bring forward £0.500 million. This is a revision to last quarter's overstated slippage;
- Great Estates - scheme has been paused to help mitigate other overspends within the HRA revenue and capital budgets;
- Fencing – bring forward £0.600 million budget from future years. This is to allow the capitalisation of fencing expenditure to help mitigate overspends on the revenue budgets;
- LAHF acquisitions – slippage of £0.442 million. All properties have been identified and agreed and are in the process of being purchased. However, the actual completion dates of some are expected to be in the 2024/25;
- Social Rented Housing Acquisitions – slippage of £0.234 million to allow for planned expenditure in year;
- East Oxford Development – slippage of £2.167 million. Demolition has now completed in Princes Street and a price agreed for the construction work. The contract is currently being drafted. There were delays with the original contract negotiations, resulting in a change to the contractor;
- Northfield Hostel – bring forward budget of £1.863 million. Demolition due to start in August with main contractor starting on site in December 2023;
- Lanham Way – Slippage of £1.811 million. Land has been purchased and build contract to be signed imminently. Original profile of expenditure was too optimistic; and
- Blackbird Leys Regeneration – slippage of £2.925 million. There have been delays with gaining the necessary approvals and this has had a knock-on effect with regards to the spend profile.

### **Corporate Risk**

24. There are four 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 and 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. New trading and immigration arrangement with the EU combined with structural changes in the labour market remain a challenge, as well as the recovery from pandemic business impacts. Supply chain challenges relating to Brexit, the war in Europe, energy security and related inflationary issues are a heightened and ongoing risk. The Council can affect this risk through the delivery of the Oxford Economic Strategy & City Centre Vision Action Plan. This aims to stimulate recovery through targeted measures and the Council will work with the Economic Growth Board & City Centre Task Force and engage with businesses to understand the long term impact of COVID & EU Transition, alongside issues of inflation linked to international events. 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 position, 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; and
- **Delivery of Services by External Suppliers/Partners/Supply Chain** – this relates to the negative performance of key suppliers which has a direct impact on the Council's ability to achieve its goals. The failure of a key supplier or reductions in funding and/or financial pressures on the Council's critical service partners, may place additional demands on the Council. This could result in poorer service outcomes for citizens and potential risks to the Council's supply chain. Due to the cost-of-living crisis, memberships being cancelled by customers' leads to reduced revenue for the Council's leisure provider. There is also significant and uncontrollable increases in utility costs. The Council's leisure management contract expires in 2024 and the Council is arranging to re-tender the service.

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

<b>Current Risk</b>	<b>Q3 2022/23</b>	<b>Q4 2022/23</b>	<b>Q1 2023/24</b>	<b>Q2 2023/24</b>
Red	5	5	4	4
Amber	9	9	10	10
Green	0	0	0	0
<b>Total Risks</b>	<b>14</b>	<b>14</b>	<b>14</b>	<b>14</b>

### **Performance Indicators**

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

- % reduction of call volume into Customer Contact Centre for Housing and Revenues and Benefits only –a target of 5% with an actual of 4.5%; Calls increased in September due to around 2800 letters to check single person discount being sent out;
- % reduction of number of face-to-face enquiries for Housing and Revenues and Benefits only – a target of 5% with an actual of 4.15%. The number of face-to-face visits is up on the same period last year. Number has increased due to the single person discount letters being sent out; and
- Council spend with local business – target of 40% with an actual of 32.69% - currently tracking 7% below target. September was significantly low (17.40%) which was affected by a large payment to one non local suppliers. If this indicator continues to be below target further investigation work will be undertaken.

### **Financial implications**

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

### **Legal issues**

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

### **Level of risk**

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

### **Equalities impact**

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

<b>Background Papers:</b> None
--------------------------------

<b>Report author</b>	Anna Winship
Job title	Management Accounting Manager
Service area or department	Financial Services
Telephone	01865 252517
e-mail	<u><a href="mailto:awinship@oxford.gov.uk">awinship@oxford.gov.uk</a></u>

## Appendix A

General Fund Outturn Report 23/24 @ 30 September 2023	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 Quarter)	PO Variance Mvt from Previous Quarter
	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's
S13 - Housing Services	4,383	4,360		4,360	5,110	750	1,000	(250)
S15 - Regulatory Services & Community Safety	593	665		665	665			
S22 - Community Services	4,275	4,192	7	4,199	4,819	620	454	166
<b>Communities &amp; People</b>	<b>9,251</b>	<b>9,217</b>	<b>7</b>	<b>9,224</b>	<b>10,594</b>	<b>1,370</b>	<b>1,454</b>	<b>(84)</b>
S09 - Corporate Property	(8,027)	(8,112)		(8,112)	(7,372)	740	640	100
S10 - Regeneration & Economy	810	785		785	785			
S16 - Planning Services	466	422		422	422			
<b>Development</b>	<b>(6,751)</b>	<b>(6,905)</b>		<b>(6,905)</b>	<b>(6,165)</b>	<b>740</b>	<b>640</b>	<b>100</b>
S01 - Corporate Strategy	905	829		829	785	(44)		(44)
S20 - Environmental Sustainability	946	961		961	961			
<b>Chief Executive</b>	<b>1,851</b>	<b>1,790</b>		<b>1,790</b>	<b>1,746</b>	<b>(44)</b>		<b>(44)</b>
S26 - Oxford Direct Services Client	13,091	13,438		13,438	13,216	(222)		(222)
<b>ODS Development Director</b>	<b>13,091</b>	<b>13,438</b>		<b>13,438</b>	<b>13,216</b>	<b>(222)</b>		<b>(222)</b>
S03 - Business Improvement	9,242	9,227		9,227	9,447	220	200	20
S32 - Financial Services	3,380	3,369		3,369	3,431	62	62	
S33 - Chief Executive	1,086	1,061		1,061	1,061			
S34 - Law and Governance	2,607	2,569		2,569	2,569			
Corporate Resources	16,315	16,226		16,226	16,508	282	262	20
<b>Directorate Total Excl SLA's &amp; Capital Charges</b>	<b>33,757</b>	<b>33,766</b>	<b>7</b>	<b>33,773</b>	<b>35,899</b>	<b>2,126</b>	<b>2,356</b>	<b>(230)</b>
<b>SLA's &amp; Capital Charges</b>	<b>(9,632)</b>	<b>(9,632)</b>		<b>(9,632)</b>	<b>(9,632)</b>			
<b>Corporate Accounts</b>	<b>(1,877)</b>	<b>(1,877)</b>		<b>(1,877)</b>	<b>(2,929)</b>	<b>(1,052)</b>	<b>(723)</b>	<b>(329)</b>
<b>Contingencies</b>	<b>3,817</b>	<b>3,959</b>		<b>3,959</b>	<b>3,359</b>	<b>(600)</b>	<b>(450)</b>	<b>(150)</b>
<b>Total Corporate Accounts &amp; Contingencies</b>	<b>1,940</b>	<b>2,082</b>		<b>2,082</b>	<b>430</b>	<b>(1,652)</b>	<b>(1,173)</b>	<b>(479)</b>
<b>Net Expenditure Budget</b>	<b>26,065</b>	<b>26,216</b>	<b>7</b>	<b>26,223</b>	<b>26,697</b>	<b>474</b>	<b>1,183</b>	<b>(709)</b>
S48D - Transfers To/From Earmarked Reserves	(1,272)	(1,423)	(7)	(1,430)	(1,430)			
<b>Net Budget Required</b>	<b>24,793</b>	<b>24,793</b>		<b>24,793</b>	<b>25,267</b>	<b>474</b>	<b>1,183</b>	<b>(709)</b>
<b>Funding</b>								
S47A - External Funding	197	197		197	197			
S47E - New Homes Bonus	663	663		663	663			
S47B - Council Tax Funding	15,693	15,693		15,693	15,693			
S47C - Parish Precept	(277)	(277)		(277)	(277)			
S47D - NDR Funding	8,517	8,517		8,517	8,517			
<b>Total Funding Available</b>	<b>24,793</b>	<b>24,793</b>		<b>24,793</b>	<b>24,793</b>			
<b>(Surplus) / Deficit for the year</b>					<b>474</b>	<b>474</b>	<b>1,183</b>	<b>(709)</b>

This page is intentionally left blank

## Appendix B

HRA Report 23/24 @ Sept 2023	Approved Budget (per Budget book)	Revised Approved Budget @ 30th Sept 2023	Actual YTD	Budget YTD	Variance YTD	% Budget Spent to 30th Sept 2023	Projected Outturn against Latest Budget @ 30th Sept 2023	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	(48,344)	(48,344)	(24,183)	(24,172)	(11)	50%	(48,344)		
Service Charges	(2,194)	(2,797)	(1,521)	(1,547)	26	54%	(2,797)		
Garage Income	(228)	(228)	(136)	(114)	(22)	60%	(272)	(44)	
Miscellaneous Income	(806)	(806)	(464)	(406)	(58)	58%	(906)	(100)	
Right to Buy (RAF)			(10)		(10)				
<b>Net Income</b>	<b>(51,572)</b>	<b>(52,175)</b>	<b>(26,314)</b>	<b>(26,238)</b>	<b>(75)</b>		<b>(52,319)</b>	<b>(144)</b>	
Management & Services (Stock Related)	12,852	12,852	5,609	5,731	(123)	44%	12,697	(155)	
Other Revenue Spend (Stock Related)	972	972	95	139	(44)	10%	872	(100)	
Misc Expenditure (Not Stock Related)	872	872	37	83	(46)	4%	872		
Bad Debt Provision	840	840	24	19	5	3%	840		
Responsive & Cyclical Repairs	15,202	16,836	9,185	8,103	1,082	55%	17,840	1,003	
Interest Paid	9,517	8,620	4,310	4,310		50%	8,620		
Depreciation	10,133	9,998				0%	9,998		
<b>Total Expenditure</b>	<b>50,388</b>	<b>50,990</b>	<b>19,259</b>	<b>18,385</b>	<b>874</b>		<b>51,739</b>	<b>748</b>	
<b>Net Operating Expenditure/(Income)</b>	<b>(1,184)</b>	<b>(1,184)</b>	<b>(7,055)</b>	<b>(7,854)</b>	<b>799</b>		<b>(580)</b>	<b>604</b>	
Investment Income	(48)	(48)	(24)	(24)		50%	(48)		
Other HRA Reserve Adjustment									
<b>Total Appropriations</b>	<b>(48)</b>	<b>(48)</b>	<b>(24)</b>	<b>(24)</b>			<b>(48)</b>		
<b>Total HRA (Surplus)/Deficit</b>	<b>(1,232)</b>	<b>(1,232)</b>	<b>(7,078)</b>	<b>(7,877)</b>	<b>799</b>		<b>(627)</b>	<b>604</b>	

This page is intentionally left blank



Capital Budget and Spend as at 30th September 2023										
Appendix C						2023/24 Forecast Variance from Q1 Position				
Cost Centre	Capital Scheme	2023/24 Original Budget	Forecast @ Q1	Latest 2023/24 Budget	Spend to 31/09/2023	Budget Remaining	Forecast Variance	Variance due to Slippage	Over / Under Spend	2023/24 Outturn Forecast
		£		£	£	£	£	£	£	£
<b>General Fund Capital Programme</b>										
<b>Communities and People Directorate</b>										
<b>Community Services Projects</b>										
							-	-		
A4820	Upgrade Existing Tennis Courts	35,000	35,000	35,000	91,958	(56,958)	100,000	100,000	-	135,000
A4847	Rose Hill Community Centre - Parking Management	-	10,000	10,000	-	10,000	-	-		10,000
B0075	Museum of Oxford Development	-	10,191	-	15,650	(15,650)	-	-	-	10,191
B0083	East Oxford Community Centre	4,055,039	3,000,000	4,006,895	477,961	3,528,934	(2,777,000)	(2,777,000)	-	223,000
B0150	Hinksey Pool Liner Replacement	150,000	131,615	131,615	134,874	(3,259)	-	-	-	131,615
B0096	Bullingdon Community Centre	-	51,795	51,795	45,809	5,986	-	-	-	51,795
<b>Community Services Projects Total</b>		<b>4,240,039</b>	<b>3,238,601</b>	<b>4,235,305</b>	<b>766,252</b>	<b>3,469,053</b>	<b>(2,677,000)</b>	<b>(2,677,000)</b>	<b>-</b>	<b>561,601</b>
<b>Housing Services Projects</b>										
B0102	Replace or refurbish Lifts	119,484	119,484	119,484	-	119,484	30,516		30,516	150,000
B0108	Floyds Row Refurbishment	-	-	(0)	(16,229)	16,229	-	-	-	0
C3057	Housing System Replacement	-	-	-	52,281	(52,281)	-	-	-	0
M5024	National Homelessness Property Fund	-	633,962	633,962	-	633,962	(0)	-	-	633,962
M5038	Roken House	200,000	653,286	653,286	667,203	(13,917)	(0)	(0)	-	653,286
M5039	UK Shared Prosperity Fund Investment Plan	70,000	-	-	720	(720)	190,000	190,000	-	190,000
<b>Housing Services Projects Total</b>		<b>389,484</b>	<b>1,406,732</b>	<b>1,406,732</b>	<b>703,975</b>	<b>702,757</b>	<b>220,516</b>	<b>190,000</b>	<b>30,516</b>	<b>1,627,248</b>
<b>Regulatory &amp; Community Safety Projects</b>										
A4852	Bodycams for Community Safety Team	-	60,450	60,450	-	60,450	-	-		60,450
E3577	Oxford and Abingdon Flood Alleviation Scheme	-	-	-	-	-	-	-		0
E3511	Essential Repairs Grant	45,000	45,000	45,000	14,002	30,998	-	-	-	45,000
E3521	Disabled Facilities Grants	1,000,000	1,421,433	1,543,792	682,737	861,055	-	-	-	1,421,433
E3561	Additional DFG Funding CLOSED	-	-	-	2,484	(2,484)	-	-	-	0
<b>Regulatory &amp; Community Safety Projects Total</b>		<b>1,045,000</b>	<b>1,526,883</b>	<b>1,649,242</b>	<b>699,223</b>	<b>950,019</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,526,883</b>
<b>Oxford Direct Services Projects</b>										
R0005	MT Vehicles/Plant Replacement Programme.	5,404,800	6,440,585	3,649,454	1,312,149	2,337,305	(2,791,131)	(2,791,131)	-	3,649,454
T2273	Car Parks Resurfacing	300,000	300,000	300,000	58,216	241,784	-	-	-	300,000
T2309	Cowley Marsh Extension	57,000	82,326	82,326	-	82,326	167,674	-	167,674	250,000
<b>Oxford Direct Services Projects Total</b>		<b>5,761,800</b>	<b>6,822,911</b>	<b>4,031,780</b>	<b>1,370,364</b>	<b>2,661,416</b>	<b>(2,623,457)</b>	<b>(2,791,131)</b>	<b>167,674</b>	<b>4,199,454</b>
<b>Communities and People Directorate Total</b>		<b>11,436,323</b>	<b>12,995,127</b>	<b>11,323,059</b>	<b>3,539,815</b>	<b>7,783,244</b>	<b>(5,079,941)</b>	<b>(5,278,131)</b>	<b>198,190</b>	<b>7,915,186</b>
<b>Development Directorate</b>										
<b>Corporate Property Projects</b>										
B0100	Gloucester Green Car Park (H&S)	-	71,030	71,030	157	70,874	228,970	-	228,970	300,000
B0031	Planned Building Improvements	750,000	750,000	750,000	214,155	535,845	-	-	-	750,000
B0101	Capital Works at Covered Market	-	1,464	1,464	366	1,098	403,686	403,686	-	405,150
B0104	Old Gas Works Bridges	1,540,000	1,679,065	1,679,065	119,706	1,559,359	0	-	0	1,679,065
B0106	Covered Market Roof Works (Capitalised Planned	-	52,925	52,925	74,326	(21,401)	345,000	345,000	-	397,925
B0125	City Centre Restart (CIL Funded)	-	40,000	40,000	-	40,000	(34,000)	(34,000)	-	6,000
B0126	Asset Surveys	-	300,000	300,000	319	299,681	-	-	-	300,000
B0138	Enabling works - Decarbonisation Project	-	660,481	660,481	21,905	638,576	0	0	-	660,481
B0142	Stock condition surveys (including bridge works)	875,000	888,345	888,345	40,433	847,912	-	-	-	888,345
B0143	Town Hall Relocation	-	645,590	645,590	37,324	608,265	(535,590)	(535,590)		110,000

Cost Centre	Capital Scheme	2023/24 Original Budget	Forecast @ Q1	Latest 2023/24 Budget	Spend to 31/09/2023	Budget Remaining	Forecast Variance	Variance due to Slippage	Over / Under Spend	2023/24 Outturn Forecast
		£		£	£	£	£	£	£	£
B0149	Tumbling Bay Embankment Works	-	200,000	202,361	10,260	192,101	2,361		2,361	202,361
B0151	Bus Shelters	-	28,284	28,284	8,408	19,876	-		-	28,284
B0153	HSBC Options	-	30,000	30,000	1,085	28,915	-		-	30,000
B0154	Covered Market masterplan and enabling works	2,500,000	500,000	513,991	32,837	481,154	-		-	500,000
B0155	Contingency to cover cost inflation rises	1,300,000	2,000	2,000	-	2,000	-		-	2,000
B0156	Waterways - Condition Survey / Long Bridges	290,000	90,000	25,000	-	25,000	(65,000)	(65,000)		25,000
B0157	Works Town Hall	2,000,000	200,000	200,000	276,450	(76,450)	280,000	280,000		480,000
B0147	Repairs to 2-4 Gloucester Street and 24-26 George	270,000	616,385	616,385	630,530	(14,144)	0	0	-	616,385
<b>Corporate Property Projects Total</b>		<b>9,525,000</b>	<b>6,755,569</b>	<b>6,706,922</b>	<b>1,468,260</b>	<b>5,238,661</b>	<b>625,428</b>	<b>394,097</b>	<b>231,331</b>	<b>7,380,997</b>
<b>Regeneration &amp; Economy Projects</b>										
M5033	Blackbird Leys Regeneration (GF Element)	8,627,284	8,903,897	8,903,897	17,963	8,885,935	(2,180,897)	(2,180,897)	-	6,723,000
A4853	City Wide Cycling Infrastructure Contribution	87,456	147,465	147,465	80,681	66,784	(77,465)	(77,465)	-	70,000
B0081	Car Parking Oxpens	-	3,081	3,081	-	3,081	-	-	-	3,081
B0086	Seacourt Park & Ride Extension	-	-	-	2,549	(2,549)	-	-	-	0
B0092	Cave Street Development (Standingford House)	4,895,545	500,000	719,951	112,611	607,341	(300,000)		(300,000)	200,000
B0098	1-3 George Street	-	377,292	377,292	236,799	140,493	0	0		377,292
T2301	Depot Rationalisation	225,000	266,890	266,890	104,452	162,438	-	-	-	266,890
B0112	Future Options for City Centre Land (Odeon)	160,063	170,000	298,040	183,628	114,412	-		-	170,000
B0141	City Centre Public Realm (Kiosks Project)	320,277	190,000	239,710	50,669	189,041	-	-	-	190,000
B0116	Osney Mead Path Works (HIF)	948,000	1,113,324	1,113,324	(2,931)	1,116,255	564,914	564,914	-	1,678,238
B0148	Oxford Flood Alleviation HIF Contribution	4,350,000	4,350,000	4,350,000	-	4,350,000	-	-	-	4,350,000
B0120	Osney Bridge (Growth Deal)	5,231,000	1,400,000	1,477,397	325,430	1,151,966	-	-	-	1,400,000
B0122	City Cycle Schemes (Growth Deal)	729,764	603,415	603,415	204,248	399,167	(0)	(0)	-	603,415
B0145	St Michael's Street Levelling Works	60,000	20,000	20,000	9,693	10,307	-	-		20,000
B0146	Ice Rink Car Parking Feasibility	-	-	29,035	12,599	16,436	40,000	40,000	-	40,000
B0131	Meanwhile In Oxfordshire	-	85,595	85,595	1,760	83,835	(80,595)	(80,595)	-	5,000
B0130	CIL Feasibility	-	43,350	43,350	-	43,350	-	-	-	43,350
B0152	Cowley Branch Line Full Busines Case	3,033,000	2,467,817	2,584,817	458,490	2,126,327	(273,410)	(273,410)	-	2,194,407
B0074	R & D Feasibility Fund	400,000	475,500	475,500	-	475,500	-	-	-	475,500
	Allocated Feasibility Funding (various schemes)	531,985	636,266	720,072	335,627	384,445	377,099	234,300	142,799	1,013,365
<b>Regeneration &amp; Economy Projects Total</b>		<b>29,599,374</b>	<b>21,753,892</b>	<b>22,458,832</b>	<b>2,134,268</b>	<b>20,324,564</b>	<b>(1,930,354)</b>	<b>(1,773,153)</b>	<b>(157,201)</b>	<b>19,823,538</b>
<b>Housing Delivery Projects</b>										
M5025	Barton Park - Purchase by Council	10,000,000	12,513,000	10,000,000	7,623,026	2,376,974	(5,869,000)	(5,869,000)	-	6,644,000
M5026	Housing Company Loans (excl Barton Park)	30,000,000	-	-	-	-	7,708,000	7,708,000	-	7,708,000
M5032	Barton Park - loan to OCHL	10,000,000	12,513,000	15,026,000	3,298,620	11,727,380	(7,178,000)	(7,178,000)	-	5,335,000
M5034	Affordable Housing Supply	1,086,000	128,000	1,042,000	-	1,042,000	-	-		128,000
M5035	Growth Deal Registered Provider Payments	706,000	434,000	434,000	-	434,000	-	-		434,000
M5037	Northern Gateway (Oxford North)	9,993,538	10,000,000	10,000,000	-	10,000,000	(3,000,000)	(3,000,000)		7,000,000
<b>Housing Supply Projects Total</b>		<b>61,785,538</b>	<b>35,588,000</b>	<b>36,502,000</b>	<b>10,921,646</b>	<b>25,580,354</b>	<b>(8,339,000)</b>	<b>(8,339,000)</b>	<b>-</b>	<b>27,249,000</b>
<b>Planning Projects</b>										
T2299	Controlled Parking Zones	-	53,000	500,000	-	500,000	100,000	100,000	-	153,000
F7024	St Clements Environmental Improvements	-	31,197	31,197	-	31,197	-	-	-	31,197
<b>Planning Projects Total</b>		<b>-</b>	<b>84,197</b>	<b>531,197</b>	<b>-</b>	<b>531,197</b>	<b>100,000</b>	<b>100,000</b>	<b>-</b>	<b>184,197</b>
<b>Development Directorate Total</b>		<b>100,909,912</b>	<b>64,181,658</b>	<b>66,198,950</b>	<b>14,524,174</b>	<b>51,674,777</b>	<b>(9,543,926)</b>	<b>(9,618,057)</b>	<b>74,130</b>	<b>54,637,732</b>
<b>Corporate Resources</b>										
<b>Business Improvement Projects</b>										
C3044	ICT Software and Licences	245,000	265,570	265,570	265,570	-	-	-	-	265,570

Cost Centre	Capital Scheme	2023/24 Original Budget	Forecast @ Q1	Latest 2023/24 Budget	Spend to 31/09/2023	Budget Remaining	Forecast Variance	Variance due to Slippage	Over / Under Spend	2023/24 Outturn Forecast
		£		£	£	£	£	£	£	£
C3058	CRM Replacement	-	50,930	50,930	-	50,930	-	-	-	50,930
C3060	End-Point Devices (Desktops/Laptops)	150,000	300,676	300,676	62,939	237,737	(0)	(0)	-	300,676
C3066	Telephony Device Refresh	60,000	88,334	87,214	12,718	74,497	0	0	-	88,334
C3072	Forms Engine Replacement	-	9,038	10,158	10,158	(0)	1,120		1,120	10,158
C3082	Website Redesign	-	85,350	85,350	3,100	82,250	-	-	-	85,350
C3084	Agresso Update	-	92,202	92,202	87,777	4,424	-	-	-	92,202
C3085	ICT - I-trent replacement	75,000	75,000	75,000	-	75,000	-	-	-	75,000
C3086	ICT - QL Exploitation Programme	80,000	605,000	360,000	141,052	218,948	(245,000)	(245,000)	-	360,000
C3087	ICT - replacing Netcall contact centre telephony and r	75,000	75,000	75,000	153	74,847	-	-	-	75,000
C3089	ICT - Asset Management System	300,000	300,000	300,000	-	300,000	-	-	-	300,000
C3090	ICT - Extension of existing Alemba case managemenet	20,000	20,000	20,000	-	20,000	-	-	-	20,000
C3091	ICT - scanning of all paper planning files	150,000	150,000	150,000	-	150,000	-	-	-	150,000
C3092	ICT - Replacement of IKEN - L&G case management sy	75,000	75,000	75,000	-	75,000	-	-	-	75,000
C3093	ICT - Replacement of ArcGIS geospatial mapping syste	25,000	25,000	25,000	-	25,000	-	-	-	25,000
C3094	ICT - Information @ Work major upgrade	15,000	15,000	15,000	-	15,000	-	-	-	15,000
C3095	ICT - Redesign of Council Website	100,000	100,000	100,000	-	100,000	-	-	-	100,000
C3097	ICT - Refresh of content and taxonomy of the Council	25,000	25,000	25,000	3,850	21,150	-	-	-	25,000
C3098	ICT - Agresso upgrade and migration to Cloud	350,000	350,000	350,000	-	350,000	-	-	-	350,000
C6000	ICT - feasibility	180,000	180,000	180,000	-	180,000	-	-	-	180,000
C3081	Capitalised ICT Projects	468,200	386,600	688,590	162,347	526,243	301,990	301,990	-	688,590
<b>Business Improvement Projects Total</b>		<b>2,393,200</b>	<b>3,273,700</b>	<b>3,330,690</b>	<b>749,664</b>	<b>2,581,026</b>	<b>58,110</b>	<b>56,990</b>	<b>1,120</b>	<b>3,331,810</b>
<b>Financial Services Projects</b>										
M5023	OxWED Loans	1,150,000	-	275,000	-	275,000	-	-	-	0
B0144	Salary Costs across the Council to be capitalised	935,000	1,203,380	1,203,380	-	1,203,380	-	-	-	1,203,380
C3067	Paris Payment System, Replacement / PCI DSS	-	-	-	13,355	(13,355)	-	-	-	0
C3078	Revs and Bens System Replacement	-	-	-	0	(0)	-	-	-	0
C3080	Telephony Contract Replacement	-	31,963	31,963	22,600	9,364	-	-	-	31,963
<b>Financial Services Projects Total</b>		<b>2,085,000</b>	<b>1,235,343</b>	<b>1,510,343</b>	<b>35,955</b>	<b>1,474,388</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,235,343</b>
<b>Law &amp; Governance</b>										
L1000	Audio & Visual Equipment	-	8,887	8,887	(7,790)	16,677	-	-	-	8,887
<b>Law &amp; Governance Projects Total</b>		<b>-</b>	<b>8,887</b>	<b>8,887</b>	<b>(7,790)</b>	<b>16,677</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>8,887</b>
<b>Corporate Resources Directorate Total</b>		<b>4,478,200</b>	<b>4,517,930</b>	<b>4,849,920</b>	<b>777,829</b>	<b>4,072,091</b>	<b>58,110</b>	<b>56,990</b>	<b>1,120</b>	<b>4,576,040</b>
<b>Chief Executive</b>										
<b>Environmental Sustainability Projects</b>										
E3558	Go Ultra Low Oxford - On Street	-	501,750	501,750	17,043	484,707	(501,750)	(501,750)	-	0
E3560	Go Ultra Low Oxford - Taxis	5,215	40,076	40,076	-	40,076	-	-	-	40,076
E3565	Decarbonisation Fund - OCC element	-	120,268	120,268	15,126	105,142	0	0	-	120,268
B0127	ZEZ Phase 1 Feasibility	141,000	141,000	141,000	-	141,000	(141,000)	(141,000)	-	0
E3568	Leisure Centre LED Lighting Feasibility	-	33,000	33,000	-	33,000	-	-	-	33,000
<b>Environmental Sustainability Projects Total</b>		<b>146,215</b>	<b>836,094</b>	<b>836,095</b>	<b>32,169</b>	<b>803,926</b>	<b>(642,750)</b>	<b>(642,750)</b>	<b>-</b>	<b>193,344</b>
<b>Chief Executive Total</b>		<b>146,215</b>	<b>836,094</b>	<b>836,095</b>	<b>32,169</b>	<b>803,926</b>	<b>(642,750)</b>	<b>(642,750)</b>	<b>-</b>	<b>193,344</b>
<b>General Fund Total</b>		<b>116,970,650</b>	<b>82,530,809</b>	<b>83,208,024</b>	<b>18,873,987</b>	<b>64,334,037</b>	<b>(15,208,507)</b>	<b>(15,481,947)</b>	<b>273,440</b>	<b>67,322,302</b>
<b>Housing Revenue Account Capital Programme</b>										
<b>HRA - Property Services Schemes</b>										

Cost Centre	Capital Scheme	2023/24 Original Budget	Forecast @ Q1	Latest 2023/24 Budget	Spend to 31/09/2023	Budget Remaining	Forecast Variance	Variance due to Slippage	Over / Under Spend	2023/24 Outturn Forecast
		£		£	£	£	£	£	£	£
N6384	Tower Blocks	-	731,470	731,470	111,091	620,379	-	-	-	731,470
N6385	Adaptations for disabled	1,156,000	1,200,000	1,200,000	774,691	425,309	200,000	200,000	-	1,400,000
N6386	Structural	1,750,000	2,000,000	2,000,000	1,175,777	824,223	-	-	-	2,000,000
N6387	Controlled Entry	407,522	300,000	300,000	465	299,535	131,939	131,939	-	431,939
N6388	Major Voids	560,000	700,000	700,000	239,988	460,013	100,000	100,000	-	800,000
N6389	Damp-proof works (K&B)	75,000	500,000	500,000	(3,169)	503,169	-	-	-	500,000
N6390	Kitchens & Bathrooms	1,450,000	1,673,681	1,450,000	-	1,450,000	26,319	26,319	-	1,700,000
N7057	Kitchens	-	-	210,419	279,673	(69,255)	-	-	-	0
N7058	Bathrooms	-	-	13,262	139,161	(125,899)	-	-	-	0
N6391	Heating	2,393,000	2,500,710	2,393,000	745,992	1,647,008	-	-	-	2,500,710
N7031	Homes at Barton	-	-	-	-	-	-	-	-	0
N7059	Boilers Only	-	-	107,710	63,882	43,827	-	-	-	0
N6392	Roofing	700,000	700,000	700,000	431,315	268,685	99,209	99,209	-	799,209
N6395	Electrics	723,000	1,062,326	1,062,326	602,132	460,194	-	-	-	1,062,326
N6434	Doors and Windows	500,000	691,000	691,000	390,200	300,800	-	-	-	691,000
N7020	Extensions & Major Adaptions	1,345,892	400,000	400,000	185,246	214,755	-	-	-	400,000
N7026	Communal Areas	810,773	831,136	831,136	29,801	801,335	-	-	-	831,136
N7033	Energy Efficiency Initiatives	4,915,000	3,938,000	3,938,000	170,907	3,767,092	-	-	-	3,938,000
N7044	Lift Replacement Programme	488,899	494,968	494,968	20,096	474,873	(294,968)	(294,968)	-	200,000
N7048	Fire doors	2,417,594	900,000	900,000	501,856	398,144	500,000	500,000	-	1,400,000
N7067	Renewal Of Fire Alarm Panels	154,000	176,802	176,802	15,221	161,581	-	-	-	176,802
N7052	HRA Stock Condition Survey	195,000	185,000	185,000	52,368	132,632	-	-	-	185,000
N7032	Great Estates Programme	1,851,254	1,212,382	400,000	28,381	371,618	(812,382)	(812,382)	-	400,000
N7071	Fencing	400,000	400,000	1,000,000	-	1,000,000	600,000	600,000	-	1,000,000
N7072	QL Improvements	245,000	-	245,000	-	245,000	245,000	245,000	-	245,000
N7073	Southfield Park Leases	1,500,000	1,500,000	1,500,000	-	1,500,000	-	-	-	1,500,000
N7074	Oxford North Development	8,355,798	8,356,000	7,555,000	1,746,959	5,808,041	-	-	-	8,356,000
N7075	LAHF Acquisitions	-	2,330,320	2,330,320	1,147,423	1,182,897	(442,253)	(442,253)	-	1,888,067
N7076	Major Voids – Kitchens and Bathrooms	-	-	-	96,349	(96,349)	-	-	-	0
N7077	Climate Change	-	-	-	-	-	-	-	-	0
N7042	Barton Regeneration	600,000	601,495	601,495	3,257	598,237	-	-	-	601,495
N7070	Major Refurbishment Masons Road	500,000	815,557	815,557	69,966	745,591	-	-	-	815,557
<b>HRA - Housing Supply Schemes</b>										
N7047	Social Rented Housing Acquisitions	-	2,834,236	2,834,236	886,253	1,947,983	(234,236)	-	(234,236)	2,600,000
N7051	Acquisition of Additional Units	2,466,000	2,466,000	2,466,000	-	2,466,000	-	-	-	2,466,000
N7050	East Oxford development	6,954,006	3,522,000	3,522,000	-	3,522,000	(2,167,103)	(2,167,103)	-	1,354,897
N7054	Properties Purchased From OCHL	56,207,061	25,688,743	25,688,743	33,049	25,655,694	-	-	-	25,688,743
N7061	Northfield Hostel	13,284,172	1,261,000	1,261,000	201,364	1,059,636	1,863,227	1,863,227	-	3,124,227
N7062	Lanham Way	4,358,501	2,800,000	2,800,000	845,487	1,954,513	(1,811,750)	(1,811,750)	-	988,250
N7068	Juniper	385,229	385,229	385,229	-	385,229	(385,229)	-	(385,229)	0
N7066	Next Steps Accommodation Programme	-	581,746	581,746	-	581,746	0	0	-	581,746
N7040	Blackbird Leys Regeneration (HRA)	1,504,000	1,625,977	1,625,977	39,732	1,586,246	(2,924,954)	(2,924,954)	-	(1,298,977)
<b>Housing Revenue Account Total</b>		<b>118,652,701</b>	<b>75,365,778</b>	<b>74,597,394</b>	<b>11,024,912</b>	<b>63,572,482</b>	<b>(5,307,181)</b>	<b>(4,687,716)</b>	<b>(619,465)</b>	<b>70,058,597</b>
<b>Grand Total</b>		<b>235,623,351</b>	<b>157,896,587</b>	<b>157,805,418</b>	<b>29,898,899</b>	<b>127,906,519</b>	<b>(20,515,688)</b>	<b>(20,169,663)</b>	<b>(346,025)</b>	<b>137,380,899</b>

## Appendix D

Measure ID	Short Name	Owner	Year End target	Target	Actual	Comments
BIC018	% Staff from minority ethnic groups	Helen Bishop	15	14.7	14.48	
BIC022	% increase of online forms completed and submitted for Housing, Revenues and Benefits only	Helen Bishop	5	5	0.04	We have seen a dip in submissions through Jadu Online forms, in part due to the move of forms across to OpenPortal, which has seen a substantial increase in forms this year, and a decrease in high volume form submissions such as Student Council Tax Exemptions.
BIC024	% reduction call volume into Customer Contact Centre for Housing, Revenues and Benefits only	Mark Chandler	5	5	+4.5%	In September we received 1423 more calls that we did in Sep23, mainly due to revs/bens sending out 2815 letters to check single person discount entitlement. This in addition to normal council tax and summons reminder letters. This generated a significant increase in calls and saw the highest number of council tax calls received this year (4878).
BIC025	% reduction of number of face-to-face enquiries for Housing, Revenues and Benefits only	Helen Bishop	5	5	+4.15%	There were 54 more visits in September this year than Sep22. Visits about council tax have increased due to the single person discount project to check entitlement, in particular customers visited the library who were having difficulties or were unable to complete the on-line form. Housing visits have also remained high with typically 30% of visits relating to housing queries.
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		KPI under review
CSC004b	The percentage who are from deprived areas or ethnic minority backgrounds	Carolyn Ploszynski, Ian Brooke	Tracking	TBC		KPI under review
CSC009	Satisfaction with parks and green spaces	Ian Brooke	91	91	93	
CSC012	Physically active adults	Ian Brooke	76	76	74.4	Active lives survey is reported on annually so progress towards target might not be seen immediately.
FSC002	Council spend with SMEs (excluding ODS and OCHL)	Nigel Kennedy	45	45	YTD actual is 62.83% above the yearly target	Whilst tracking above the yearly target this figure can change monthly
FSC003	Council spend with local businesses (excluding ODS and OCHL)	Nigel Kennedy	40	40	32.69	YTD actual is 32.69% - 7% below the yearly target - September was significantly low (17.40%) which could be caused by a large payment to one nonlocal supplier - if this continues this will need to be investigated further.
FSC019a	Total income collection as % of plan (Council Tax)	Nigel Kennedy	97.5	57%	56.12%	Council tax Collection continues to track at or around the predicted rate for the current year. Collection is also increasing in previous years which were affected by Covid, as the staff are working hard to have 3 years of charges paid to bring back to the 98% collection rate targets historically.
FSC019b	Total income collection as % of plan (Business Rates)	Nigel Kennedy	98	57%	54.30%	Collection is reduced as staff are still working through a build-up of work that has been received. 2 staff are allocated to this work, and this should start to see an increase in collection for the remaining 6 months.
FSC020	Discretionary funding won by the Council	Anna Winship, Nigel Kennedy	Tracking indicator	n/a	£2,426,000	Funding received in year to date
FSC021	Efficiencies delivered against plan	Anna Winship, Nigel Kennedy	1969000	TBC	£707,000	There are some savings identified that are not being met, these relate to the rental of SAC and staff savings in Customer services. We are currently forecasting to be c £580k below target by year end.
HPC005	Total number of affordable homes in Oxford completed in year	Nerys Parry	NA	NA	62	The Council has a corporate target of completing 1,600 affordable homes, across all tenures, for the next four financial years (23/24 - 26/27). Due to slippage the forecast is currently slightly below target with a programme of 1,591 homes to be delivered over this period. This has increased from Q1. Work is ongoing to secure further opportunities and acquisitions to bring the programme back in line with the target. 62 affordable homes have been delivered in the first quarter of this year with an additional 92 homes forthcoming in 2023/24.

Measure ID	Short Name	Owner	Year End target	Target	Actual	Comments
HSC023	Number of rough sleepers without an offer of accommodation	Nerys Parry	30	30	24	At the end of September, 29 individuals were estimated to be sleeping rough in Oxford. 24 of these individuals did not have an immediate offer of accommodation. 5 of the 29 had accommodation available to them on the night. Of the 29 individuals, 7 have refused offers of accommodation, and a further 6 currently have very limited options due to their suspected immigration status. At the end of Q2, 18 people were accommodated in 'off the street' accommodation (SSTS, TA and B&Bs), all of whom were being supported to find appropriate move-on accommodation. The Rough Sleeping & Single Homelessness Team, along with the wider Housing Needs team, and partner agencies continue to work hard to find appropriate accommodation solutions for individuals who are rough sleeping and who do not have offers of appropriate accommodation, either in supported accommodation commissioned as part of the Alliance, or elsewhere if this is more appropriate. The number of rough sleepers in the city usually increase during the summer months, and this can be demonstrated when looking at September data from 2022 when 46 people were estimated to be sleeping rough, 37 of which did not have an offer of accommodation. Rough sleeping numbers have remained fairly stable in the last 6 months, which demonstrates the good work that is being done by our own teams and our partners.
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	TBC		
RSC006	% of privately rented homes improved	Ian Wright	65	60	73%	In Q2 149 properties were visited for compliance and HHSRS assessments checks of these 109 were compliant (73%).

**To:** Cabinet  
**Date:** 13 December 2023  
**Report of:** Head of Financial Services  
**Title of Report:** Treasury Management Mid-Year Review for April – September 2023

<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 2023.
<b>Key decision:</b>	No
<b>Executive Board Member:</b>	Councillor Ed Turner, (Deputy Leader) Finance and Corporate Assets
<b>Corporate Priority:</b>	None
<b>Policy Framework:</b>	Council Strategy 2020-24
<b>Recommendations:</b> That Cabinet resolves to:	
1. <b>Note</b> the performance of the Treasury Management function for the six months to 30 September 2023.	

<b>Appendices</b>	
Appendix 1	List of investments as at 30 September 2023
Appendix 2	Risk Register
Appendix 3/3A	Confidential Appendix on Fund Investment

## 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 2023/24 financial year
  - A review of the Council's investment portfolio for 2023/24
  - A review of the Council's borrowing strategy for 2023/24
  - A statement of compliance with Treasury and Prudential Limits for 2023/24

2. The Council operates a balanced budget, which broadly means cash raised during the year will meet its cash expenditure from a revenue perspective. Greater or lesser demand for cash generally is driven from capital activities. 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 investment income for 2023/24 is £3.549 million. As at the 30th September 2023, forecast investment income for 2023/24 is £2.625 million.
5. Overall Treasury Management investment and borrowing activity plus the loans to companies is forecast to be beneficial at £1.052 million favourable compared to the 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.

### **Economic Overview**

6. The second quarter of 2023/24 saw:
  - Interest rates rise by a further 1%, taking the Bank of England Rate from 4.25% to 5.25% which is, according to general market opinion, the peak in the current base rate rises
  - A 0.5% month on month decline in real GDP in July, mainly due to more strikes.
  - CPI inflation falling from 8.7% in April to 6.7% in August, its lowest rate since February 2022, but still the highest in the G7.
  - Core CPI inflation declining to 6.2% in August from 7.1% in April and May, (which was a 31 years high).
  - Lower unmet labour demand, although there is no evidence yet that it has led to an easing in wage growth

### **Interest and Interest Rate Forecasts**

7. The Council has recently re-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 time, as the Bank of England seeks to reduce inflation levels. The PWLB rate forecasts below are based on the Certainty Rate (the standard rate



minus 20 basis points (0.2%), calculated as gilts plus 80 basis points) which has been accessible to most authorities since 1st November 2012.

Link Group Interest Rate View	25.09.23												
	Dec-23	Mar-24	Jun-24	Sep-24	Dec-24	Mar-25	Jun-25	Sep-25	Dec-25	Mar-26	Jun-26	Sep-26	Dec-26
<b>BANK RATE</b>	5.25	5.25	5.25	5.00	4.50	4.00	3.50	3.00	2.75	2.75	2.75	2.75	2.75
3 month ave earnings	5.30	5.30	5.30	5.00	4.50	4.00	3.50	3.00	2.80	2.80	2.80	2.80	2.80
6 month ave earnings	5.60	5.50	5.40	5.10	4.60	4.10	3.60	3.10	2.90	2.90	2.90	2.90	2.90
12 month ave earnings	5.80	5.70	5.50	5.20	4.70	4.20	3.70	3.20	3.00	3.00	3.00	3.00	3.00
5 yr PWLB	5.10	5.00	4.90	4.70	4.40	4.20	4.00	3.90	3.70	3.70	3.60	3.60	3.50
10 yr PWLB	5.00	4.90	4.80	4.60	4.40	4.20	4.00	3.80	3.70	3.60	3.60	3.50	3.50
25 yr PWLB	5.40	5.20	5.10	4.90	4.70	4.40	4.30	4.10	4.00	3.90	3.80	3.80	3.80
50 yr PWLB	5.20	5.00	4.90	4.70	4.50	4.20	4.10	3.90	3.80	3.70	3.60	3.60	3.60

## Investment Portfolio and Performance

9. The budgeted Treasury Management investment income for 2023/24 is £3.549 million. As at the 30<sup>th</sup> September 2023, forecast investment income to the end of 2023/24 is £2.625 million, an adverse variance of £0.924 million. Note that this is only part of the overall treasury position – the total net impact is shown in paragraph 12.
10. Budgeted income from loans to OCHL and Oxwed for the year is £3.295 million. As at the 30<sup>th</sup> September 2023, forecast income for 2023/24 is £2.794 million, which also includes £0.087 million income from loans to the Low Carbon Hub in respect of the Ray Valley Solar Farm, an adverse variance of £0.501 million.
11. The delays in in the capital programme have resulted in no external borrowing being taken out to finance general fund capital financing borrowing resulting in a favourable variance of £1.318 million against budget. Additionally this has meant that the HRA has not had to utilise external borrowing leading to internal borrowing income of £1.159 million for the General Fund.
12. Overall Treasury Management investment and borrowing activity plus the loans to companies is forecast to be beneficial by £1.052 million compared to the budget. There are a number of factors giving rise to this overall position:
  - Lower than anticipated lending to companies resulting in lower income from companies;
  - The delays in in the capital programme and company lending have resulted in
    - higher than anticipated cash for investment;
    - general fund borrowing being lower than anticipated and all general fund borrowing relating to the financing of the 2022/23 capital programme being internal; and
    - HRA borrowing relating to the financing of the 2022/23 capital programme being able to be temporarily taken from available cash resources.
13. The beneficial impact to the 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 2023/24 was approved by the Council in February 2023; to date the Strategy has been fully adhered to. Prudential indicator information is not included in this report because it relies on a full year picture and, crucially, on capital activity which will not be known in full until the end of the year.
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 considers, however under the Treasury Management Code, Security, Liquidity and Yield factors have to be prioritised. ESG criteria are used as an overlay to this.
20. The Council regularly reaches out to its current investment providers to give a breakdown of their ESG principles and provide any information they have on their ESG credentials and investment partners are regularly questioned on their policies when the Council meet with them to discuss its 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.

## **Pooled Investment Funds**

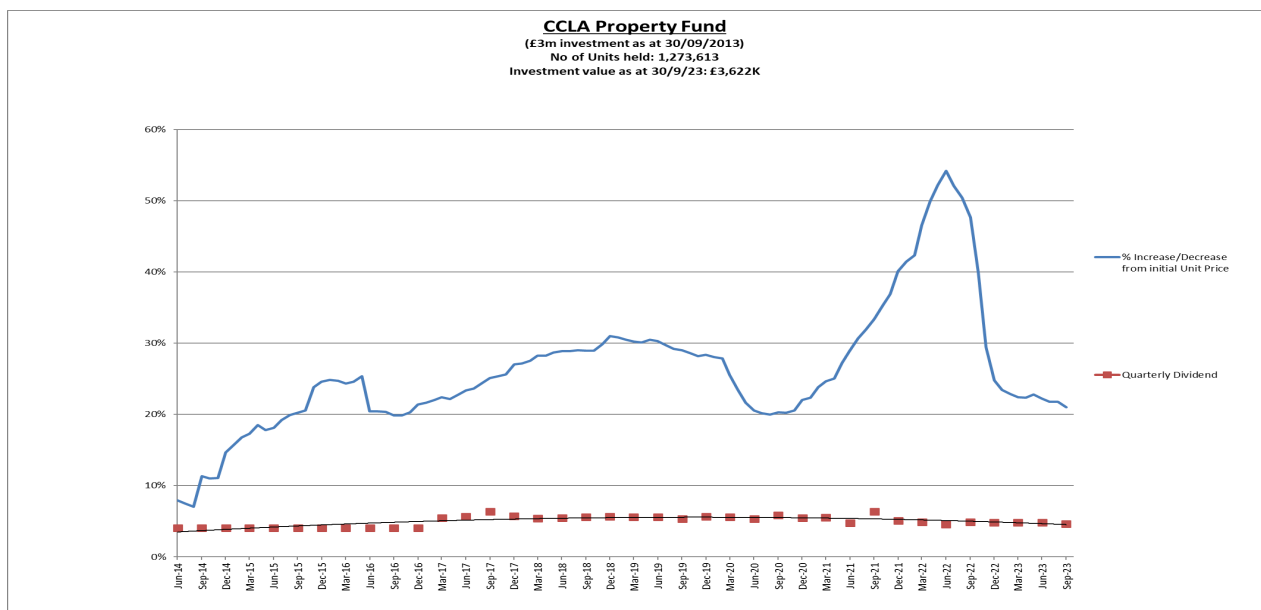
22. The Council currently has £20 million invested in 4 separate pooled investment funds. The current economic climate is proving difficult for many of the funds and although the revenue return is being maintained at expected levels, there are pressures on the capital values. There are different reasons for this, part of which is outlined in confidential appendix 3 and part of it being associated with the underlying levels of assets held by the funds being suppressed due to market conditions.
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 a 'surplus' in the principal value of the investments to cushion any adverse effect on the revenue account when the accounting overrides are removed. Given the fluctuations in the property and money markets there is high of risk of some adverse revenue impact when the overrides are removed. The position continues to be closely monitored.

## **Property Investment Funds**

24. 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 the Council a good return on its investments. Both property funds have reduced their retail holdings which de-risks the capital value they hold.

## **CCLA Investment Management Limited**

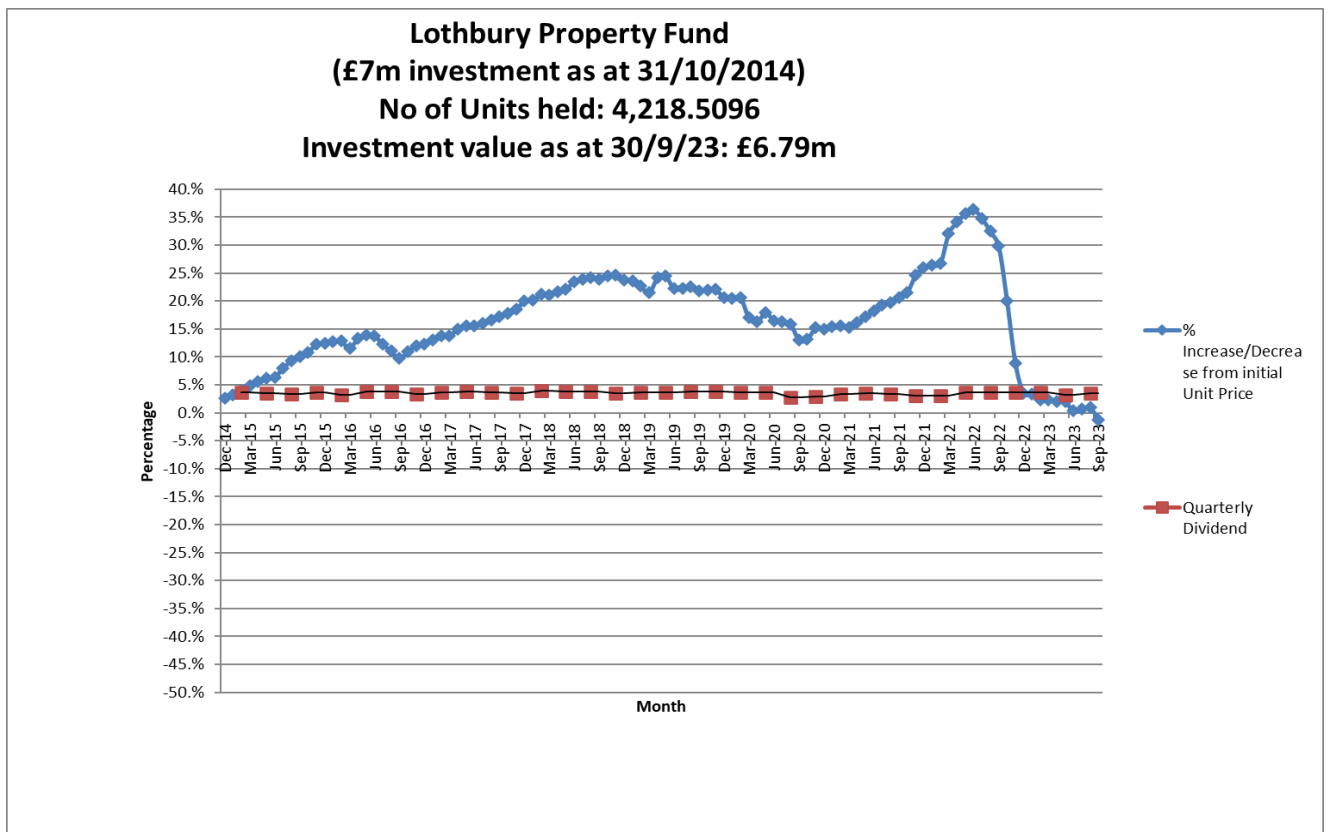
25. The Council has held a £3m investment in the CCLA fund since September 2013. The investment has produced quarterly revenue returns ranging between 5% and 6% and it is expected that the Fund will continue to achieve rates in this region.
26. Additionally, the value of the Council's investment with CCLA has appreciated from £3m to £3.622m as at 30th September 2023, equating to growth of 24.86% 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.



27. The investment returns around £40k revenue per quarter.

### Lothbury Investment Management

28. 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 depreciation over the period with the value currently standing at £6.794m, compared with £7m at inception, equating to overall decline of 4.58% 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. Since inception the fund has returned £2.168 million, return of 3.54% on average, outstripping returns from bank funds (which were earning an average of 0.88%) by around £1.628 million. Recent structural changes on the fund together with their impact on the Council is explained in more detail in Appendix 3 and 3A.



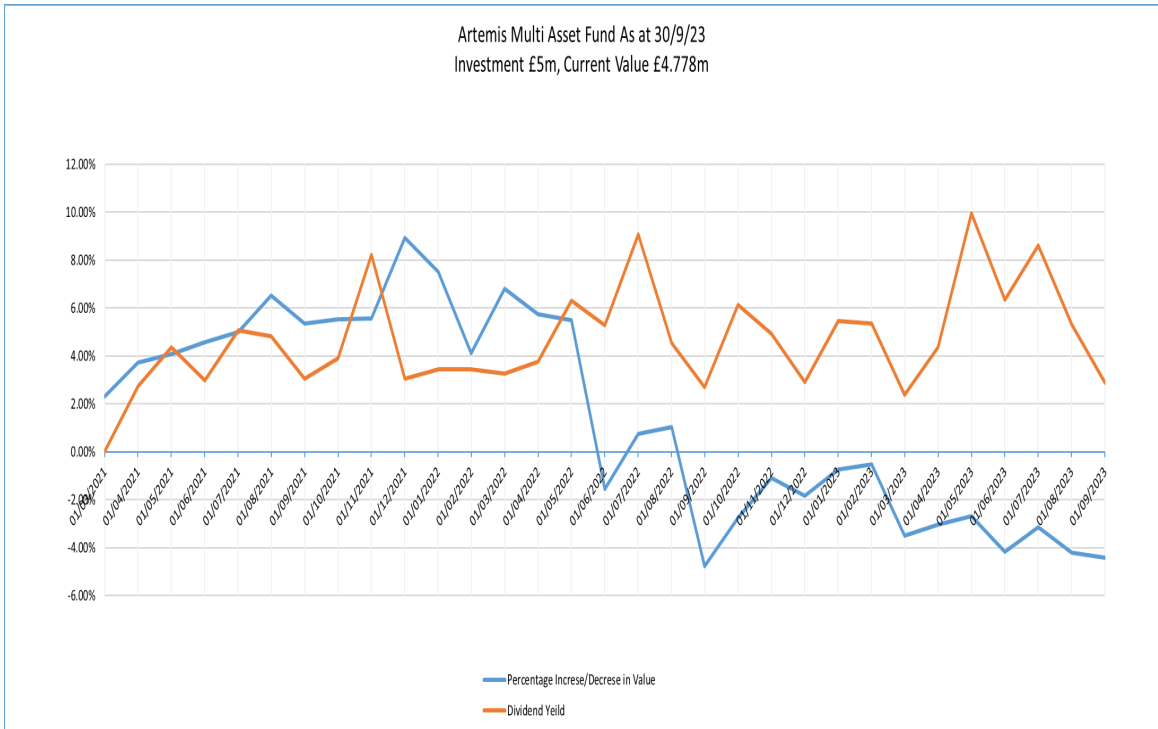
29. The investment returns around £60k per quarter.

### Multi-Asset Funds

30. 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

- 31. £5m is invested into the Artemis multi asset fund. Since inception the capital value has fallen to £4,779m equating in a fall of (4.43)% with an average monthly dividend payment of £21k giving an average percentage return of 4.82%
- 32. Reasons behind the stock market falls are well-documented, inflation, rising interest rates, an energy crisis made worse by Russia's war in Ukraine.
- 33. Capital values should improve when interest rates start to fall.

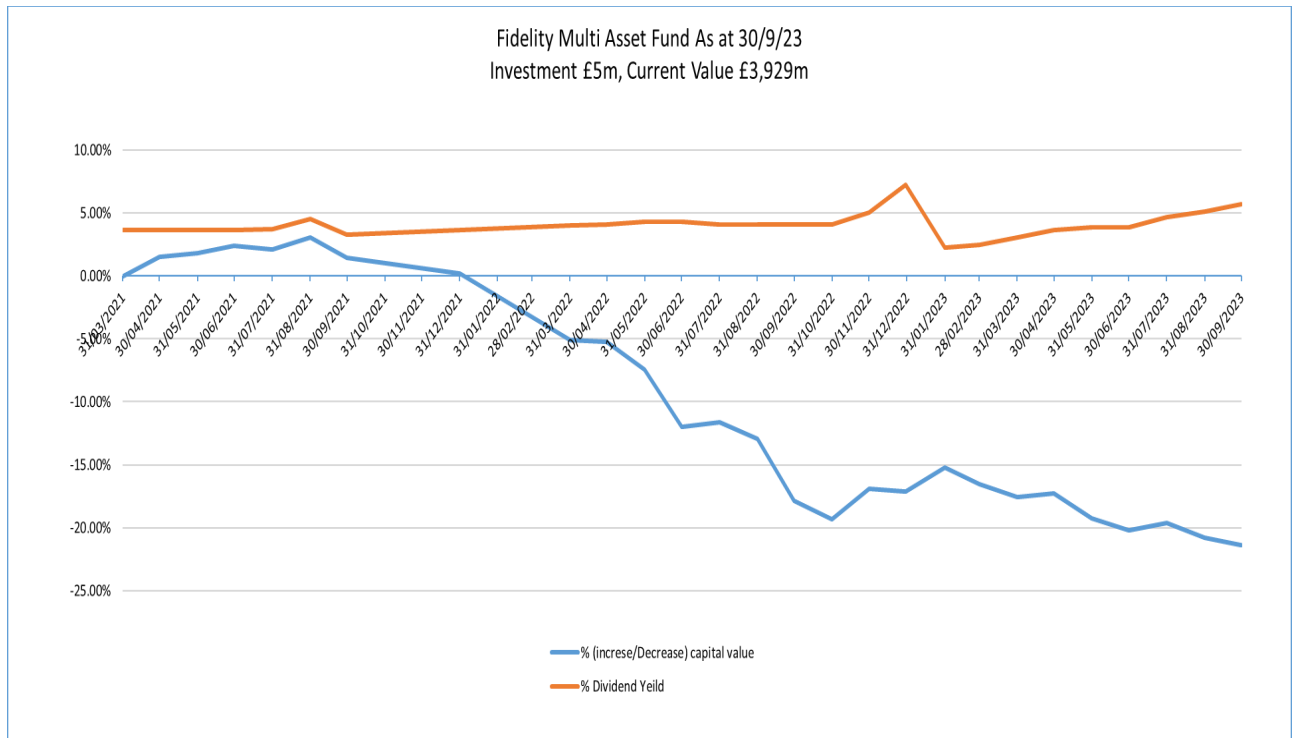


### Fidelity Multi Asset Fund

34. 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 £3.998m equating in a fall of (21.4) % with an average monthly dividend payment of £16.9k giving an average percentage return of 4.07%.

35. 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.

36. Capital values should improve when interest rates start to fall.



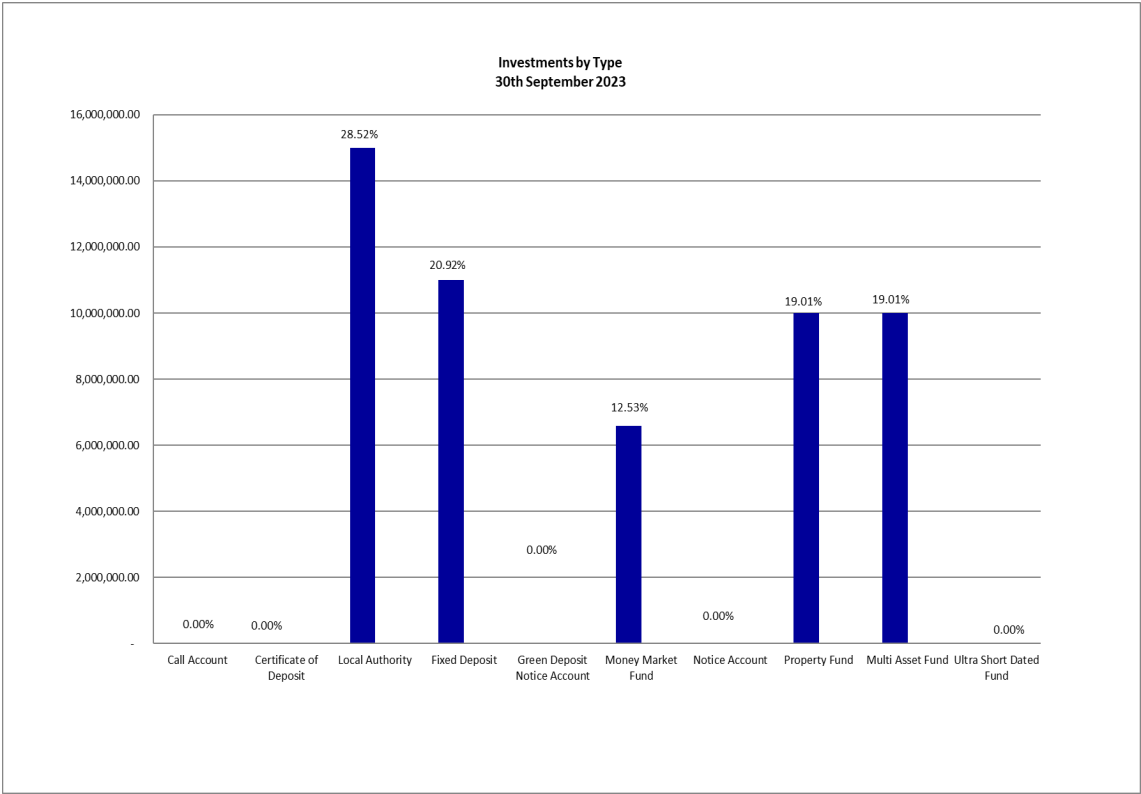
**Funds Overall position**

37. Although the capital value of the multi asset funds and the property funds has seen a downturn over the past six months. These investments add diversity to the overall investment portfolio. Although the values may fluctuate in the short term the funds are seen as long term investments that provide a good return.

**Investment Portfolio**

38. As at 30th September 2023, the Council’s total investment portfolio amounted to £52.6 million, with £10 million of this being held in property funds, £10 million in Multi asset funds and £6.6 million 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. A breakdown of these investments is shown at Appendix 1.

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

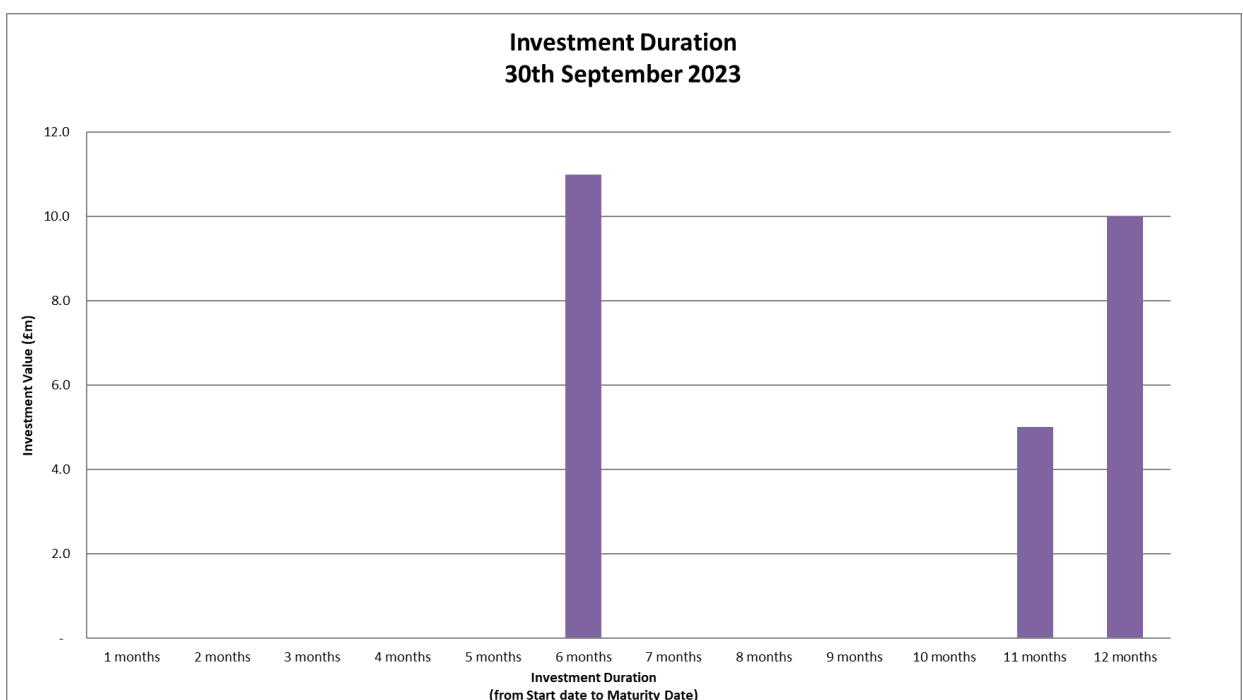


40. Fixed deposits and certificates of deposits both have an agreed start and end date which are arranged where possible, to suit the cash flow requirements. However, as mentioned previously, it is also important to keep a proportion in instant access funds.

41. The Council’s Treasury Management Strategy limits non-specified investments to 25% of the previous year’s average investment portfolio or £25m whichever is greater. 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.

42. In addition to the above the Council has £10 million invested in the National Homelessness Property Fund which has property in Milton Keynes, Bristol and Oxford. Resonance developed the 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 design 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. There is also £4 million invested in a second National Homelessness Property Fund which widens the area covered by the funds. These are classified as service investments 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 £14 million loaned to the National Homelessness Property Funds is not taken into account when assessing the residual headroom available for investment in non-specified investments.
43. 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.
44. 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**

45. The Council has not taken on any additional long term 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.
46. The Council is currently managing the capital financing requirements through internal cash resources and short term treasury activity. However external borrowing will be necessary in the future to meet its capital expenditure requirements, including loans to the Housing Company, and this is likely to occur later in 2023/24 or early in 2024/25.

## **Treasury and Prudential Limits for 2023/24**

47. 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 2023/24.

## **Other Key Updates**

### **Changes in Risk Appetite**

48. 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**

49. Treasury advice and market information is provided by Link Asset Services. A recent procurement process reappointed Link Asset Services as the Council's treasury advisors for the next 3 years with the ability to extend by two further periods of 2 years each. Information provided by Link Asset Services is used to advise council officers when making investment decisions.

### **Financial Implications**

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

### **Legal Issues**

51. The Council is required by regulations issued under the Local Government Act 2003 to produce and consider this treasury management monitoring report. This

meets the requirements of both the CIPFA Code of Practice on Treasury Management, (the Code), and the CIPFA Prudential Code for Capital Finance in Local Authorities, (the Prudential Code).

**Level of Risk**

52. There are no risks in connection with the report’s recommendations. A risk register covering Treasury Management activity is included at Appendix 2. One key risk going forward is around uncertainty caused by interest rate rises from the Bank of England and the effect this will have on the economy. These rises are being driven by the overall economic position both at the national and the global level. Equally it is uncertain how long interest rates will remain high before coming back down. This gives uncertainty around both investment and borrowing decisions. There are also risks that there will be failings in investment counterparties although this risk is reduced through the use of counterparty lists. Risk assessment and management is a key part of Treasury Management activity, especially in the selection of counterparties when investment is being considered and in the timing and duration of any borrowing being planned. The Council uses external advisors and counterparty credit ratings issued by the rating agencies to assist in this process.

**Equalities Impact**

53. The Council follows an ethical investment policy, investment interest helps provide council services, which has a beneficial equalities impact.

<b>Report author</b>	Bill Lewis
Job title	Financial Accounting Manager
Service area or department	Financial Services
Telephone	01865 252607
e-mail	<a href="mailto:blewis@oxford.gov.uk">blewis@oxford.gov.uk</a>

**Background Papers:** None

Appendix 1

OXFORD CITY COUNCIL LOANS LIST 2023/24									
OCC Investments as at:		30/09/2023	52,591,000.00						
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 6 months maturity limit 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 £15m operational limit agreed by JY 02/08/16 364-day maturity limit PJ checked 21/01/2020	15,000,000.00	175-day notice account	-	0.75%	27/07/2018			15,000,000.00	
<b>Royal Bank of Scotland Group (RFB)</b> RBS NatWest 364-day maturity limit PJ checked 21/01/2020	10,000,000.00							10,000,000.00	
<b>Close Brothers</b> £7m operational limit agreed by NK 25/11/15 6 month maturity limit PJ checked 24/03/2021	7,000,000.00		-	0.55%	11/01/2021	24/03/2022	26/09/2022	7,000,000.00	
<b>Goldman Sachs International</b> £15m operational limit agreed by NK 21/04/2021 6 month maturity limit PJ checked 14/04/2021	15,000,000.00		4,000,000.00	2.545% 4.340% 4.030%	15/02/2022 11/10/2022 24/10/2022	16/08/2022 14/10/2022 25/10/2022	16/02/2023 14/04/2023 25/04/2023	11,000,000.00	ICAP TRADITION ICAP
<b>HSBC Bank plc</b> 12 month maturity limit PJ checked 21/01/2020	10,000,000.00							10,000,000.00	
<b>Santander UK plc</b> £7m operational limit agreed by NK 25/11/15 6 month maturity limit PJ checked 21/01/2020	7,000,000.00	Santander Instant Access Call Account	-	0.80%	13/11/2019			7,000,000.00	
		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> £7m operational limit agreed by NK 25/11/15 6 month maturity limit PJ checked 21/01/2020	7,000,000.00	Sumitomo Mitsui Banking Corporation	-	0.73%	02/05/2018	02/05/2018	02/11/2018	7,000,000.00	
<b>Standard Chartered</b> £7m operational limit agreed by NK 25/11/15 6 month maturity limit PJ checked 21/01/2020	7,000,000.00	Sustainable fixed deposit	7,000,000.00	5.66%	08/08/2023	09/08/2023	09/02/2023		
<b>Svenska Handelsbanken</b> £7m operational limit agreed by NK 09/06/17 12 month maturity limit PJ checked 21/01/2020	7,000,000.00	Instant Access Call Account	-	0.65%		19/03/2020		7,000,000.00	
		35-day Notice Account							
<b>Coventry Building Society</b> £7m operational limit agreed by NK 25/11/15 6 month maturity limit PJ checked 21/01/2020	7,000,000.00							7,000,000.00	
<b>Leeds Building Society</b> £7m operational limit agreed by NK 25/11/15 100 days maturity limit PJ checked 21/01/2020	7,000,000.00							7,000,000.00	
<b>Nationwide Building Society</b> 6 month maturity limit PJ checked 21/01/2020	10,000,000.00							10,000,000.00	
<b>Skipton Building Society</b> 100 days maturity limit PJ checked 21/01/2020	3,000,000.00							3,000,000.00	
<b>Yorkshire Building Society</b> £7m operational limit agreed by NK 25/11/15 100 days maturity limit PJ checked 21/01/2020	7,000,000.00							7,000,000.00	
<b>Treasury Bills</b>	7,000,000.00							7,000,000.00	
<b>Local Authorities</b> £18,977m limit per authority as per 2015/16 Strategy	18,977,000.00	1347 - Kingston Upon Hull	5,000,000.00	3.80%	01/11/2022	14/11/2022	13/11/2023	13,977,000.00	R P Martin
		1344 - South Ayrshire Council	5,000,000.00	4.35%	13/10/2022	04/11/2022	03/11/2023	15,977,000.00	TRADITION
		1346 - Medway Council	5,000,000.00	3.80%	08/11/2022	24/11/2022	30/10/2023	13,977,000.00	TRADITION
<b>Money Market Funds</b> Limited set to match Treasury Strategy 23/3/20 £25m operational limit per MMF agreed by NK 23/03/20	75,000,000.00	Legal and General Investment Management			08/09/2023				
		Federated Investors	6,591,000.00		29/09/2023				
		Aberdeen Standard			14/09/2023			68,409,000.00	
<b>Cash Plus Funds</b> £15m operational limit of Fund agreed by JY 02/08/16	15,000,000.00	Royal London Cash Plus	-		15/01/2018			15,000,000.00	
<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			5,000,000.00	
		Fidelity	5,000,000.00						
<b>Total Investments as at</b>	<b>30 September 2023</b>		<b>52,591,000.00</b>						

This page is intentionally left blank

Risk Register  
 Treasury Management  
 As at: 30 September 2023

Ref	Title	Risk description	Risk Opp/ threat	Cause	Consequence	Date Raised	Owner	Gross		Current		Target		Comments	Controls				
								I	P	I	P	I	P		Control description	Due date	Status	Progress	Action Owner
<b>Treasury Management</b>																			
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	4	4	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	Interest rates	Interest rates change with adverse financial effects on the Council	T	Economic growth forecasts remain subdued leading to low interest rates. Consequently lower risk counterparties tend to offer low investment rates. Inflation is high and the Bank of England base rate is raised to counteract this leading to an increase in borrowing costs.	The Council may not achieve its target level of interest. The cost of debt increases. Costs passed on to subsidiary companies have to increase leading to lower profitability expectations and lower dividends.	05/08/16	Bill Lewis	3	3	3	3	2	3	Interest rate forecasts from treasury advisors are monitored closely and investment and borrowign decisions are taken using these as guide as to durations and timing.	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.

This page is intentionally left blank

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A  
of the Local Government Act 1972.

Document is Restricted

This page is intentionally left blank



By virtue of paragraph(s) 3 of Part 1 of Schedule 12A  
of the Local Government Act 1972.

Document is Restricted

This page is intentionally left blank

**To:** Finance and Performance Panel  
**Date:** 06 December 2023  
**Report of:** Finance Business Partner (HRA)  
**Title of Report:** Acquisition vs Leasing of Properties and the HRA

<b>Summary and recommendations</b>	
<b>Purpose of report:</b>	To brief the Finance and Performance Panel following a request made at the previous meeting on 06 September 2023.
<b>Recommendation(s): That the Panel resolves to:</b>	
1. <b>Note and comment on</b> the contents of the report.	

<b>Appendices</b>	
Appendix 1	Extracts from the relevant Housing Acts

## Introduction and background

- At its previous meeting on 06 September 2023, the Finance and Performance Panel requested a briefing: *“In relation to the choice between acquisition and leasing of properties, where the Council purchased a property outright there were sometimes implications as to whether or not the property could sit in the Housing Revenue Account (HRA).”*

## Summary

- In respect of acquisition of homes for Temporary Accommodation (TA) the options available are:
  - Purchase of property for TA use using General Fund (GF) resources, and kept / maintained in the GF.
  - Purchase of property for TA use using Housing Revenue Account (HRA) resources, and kept / maintained in the HRA.
  - Lease properties for TA use. This would need to be resourced through the General Fund as accommodation leased to the Council for a period of 10 years or less cannot be included in the HRA.

## **Legislation**

3. A Council's duties in respect of homelessness fall outside the scope of the Housing Revenue Account (HRA) as they are provided for under Part VII of the Housing Act 1996 (the 1996 Act) rather than Part II of the Housing Act 1985 (the 1985 Act). Therefore, any homeless administration services must be funded out of the General Fund.
4. However, Section 9 of the 1985 Act gives Councils the power to provide housing accommodation by erecting or acquiring houses (and "houses" for these purposes includes lodging-houses and hostels). This could include erecting or acquiring houses to be used for temporary accommodation. Any such temporary accommodation erected or acquired using the Section 9 power would need to be accounted for within the HRA by virtue of Section 74(1) of the Local Government and Housing Act 1989 (the 1989 Act), unless the accommodation was leased to the Council for a period of 10 years or less (in which case the Housing Revenue Account (Exclusion of Leases) Direction 1997 excludes these dwellings from the HRA: see also Homelessness etc.).
5. The construction or purchase of such accommodation could therefore be paid for from HRA surpluses and, further, in accordance with Part II, Schedule 4 to the 1989 Act, the repair, maintenance, supervision and management of temporary accommodation erected or acquired under the Section 9 power (which could include any accommodation already erected or acquired under this power) should also be debited from the HRA (together with any other items to be debited from the HRA pursuant to Part II).
6. In basic terms, therefore, it is possible (using a Council's Section 9 power) for the 'bricks and mortar' of the temporary accommodation to be paid for from HRA surpluses and thereafter for the repair and maintenance of that accommodation to be paid for from the HRA. However, any services provided pursuant to a Council's homelessness duties under the 1996 Act must be accounted for out of the General Fund.

## **Financial Implications of Purchasing or Leasing Temporary Accommodation**

7. The purchase of Temporary Accommodation by the General Fund:
  - a. Longer Term Financial Commitment with potential borrowing costs if not possible to fund from existing reserves, resulting in:
    - i. Loan Interest (currently circa 5% on amount borrowed)
    - ii. Minimum Revenue Provision (MRP) (minimum 2% of amount borrowed)
  - b. Value of the asset is held in the General Fund at fair value and can be sold with no restrictions when no longer needed. Potentially an appreciating asset.
  - c. Any income received (e.g. Housing Benefit) would be credited to the General Fund.
8. The purchase of Temporary Accommodation by the Housing Revenue Account (HRA):

- a. Longer Term Financial Commitment with an increase in overall HRA debt, leading to:
    - i. Loan Interest (currently circa 4.6% (HRA rate) on amount borrowed)
    - ii. No MRP in the HRA
  - b. Value of the asset is held at Social Housing Value (Approx 40% of Open Market Value) in the HRA with restrictions on the sale and sales value of the asset. The asset would most likely be moved to General Needs Social Housing when no longer required rather than sold on the open market.
  - c. The rental income (at Social Rent rates) would be credited to the HRA.
9. The lease of Accommodation for use as Temporary Accommodation would have to be via the General Fund as the HRA cannot include properties leased for periods of less than 10 years.
- a. Shorter term financial commitment with direct revenue cost implications for the lease costs.
  - b. If the lease is more than 12 months then there is an accounting obligation to include a value of the lease for the property in the General Fund balance sheet, as well as the liability of the remaining lease payments. This could potentially have a negative impact on the balance sheet if the leased properties were no longer being used due to the financial commitment until the end of the lease period.
  - c. Income received is credited to the General Fund.

<b>Report author</b>	Jason Jones
Job title	Finance Business Partner (HRA)
Service area or department	Financial Services
Telephone	01865 252365
e-mail	<a href="mailto:jjones@oxford.gov.uk">jjones@oxford.gov.uk</a>

<b>Background Papers:</b> None
--------------------------------

## **Appendix 1: Extracts from the relevant Housing Acts**

### **Section 9 of the Housing Act 1985 - Provisions of housing accommodation.**

(1) A local housing authority may provide housing accommodation—

- (a) by erecting houses, or converting buildings into houses, on land acquired by them for the purposes of this Part, or
- (b) by acquiring houses.

(2) The authority may alter, enlarge, repair or improve a house so erected, converted or acquired.

(3) These powers may equally be exercised in relation to land acquired for the purpose—

- (a) of disposing of houses provided, or to be provided, on the land, or
- (b) of disposing of the land to a person who intends to provide housing accommodation on it.

(4) A local housing authority may not under this Part provide a cottage with a garden of more than one acre.

(5) Nothing in this Act shall be taken to require (or to have at any time required) a local housing authority itself to acquire or hold any houses or other land for the purposes of this Part.

### **Section 74 of the 1989 Act - Duty to keep Housing Revenue Account**

(1) A local housing authority shall keep, in accordance with proper practices, an account, called the “Housing Revenue Account”, of sums falling to be credited or debited in respect of—

- (a) houses and other buildings which have been provided under Part II of the [1985 c. 68.] Housing Act 1985 (provision of housing);
- (b) land which has been acquired or appropriated for the purposes of that Part;
- (c) houses purchased under section 192 of that Act (purchase of house found on appeal against repair notice to be unfit and beyond repair at reasonable cost);
- (d) dwellings in respect of which a local authority have received assistance under section 1 or section 4(2A) of the [1926 c. 56.] Housing (Rural Workers) Act 1926;
- (e) any property which—

(i) with the consent of the Secretary of State given under section 417(1) of the Housing Act 1985,

(ii) with the consent of a Minister given under section 50(1)(e) of the [1958 c. 42.] Housing (Financial Provisions) Act 1958, or

(iii) by virtue of section 50(2) of that Act (houses vesting in local authority on default of another person),

was brought within the corresponding account kept under Part XIII of the Housing Act 1985 for years beginning before 1st April 1990; and

(f) such land, houses or other buildings not within the preceding paragraphs as the Secretary of State may direct.

(2) References in subsection (1) above and the other provisions of this Part to provisions of the Housing Act 1985 include, where the context so admits, references to the corresponding provisions of earlier enactments; and the reference in paragraph (b) of that subsection to land acquired for the purposes of Part II of that Act includes—

(a) land which a local authority were deemed to have acquired under Part V of the [1957 c. 56.] Housing Act 1957 by virtue of section 57(6) of that Act (land acquired for re-development in pursuance of re-development plan) before the repeal of that section on 25th August 1969; and

(b) any structures on such land which were made available to a local authority under section 1 of the [1944 c. 36.] Housing (Temporary Accommodation) Act 1944 (prefabs).

(3) Paragraphs (a) to (e) of subsection (1) above shall not apply to—

(a) land, houses or other buildings disposed of by the authority;

(b) land acquired by the authority for the purpose of disposing of houses provided, or to be provided, on the land, or of disposing of the land to a person who intends to provide housing accommodation on it;

(c) houses provided by the authority on land so acquired; or

(d) such land, houses or other buildings as the Secretary of State may direct;

and paragraph (a) of that subsection shall not apply to houses and other buildings provided on or before 6th February 1919.

(4) A local housing authority not possessing property to which subsection (1) above applies shall nevertheless keep a Housing Revenue Account unless the Secretary of State consents to their not doing so and they comply with such conditions (if any) as may be specified in the consent.

(5) In this Part—

(a) references to the houses or other property of an authority within the authority's Housing Revenue Account are references to the houses, dwellings or other property to which subsection (1) above for the time being applies; and

(b) references (however expressed) to a disposal are references to a conveyance of the freehold, or a grant or assignment of a lease (other than a shared ownership lease) which is a long tenancy within the meaning given by section 115 of the [1985 c. 68.] Housing Act 1985.

(6) Sections 417 to 420 of, and Schedule 14 to, the Housing Act 1985 (which are superseded by this section, sections 75 to 78 below and Schedule 4 to this Act) shall cease to have effect.



Finance & Performance Scrutiny Panel – KPI Performance report September 2023

Measure	Name	Owner	2023/24 Target	Sept 23 Target	Sept 23 Actual	Comments
BI038	Percentage of staff turnover for the whole organisation	Helen Bishop			10.26%	
CH001	Days lost to sickness	Gail Malkin	6.5 days	6.5	6.2	
CS003	Customers calls answered on the council's main telephone service lines without hanging up	Mark Chandler	93%	93%	84.6%	A very challenging month where we received 19201 calls, 1193 more than August and easily the highest volume year to date. 2815 letters were sent out to check entitlement to single person discount, 2096 council tax reminder text messages were sent, 2573 council tax reminder letters were sent, 321 business rates reminder letters were sent and 362 council tax and business rates summons letters were also sent. All of these generated queries and an increase in call demand. In addition our resources were very stretched as we were 4 heads down as we were advised by Finance that we were unable to backfill due to a projected overspend against budget (now resolved). It was also the last month of the leave year so holiday allowance was maxed out. We restricted training and asked the Assistant Team managers to help take calls when they could but we were unable to manage the high call demand and the average wait time therefore increased to 7mins 12secs
FSC003	Council spend with local business (excluding ODS and OCHL)	Nigel Kennedy	40%	40%	32.69%	YTD actual is 32.69% - 7% below the yearly target - September was significantly low (17.40%) which could be caused by a large payment to one non local supplier - if this continues this will need to be investigated further.
BI001b	The Percentage of ODS spend with local business	Nicky Atkin	55%	55%	57.22	

67

Agenda Item 11

Measure	Name	Owner	2023/24 Target	Sept 23 Target	Sept 23 Actual	Comments
BI001c	The Percentage of OCHL spend with local business	Annette Osborne	4.75%			
BV008	Percentage of invoices paid on time for OCC	Anna Winship	95%	95%	94.15%	
CS002	Time to process changes in circumstances	Laura Bessell	15 days	18	20	Just 2 days outside our target for September. We have cleared the vast majority of our very oldest work so our average SOP will be lower and should continue to be lower going forwards.
CS005	Time to process new benefits claims	Laura Bessell	15 days	18	18	On target for September.
FN008	Investment return above base rate	Bill Lewis	0.001%	0.001	-0.0127	The majority Council funds are invested over a set term at the interest rates that are prevalent at the time. When interest rates rise, the interest received on investments tends to lag behind the base rate and when interest rates fall, the converse tends to be true. Therefore it is expected in a rising interest rate market, returns will be lower than the current interest rate.
FN034	Trading Income	Scott Warner	£220,000	£18,333	£80,759	Slightly behind but Q2 invoices all due in October which will realign
FN036	Fraud Losses Prevented	Scott Warner	£2200000	£183,333	£2,310,159	Exceeding target
FN052	Percentage of Council spend with SME's	Annette Osborne	53.97%	45	55.53%	The quarterly figure is 55.53%
FSC019a	Total income collection as % of plan (Council Tax)	Nigel Kennedy	97.5%	66.1%	64.9%	Council tax Collection continues to track at or around the predicted rate for the current year. Collection is tracking below the in-month target as the Single Person Discount Review is now nearing completion and these accounts which have had their SPD removed for this financial year have increased the level of debt to be collected.

Measure	Name	Owner	2023/24 Target	Sept 23 Target	Sept 23 Actual	Comments
FSC019b	Total income collection as % of plan (Business Rates)	Nigel Kennedy	95%	66%	62.43%	Collection is reduced as staff are still working through a build-up of work that has been received. 2 staff are allocated to this work. There is a focus within the team to collect the 25 largest debts each week to maintain the income.
FSC020	Discretionary funding won by the Council	Anna Winship, Nigel Kennedy	Tracking indicator	n/a	£2,426,000	
LG006	Percentage of Data Subject Access Requests responded to within deadline	Grace Wigham	0%	95	100%	
PRE002	Number of Oxford Living Wage employers and employees	Carolyn Ploszynski	90			KPI under review
PSC022	Provide a quarterly update on the five year housing delivery supply	Rachel Williams				
CPC017	Oxford residents' satisfaction with City Council services	Mish Tullar	No data available	Tracking Indicator	TBC	Baseline to be set in summer 2023 utilising Oxford Residents Panel and then a tracking indicator.
CSC012	Physically active adults	Ian Brooke	76	76	74.4	Active lives survey is reported on annually so progress towards target might not be seen immediately.

Measure	Name	Owner	2023/24 Target	Sept 23 Target	Sept 23 Actual	Comments
RS005	Number of cases in the private rented sector, where homelessness prevented following intervention by the Tenancy Relations Officer	Ian Wright	120	10	7	YTD – 88
Q2 HSCO23	Number of rough sleepers without an offer of accommodation	Nerys Parry	30	30	24	At the end of September, 29 individuals were estimated to be sleeping rough in Oxford. 24 of these individuals did not have an immediate offer of accommodation. 5 of the 29 had accommodation available to them on the night. Of the 29 individuals, 7 have refused offers of accommodation, and a further 6 currently have very limited options due to their suspected immigration status. At the end of Q2, 18 people were accommodated in 'off the street' accommodation (SSTS, TA and B&Bs), all of whom were being supported to find appropriate move-on accommodation. The Rough Sleeping & Single Homelessness Team, along with the wider Housing Needs team, and partner agencies continue to work hard to find appropriate accommodation solutions for individuals who are rough sleeping and who do not have offers of appropriate accommodation, either in supported accommodation commissioned as part of the Alliance, or elsewhere if this is more appropriate. The number of rough sleepers in the city usually increase during the summer months, and this can be demonstrated when looking at September data from 2022 when 46 people were estimated to be sleeping rough, 37 of which did not have an offer of accommodation. Rough sleeping numbers have remained fairly stable in the last 6 months, which demonstrates the good work that is being done by our own teams and our partners.
HSC014	Percentage of council owned stock that has an EPC below C	Nerys Parry	30%	-	-	This measure is currently an annual one and due to be updated at the end of the year.

Measure	Name	Owner	2023/24 Target	Sept 23 Target	Sept 23 Actual	Comments
HP011	Households in temporary accommodation	Nerys Parry	120	120	140	
BIC018	% of BAME staff	Helen Bishop	15	14.6	14.60	

This page is intentionally left blank

**Scrutiny Performance Monitoring – Written Responses to Questions from Finance and Performance Panel 06 September 2023**

<b>Measure</b>	<b>Name</b>	<b>Owner</b>	<b>Question</b>	<b>Response</b>
BI038	Percentage of staff turnover for the whole organisation	Helen Bishop	What was the target for the end of 2022/23?	There was no target for staff turnover in 2022/23 and there has never been a target.
			Can commentary be provided on the reason for the increase in percentage staff turnover; and what was the target for Q1 2023/24?	<p>There is no target for staff turnover for 2023/24.</p> <p>The turnover reported at the end of March 2023 and at quarter 1 for 2023/24 are both calculated using the average of turnover for the previous 12 months.</p> <p>The difference between annual turnover rates of 7.31% and 8.72% is circa 10 more leavers in a 12-month period for a workforce of circa 800 people. This is not significant.</p> <p>To provide context, according to the LGA Workforce survey for 2021/22 the median vacancy rate in local government was 14.0%. This suggests the turnover rate for the Council is not high. Hence turnover is reported at the moment as part of a suite of workforce management information and not with an associated target.</p>

CH001	Days lost to sickness	Gail Malkin	Is there a sense that staff take less sick days as a result of working remotely and not necessarily taking a day off?	The sickness target for 2022/23 was also 6.5 days/FTE - this has not changed in 2023/24.
			What is the rationale behind changing the target from 7.15 days to 6.5 days for 2023/24?	<p>Sickness absence is closely monitored and managed across the organisation. In the last 12 months, regular updates have gone to the Corporate Management Team (CMT) showing sickness absence for each service area. Those areas forecasting levels above 6.5 days are examined in more detail to understand causes and actions being taken to address.</p> <p>In areas where absence is higher there is closer monitoring by managers using a range of mitigations to help colleagues stay in work, often supported by a formal case review process every few months where the service head and line manager review relevant cases. A script is also in use in parts of the business to guide managers in taking calls from colleagues calling in sick.</p> <p>The management information has not shown any indication that there are less sick days as a result of people working remotely and not</p>



				<p>necessarily taking a day off.</p> <p>The management data does show so far in 2023/24, that compared to 31.10.22 the percentage of sickness that is attributed to short-term absence has reduced, which is positive.</p> <p>Alongside service area activity, there is also an organisation-wide action plan designed to build a resilient and robust leadership approach in managing absence. Actions include: support to ensure staff and managers understand the role and service offer of both our occupational health and employee assistance providers; regular communications via in-house all staff emails, Let's Talk and Leadership Conversation sessions; the Wellbeing at Work Week in May 2023; a focus on performance management in our Leadership programme; and a robust governance and monitoring framework for absence in the organisation.</p>
CS003	Customers calls answered on the council's main	Mark Chandler	Is the very high call volume cited in the commentary expected to change with the Council moving to more digital	In relation to the Council moving to more digital methods of communication there are a few

	telephone service lines without hanging up		methods of communicating with residents?	<p>projects underway which should deliver this. A portal should be implemented in the next quarter on the QL system which will allow tenants to book repairs on-line and view rent statements/ balances. Currently tenants have to phone the Contact Centre to book repairs so this has the potential to reduce call demand. However, the portal is initially being rolled out as a pilot to just Tenant Ambassadors and any staff who are tenants and initially will only allow a select criteria of repairs categories to be booked, so benefits are likely to be phased over the next 12 months or so. Another enhancement is that through the Civica portal, where Revenues and Benefits forms are being added to allow customers to engage with us on-line, all forms should be available to use by the end of September 2023 and a communications campaign will be launched in October 2023 to promote them. This should deliver some reduction in call demand for the Contact Centre.</p>
			How long were the two posts which were vacant due to maternity leave vacant for before agreement was sought from Finance to recruit to these	In relation to the vacant posts, we were delayed 6 weeks before we had an agreement from Finance to advertise against them. This did

			posts, which the commentary suggests were much-needed?	have a significant impact as typically it takes around 2 months to recruit and train officers to start taking calls in the Contact Centre and whilst we have now recruited against them they have only just started and have not been available to help through the summer months when staff holiday absence has been at its highest. Finance were concerned that we had a significant forecast overspend so we had to make a case for why we needed the posts and how we could try to make some savings. The majority of the forecast overspend we could not affect as it related to savings built into the budget which were unlikely to be realised, maternity cover for which there is no budget and turnover savings which we struggled to realise as our turnover had reduced.
BI001a	The Percentage of Council spend with local business (excluding ODS and OCHL)	Annette Osborne	Why does this metric exclude spend with ODS and OCHL, given it means the money is spent locally to benefit the local economy?	ODS and OCHL figures are reported separately and therefore removed from the OCC figures to ensure this is not duplicated. If Scrutiny wish the Council to report on its total spend with local businesses to include all entities this can be arranged. Whilst OCC give money to ODS it does not mean that all of that money is spent locally.

			The result for Q1 2023/24 (32.61%) has decreased from the end of year 2022/23 result (39.5%) – why is this?	This is an annual target and the figures change monthly, which alters the average over the year. The average for Q1 2022/23 was 33.45%; with the average for Q1 2023/24 being 32.61%. In July 2023 the figure rose to 45.08%, bringing the average up to 35.73%.
BI001b	The Percentage of ODS spend with local business	Nicky Atkin	Why has the target been reduced to 55% for 2023/24 given performance last year (65.12%)?	After reviewing its data, ODS agreed the lower target of 55% for this measure as it is more in line with historic performance – therefore a more realistic target.
			Can a commentary be provided on why there has been a fairly significant reduction in performance from the end of 2022/23 to Q1 2023/24?	This reduction is because ODS' temporary agency staff provider was bought out by a company which is based in the Midlands.
BI001c	The Percentage of OCHL spend with local business	Annette Osborne	Can the commentary be clarified/explained? The result for end of year 2022/23 and Q1 2023/24 is 75.41% - exceeding the stated target; but the commentary states that the year-end average is 12%, which seems to be at odds with the results reported.	Apologies, it looks as though the figure input was for ODS not OCHL. The end of 2022/23 year figure for OCHL for local spend was 12% and it is tracking at 5.18% for 2023/24. This is a yearly target as the OCHL figure significantly varies due to the size of Construction projects.
CS002	Time to process changes in circumstances	Laura Bessell	Which migration are the delays due to?	The Revenues and Benefit Service moved computer systems from Capita to Civica and this had an impact of the level of work that the

				team had to resolve since migration. The team is currently at a year-to-date speed of processing of 21 days.
			What does 'SOP' mean?	Speed of processing (a new claim or a change in circumstances).
			Is the Council expected to meet the target by the end of Q2 2023/24?	No, this is not expected to be within the targets until the end of the 2023/24 financial year. We are currently tracking at an August Speed of Processing of 16 days which is a day over the target. Our performance in Q2 is showing a significant reduction in the year-to-date figure going forwards.
CS005	Time to process new benefits claims	Laura Bessell	Is the Council expected to meet the target by the end of Q2 2023/24?	No, this is not expected to be within the targets until the end of the financial year. We are currently tracking at an August Speed of Processing of 17 days which is 2 days over the target. We are currently at a year-to-date speed of processing of 20 days. Our performance in Q2 is showing a significant reduction in the Year-to-date figure going forwards.
FN008	Investment return above base rate	Bill Lewis	What is the outlook for this measure in the short, medium and long term; and do the Council's investments continue to be the most appropriate in the current climate?	It is intended that this will stay as a measure going forwards. This measure will tend to overachieve as interest rates go down and underachieve when interest rates are rising due to many of the

				<p>investments being fixed term. It is still useful, however to have a KPI against which to measure investment performance.</p> <p>The Council invests in a range of counterparties in order to spread the investment risk. The number of counterparties available that fit within our risk appetite is relatively small so there is limited scope to vary the counterparties used. The credit rating and risk of using each counterparty is updated in real time so if there is a change in counterparty risk rating, this will immediately affect investment decisions; this is in line with the Treasury Management Strategy and therefore takes into account financial market changes.</p>
FN052	Percentage of Council spend with SME's	Annette Osborne	Can the commentary be clarified/explained, as it is difficult to follow?	<p>The Q1 average for OCC spend with SMEs excluding ODS and OCHL 2023/24 is 70.15%; above the target of 45% - this is a yearly target due to fluctuations. This is the figure that should be reported, but officers believe the figure 26.68% was input instead which is the spend with SMEs including payments the</p>

				Council makes to ODS and OCHL, neither of which are classed as an SME.
FSC019a	Total income collection as % of plan (Council Tax)	Nigel Kennedy	The Council slightly exceeded the target (by 0.44%) for Q1 2023/24; it is surprising that income collection is not less considering the current financial climate. Can any explanation be provided as to why this is the case?	We have started to return to court processing in Council Tax which was suspended during the time of COVID-19 and system migration. The increase in cases which have been summons has now increased the collection.
FSC019b	Total income collection as % of plan (Business Rates)	Nigel Kennedy	What is the reasoning behind Business Rates being down by 3%?	We have experienced an increase in levels of work to be completed. We have also had some changes in our working practise to Universities and Schools. This has affected our collection in Q1; these payments have now received in Q3.
FSC020	Discretionary funding won by the Council	Anna Winship, Nigel Kennedy	Is there any discretionary funding expected or in the pipeline?	The Council has now received notifications of £2.426m of funding to date.
REC002	Number of Oxford Living Wage employers and employees	Carolyn Ploszynski	Why was no result supplied for the end of 2022/23?	120 at March 2023 145 at September 2023 These figures relate to the number of Oxford Living Wage employers only (see rationale in below response).
			What is the reasoning behind this KPI being under review?	The reason this KPI was being reviewed is that the Council does not have data on employees (only employers) currently and so officers

				<p>were exploring various ways to provide a proxy measure for the number of employees, but as this varies from each individual employee and the Council doesn't currently capture that data for them individually, it is not feasible to provide exact figures at this stage for number of employees as well as employers.</p> <p>It is suggested that this KPI be adjusted to reflect only the number of Oxford Living Wage employers, as this is the data that is held by the Council.</p>
PSC002	Provide a quarterly update on the five year housing delivery supply	Rachel Williams	Why was no data provided for Q1 2023/24?	<p>This measure is reported annually in the Council's Authority Monitoring Report, which is considered by Cabinet each December and published on the Council's website <a href="#">here</a>. In addition, the figure is calculated every time the Council takes a Local Plan to public examination.</p> <p>Producing the figure is resource-intensive – involving a lot of desktop and onsite research and the figure is very complex to calculate, therefore it cannot be provided more frequently than stated above.</p>



				This process is in line with Government guidance and what other local authorities do.
CSC012	Physically active adults	Ian Brooke	Is there any KPI which records number of users of our leisure centres instead of this?	<p>There are absolutely KPIs which we could use relating to leisure centre use, but the benefit of the Active Lives results is that they take into account more than just people that are using leisure centres. For Active Lives, Sport England send out lifestyle questionnaires to a sample of randomly selected households across England each year - on a local level this equates to circa 500 households per district (more for some areas) and spanning all areas of deprivation based on Index of Multiple Deprivation (IMD) data. Although this is a snapshot of society it does allow us to gain an overview of what physical activity is being done generally, across the board - in parks and green spaces, community centres, at home and of course in traditional leisure settings.</p> <p>The most recent data from Active Lives for Oxford City shows that 74.4% people are reporting as active (at least 150 minutes physical activity a week) with a further 11.2% reporting as fairly active (30-149 minutes physical activity a week).</p>

				More information can be viewed <a href="#">here</a> .
RS005	Number of cases in the private rented sector, where homelessness prevented following intervention by the Tenancy Relations Officer	Ian Wright	The target for 2022/23 was exceeded – is this anything to do with the implementation of Selective Licensing?	There has been a 13% increase in Tenancy Relations Officer (TRO)* service requests following the introduction of Selective Licensing – therefore the number of homelessness preventions has increased as the TRO advises both tenants and landlords of the legislation and their rights and obligations. This usually ensures that a tenant does not lose their home without the landlord following the correct procedure and the law. <i>*The Council has 1 TRO, who deals with illegal evictions and threatened evictions in private rented properties.</i>
			Is the Council on track to meet the target of 120 by the end of 2023/24?	The target is likely to be met as the volume of service requests increases, however as the Council has only 1 Tenancy Relations Officer (TRO) this will be dependent on resource availability.
HSC014	Percentage of council owned stock that has an EPC below C	Nerys Parry	Is EPC below C A-B or D-G? On the face of it (assuming 'below C' means D-G), it looks as though there has been improvement, but the RAG-rating is red. Can the end of year result for 2022/23 be clarified?	Below C is EPC ratings D, E, F and G. Red RAG rating does not relate to this action.
			Why does the result for Q1 2023/24	It is an annual target, not quarterly.

			state 'N/A' – is there a result which is missing?	2023/24 Project delivery has not commenced therefore figure remains at last report of 23.6%.
--	--	--	---------------------------------------------------	----------------------------------------------------------------------------------------------

This page is intentionally left blank