

Agenda

Finance and Performance Panel (Panel of the Scrutiny Committee)

This meeting will be held on:

Date: **Wednesday 4 September 2024**

Time: **6.00 pm**

Place: **Zoom - Remote meeting**

For further information please contact:

Alice Courtney, Scrutiny Officer

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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.

Committee Membership

Councillor James Fry (Chair)

Councillor Chris Jarvis

Councillor Dr Christopher Smowton

Councillor Ian Yeatman

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

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1 Apologies	
2 Declarations of Interest	
3 Chair's Announcements	
4 Notes of the previous meeting	7 - 16
<p>The Panel is asked to agree the notes of the meeting held on 18 July 2024 as a true and accurate record.</p>	
5 Finance and Performance Panel Work Plan	17 - 20
<p>The Panel is asked to consider the Work Plan and agree any amendments.</p>	
6 Council Strategy 2024-28 Key Performance Indicators	
<p>Cabinet, at its meeting on 11 September 2024, will consider a report from the Head of Corporate Strategy setting out the proposed strategic key performance indicators (KPIs) for the Council Strategy 2024-28. Cllr Susan Brown, Leader of the Council and Mish Tullar, Head of Corporate Strategy have been invited to present the report and answer questions. The Panel is asked to consider the report and agree any recommendations.</p> <p><i>Report to follow.</i></p>	
7 Integrated Performance Report Q1 2024-25	21 - 46
<p>Cabinet, at its meeting on 11 September 2024, will consider a report from the Head of Financial Services providing an update on finance, risk and corporate performance matters as at 30 June 2024. Cllr Ed Turner, Deputy Leader (Statutory) and Cabinet Member for Finance and Asset Management and Nigel Kennedy, Head of Financial Services have been invited to present the report and answer questions. The Panel is asked to consider the report and agree any recommendations.</p>	

8 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).

8a Treasury Management Annual Report 2023-24

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Appendix 1 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 1 to the report, it will be necessary for the Panel to pass a resolution to exclude the press and public from the meeting.

Cabinet, at its meeting on 11 September 2024, will consider a report from the Head of Financial Services setting out the Council’s Treasury Management activity and performance for the financial year 2023/24. Cllr Ed Turner, Deputy Leader (Statutory) and Cabinet Member for Finance and Asset Management and Nigel Kennedy, Head of Financial Services have been invited to present the report and answer questions. The Panel is asked to consider the report and agree any recommendations.

8b Exempt Treasury Management Matters [discussion item]

9 Dates of future meetings

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

- 04 December 2024, 6pm
- 15 January 2025, 6pm
- 07 April 2025, 6pm

Meetings will take place remotely via Zoom.

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 Registrable 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.

Minutes of a meeting of the Finance and Performance Panel (Panel of the Scrutiny Committee) on Thursday 18 July 2024



Committee members present:

Councillor Fry (Chair)

Councillor Jarvis

Councillor Henwood (for Councillor Yeatman)

Councillor Snowton

Officers present for all or part of the meeting:

Tom Bridgman, Executive Director (Development)

Peter Matthew, Executive Director of People and Communities

Nigel Kennedy, Head of Financial Services

Helen Horne, Managing Director (OX Place)

Alice Courtney, Scrutiny Officer

Apologies:

Councillor(s) Yeatman sent apologies.

Substitutes are shown above.

1. Declarations of Interest

None.

2. Chair's Announcements

None.

3. Notes of the previous meeting

The Panel agreed the notes of the meeting held on 26 March 2024 as a true and accurate record.

The Panel noted that the following actions related to minute 48 (Integrated Performance Report Q3 2023/24) had been completed since the previous meeting and responses were set out in the published minutes supplement for the meeting held on 26 March 2024:

- Clarification as to why four of the corporate indicators at Appendix D to the report had no data available for the report.
- Clarification around the timescales for delivery of the Adult Homeless Pathway transformation programme.

- Information relating to longevity in Temporary Accommodation to set out how long individuals currently in Temporary Accommodation had been accommodated in Temporary Accommodation.

In addition, one of the Panel's recommendations relating to the Integrated Performance Report Q3 2023/24 recommended that the Council undertake a comparative analysis of the current overall slippage of the Capital Programme and how that aligned with the 40% optimism bias assumptions included in the MTFP 2024/25 to 2027/28, to understand the extent to which the 40% optimism bias assumptions from 2024/25 were realistic. The recommendation had been agreed by Cabinet and the comparative analysis was included on the agenda (item 8) for consideration later in the meeting.

The interim progress reports relating to the Strategic Review of Services Across Community Services (minute 50a) and the Strategic Review of Services Provided by Oxford Direct Services (minute 50b) were included on the agenda (items 11a and 11b respectively) for consideration later in the meeting.

The Panel agreed to consider items 11a (Strategic Review of Services Across Community Services – Progress Update), 11b (Strategic Review of Services Provided by Oxford Direct Services (ODS) – Progress Update) and 11c (Exempt Treasury Management Matters [discussion item]) next on the agenda in private session; and then move back into public session to consider items 8 (Comparative Analysis – Capital Slippage), 7 (Financial Outturn Report 2023/24), 9 (Scrutiny Performance Monitoring), 5 (Finance and Performance Panel Work Plan), 6 (Report back on recommendations) and 10 (dates of future meetings).

4. Matters Exempt or part exempt from publication and exclusion of the public

The Panel agreed, in accordance with the provisions of Section 100A(4) of the Local Government Act 1972 to exclude the press and the public from the next three items of business on the grounds that their presence would involve the likely disclosure of exempt information as described in Paragraph 3 of Part 1 of Schedule 12A of the Act.

a) Strategic Review of Services Across Community Services - Progress Update

The Panel considered a progress update on the Strategic Review of Services Across Community Services in private.

The Panel was disappointed with the limited level of detail included within the report as it did not allow for any scrutiny; particular concerns were raised that a number of key budget savings were proposed which were contingent on the conclusion of the review and these should be subject to adequate scrutiny while proposals were still at the 'options' stage, rather than the Panel being presented with a final report.

In response to questions, the Panel was advised that:

- The review was not yet at the 'options' stage; to date, time had been spent on gathering and understanding data and costings.
- A report could come to the Panel for consideration once the review was at the 'options' stage; the precise timeline for this was not yet known, but it was anticipated that it would be around September/October 2024.

- The 'options' report would be submitted to the Panel after initial conversations with Cabinet on options had taken place, but no decisions would have been made at that point.
- A further report to the Panel would present the opportunity for meaningful scrutiny of the full range of options identified through the review process; it would not be a final decision report.
- The anticipated savings were due to come into effect from 01 April 2025.

The Panel requested:

- That the Scrutiny Officer liaise with the Executive Director (Communities and People) and the Head of Financial Services to schedule in Scrutiny consideration of an 'options' report related to the review at the appropriate point.
- That the Executive Director (Communities and People) and the Head of Financial Services report back as soon as possible, via the Scrutiny Officer, with a specific timetable for the remainder of the review.

b) Strategic Review of Services Provided by Oxford Direct Services (ODS) - Progress Update

The Panel considered a progress update on the Strategic Review of Services Provided by Oxford Direct Services (ODS) in private.

The Panel was disappointed with the limited level of detail included within the report as it did not allow for any scrutiny; particular concerns were raised that a number of key budget savings were proposed which were contingent on the conclusion of the review and these should be subject to adequate scrutiny while proposals were still at the 'options' stage, rather than the Panel being presented with a final report.

In response to questions, the Panel was advised that:

- The review was not yet at the 'options' stage; to date, time had been spent on gathering and understanding data and costings.
- A report could come to the Panel for consideration once the review was at the 'options' stage; the precise timeline for this was not yet known, but it was anticipated that it would be around September/October 2024.
- The 'options' report would be submitted to the Panel after initial conversations with Cabinet on options had taken place, but no decisions would have been made at that point.
- A further report to the Panel would present the opportunity for meaningful scrutiny of the full range of options identified through the review process; it would not be a final decision report.
- The anticipated savings were due to come into effect from 01 April 2025.

The Panel requested:

- That the Scrutiny Officer liaise with the Executive Director (Communities and People) and the Head of Financial Services to schedule in Scrutiny consideration of an 'options' report related to the review at the appropriate point.
- That the Executive Director (Communities and People) and the Head of Financial Services report back as soon as possible, via the Scrutiny Officer, with a specific timetable for the remainder of the review.

c) Exempt Treasury Management Matters [discussion item]

The Panel held a discussion relating to Treasury Management matters in private.

The Head of Financial Services advised that a more detailed update would be available as part of the Treasury Management Annual Report 2023/24, which was due for consideration by the Panel in September 2024.

Peter Matthew, Executive Director (Communities and People) left the meeting and did not return.

5. Public Session

The Panel resolved to return to public session for the remaining items of business.

Helen Horne, Managing Director (OX Place) joined the meeting.

6. Comparative Analysis - Capital Slippage

Nigel Kennedy, Head of Financial Services introduced the report, which had been submitted in response to a previous recommendation of the Panel made in March 2024: *'That the Council undertakes a comparative analysis of the current overall slippage of the Capital Programme and how that aligns with the 40% optimism bias assumptions included in the MTFP 2024/25 to 2027/28, to understand the extent to which the 40% optimism bias assumptions from 2024/25 are realistic.'* The report demonstrated the spend profile of the Capital Programme over the last four years; it showed a spend of £59m in 2023/24, which amounted to 25% of the original budget and 45% of the latest budget as at Q3 2023/24. There were various reasons for slippage in the Capital Programme and most of these reasons could not be anticipated, nor were they within the Council's control.

Tom Bridgman, Executive Director (Development) explained that the construction market was very turbulent at present, with significant cost increases, and as a result the Council had paused or slowed progress of some projects in order to achieve the same outcomes at a lower cost – which showed evidence of effective project management. He advised that projects which were wholly or partly funded by grants often had defined and tight timescales set by the body providing the grant funding; even where the Council knew that the project timescales were not achievable, the Council had no discretion to slip that project until the funding body agreed an extension to the timescales. He added that he felt the Council could improve in terms of judging the delivery timescales of certain projects which were more challenging to ensure timescales were more realistic.

Helen Horne, Managing Director (OX Place) advised that OX Place had reviewed its overall programme a few years ago and removed a lot of optimism bias. OX Place had a funding envelope and a set number of schemes; the company was now coming to the end of that programme and so was working on the schemes which were more difficult to deliver. OX Place had reviewed its overall programme again and was updating its appraisals and building them into its Business Plan on a quarterly basis to provide improved reporting. The volatile construction market had significantly impacted OX Place's ability to take forward developments as planned; and there were various capacity issues related to statutory authorities and consultees (e.g. energy providers and the Environment Agency). OX Place had established an Audit, Risk and Governance Committee to provide an extra level of oversight of some of the risks and optimism bias associated with the company's schemes.

In response to questions, the Panel was advised that:

- It was straightforward to apply high-level optimism bias assumptions at the overall programme level; it was more difficult to apply optimism bias and understand the corresponding revenue consequences at the project level.
- Estimates of the revenue consequences of the 40% optimism bias assumptions had been included in the current Medium Term Financial Plan (MTFP), but it was difficult to give accurate estimates as there was no 'scientific' method for obtaining those estimations.
- Any risks to Council income as a result of Capital slippage could not be projected; but where projects were income generating there remained a focus on delivering those projects quickly.
- OX Place's additional layers of governance via the Audit, Risk and Governance Committee provided an opportunity for more challenge of scheme delivery estimates.
- Slippage of OX Place schemes was not expected to impact the dividend in terms of value, as the schemes were still being delivered, but to different timescales; the dividend had recently been re-profiled and a report containing this information was due to be considered by the Scrutiny Committee in August 2024.
- Capital Programme monitoring and reporting for 2024/25 would be done on the basis of the 40% optimism bias assumptions included in the budget.
- Work was planned with project managers in order to consider over-optimism at the project level, which would feed into the Q1 2024/25 monitoring.
- The Council was likely to spend all of the money within the Capital Programme, but over a longer time period; there was scope to improve project manager profiles, but it was highly unlikely that slippage could be completely removed as the Council was heavily involved in development works and had a lot of grant funding.

The Panel requested:

- That the Executive Director (Development) and Head of Financial Services simulate what the capital and revenue impacts would have been if the optimism bias assumption applied to the MTFP had been 50%, instead of 40%, to see if a higher optimism bias assumption at the programme level was more realistic and could be assumed within future budgets – and report back to the Panel on findings.
- That the Executive Director (Development), Head of Financial Services and Managing Director (OX Place) prepare a briefing note comparing initial expectations of Council and OX Place schemes over the last three years to their actual delivery timescales; attributing any slippage to a specific reason(s); and highlighting what the capital and revenue impact of that slippage was.

The Panel noted the report; there were no recommendations.

Tom Bridgman, Executive Director (Development) and Helen Horne, Managing Director (OX Place) left the meeting and did not return.

7. Financial Outturn Report 2023/24

Nigel Kennedy, Head of Financial Services introduced the report, which provided an update on the Council's financial outturn for the financial year ending 31 March 2024. The report was considered by Cabinet at its meeting on 10 July 2024.

In response to questions, the Panel was advised that:

- The £4million dividend payment from ODS was viewed as a 'catch-up' of dividends that had not been paid in previous years.
- Before the COVID-19 pandemic, ODS had only paid dividends to the value of approximately £1.6m and then the Council experienced issues with its Housing Management System which meant uncertainty and delays in relation to ODS' accounting position. This all meant that the £4m 'backdated' dividend was not expected and had not been budgeted for.
- ODS' outturn position for 2021/22 and 2022/23 was more positive than was expected; if the £4m dividend placed ODS under too much financial pressure then it would not have been paid to the Council.
- It was anticipated that ODS would still be in a position to pay the dividend which the Council had budgeted for in 2024/25.
- The Scrutiny Committee had requested an update report on the Leisure contract, including matters pertaining to the previous provider; a separate item would therefore not be submitted to the Panel on this topic.
- In respect of the £310k additional income from the ZEZ for 2023/24, the Council was not anticipating that additional money from the County Council and, in addition, the Council was reimbursed for some funds it had set aside to establish the ZEZ as the County Council had received Government funding for that purpose.
- The staffing pressures in the Customer Contact Centre should reflect a value of £113k, not £113m as stated in the report; the pressures were largely as a result of maternity and sickness leave.
- There was still a long way to go in terms of transitioning residents' contact with the Council to online means; a lot of work had been done in relation to automated forms, but there was still more to do in terms of Robotic Process Automation (RPA) and Artificial Intelligence (AI).
- The erroneous letters which had been sent out in 2023/24 in relation to Council Tax did cause some increase in demand, but they were not a major cause of increase in demand at the Customer Contact Centre.
- The £370k savings in Community Services (staffing in parks, youth ambition and localities team) related to some savings in salaries, but also additional income from the previous leisure contract.
- The Head of Financial Services would clarify what the £350k savings in Elections would have been spent on and report back to the Panel.
- In relation to the local cost of benefits, £336k of the adverse variance was attributed to local authority errors, which the Council would attempt to recover from claimants. The majority of the rest of the adverse variance was attributed to a 'quirk' of the housing benefit system, whereby benefit paid to charitable organisations providing supported accommodation to vulnerable clients which were not Registered Providers (as was the case in respect of one of the larger supported accommodation providers in Oxfordshire) was not subsidised by the Department for Work and Pensions.

- The Head of Financial Services would separate out the ODS Client function and the ODS dividend in future monitoring reports.
- The entry on page 39 of the agenda pack, in relation to 'S20 – Environmental Sustainability' under 'Development' showed a £466k underspend which related to ZEZ income received in respect of 2022/23 and the repayment of funds that the Council had set aside to establish the ZEZ as the County Council had received Government funding for that purpose.
- Consideration was still being given to OX Place becoming a Registered Provider, however this work had been de-prioritised for now as there were more pressing matters that needed to be addressed first.
- The Head of Financial Services would clarify what the budget B0159 'Redbridge Masterplan' (page 41 of the agenda pack) was due to be spent on; the timescales associated with that project; and the reasons why only £4,562 of a budget of £102,675 in 2023/24 had been spent and report back to the Panel.
- The Head of Financial Services would consider the presentation of 'variation' in respect of Capital monitoring, to see if it could be aligned with the way in which all other figures were reported in financial reporting (in terms of ensuring consistency in the use of brackets and whether they indicated an underspend or an overspend).

The Panel requested:

- That the Head of Financial Services clarify what the £350k savings in Elections would have been spent on and report back to the Panel.
- That the Head of Financial Services clarify what the budget B0159 'Redbridge Masterplan' (page 41 of the agenda pack) was due to be spent on; the timescales associated with that project; and the reasons why only £4,562 of a budget of £102,675 in 2023/24 had been spent and report back to the Panel.

The Panel noted the report; there were no recommendations.

Nigel Kennedy, Head of Financial Services left the meeting and did not return.

8. Scrutiny Performance Monitoring

Alice Courtney, Scrutiny Officer introduced the report, which set out Key Performance Indicator (KPI) data as at March 2024. She reminded the Panel that a revised set of Corporate KPIs was due to come forward to Cabinet for agreement in September 2024; as a result, the list of KPIs may be subject to change. She recommended that the Panel give consideration to whether or not to continue to have 'Scrutiny Performance Monitoring' as a standing item on Panel agendas, noting that the Panel should continue to monitor performance in some form, but that there had been some duplication with the KPI appendix which was included in the Integrated Performance Report Q3 2023/24 at the meeting in March 2024.

During discussion, the Panel agreed that it was happy to receive updates on Corporate KPIs via the Integrated Performance Reports, rather than as part of a 'Scrutiny Performance Monitoring' standing item, as this would avoid duplication. The Panel agreed that it should also monitor some service-level KPIs, but that this could be done on a bi-annual basis, rather than as a standing agenda item at each meeting. The Panel agreed to defer selection of service-level KPIs to a future meeting.

In relation to the KPI report as at March 2024, the Panel:

- Noted that KPI CH001: 'days lost to sickness' should have been RAG-rated as 'red', as the year end target had not been met.
- Noted that having large narratives accompanying KPIs was not necessarily helpful and made the document very long; the Panel would value having figures only and it could choose to ask questions about certain KPIs if necessary.
- Requested that the Scrutiny Officer check with the Head of Financial Services whether the data for KPI BV008: 'percentage of invoices paid on time for OCC' was now available and circulate to the Panel.
- Requested that the Scrutiny Officer query whether the target for KPI CS005: 'time to process new benefits claims' was too low, given the 'new normal' in relation to demand for Temporary Accommodation.

The Panel:

- Noted the performance report for KPIs selected by the Finance and Performance Panel in the 2023/24 municipal year as at March 2024.
- Agreed to monitor Corporate KPIs via the regular Integrated Performance Reports, in order to avoid duplication.
- Agreed to monitor a selection of service-level KPIs on a bi-annual basis; and defer the selection of those KPIs for 2024/25 to a future meeting.

9. Finance and Performance Panel Work Plan

The Scrutiny Officer introduced the item; a provisional Work Plan and suggestions for the longlist of Scrutiny-commissioned reports for 2024/25 were included within the agenda pack. The Comparative Analysis – Capital Slippage item listed on the longlist of items had been considered at this meeting. In addition, the Scrutiny Committee had requested that the Panel consider an item related to Business Rates Non-Payment and Systems Management; this had been scheduled into the Work Plan for December 2024.

It was anticipated that a Cabinet report related to revised Corporate Key Performance Indicators (KPIs) would come forward in September 2024; this would be added to the Work Plan for September 2024 as it fell within the Panel's remit.

The Panel requested that the standard/regular item listed in Appendix A: 'Issues faced by the Local Government Sector and how Oxford City Council compares' be scheduled into the Work Plan for 2024/25, specifically focusing on how the Council compared to other local authorities in terms of its financial position and issues facing other authorities; alongside an update on the impact of the new Government on local government finances – including reflections on the announcements within the recent King's Speech.

The Panel agreed the Work Plan as set out in the agenda pack, noting that the Scrutiny Officer would seek to schedule in additional items as detailed above.

10. Report back on recommendations

The Panel noted the following Cabinet responses to its recommendations:

- Integrated Performance Report Q3 2023/24

The Scrutiny Officer advised that, following the Cabinet response to recommendation 2 around property letting estimates versus reality, the Chair had requested the further

report referenced. This report was due to be combined with the annual report on commercial income which Panel Members would consider in January as part of the Budget Review process.

11. Dates of future meetings

The Panel noted the dates and times of future meetings.

The meeting started at 6.00 pm and ended at 7.45 pm

Chair

Date: Wednesday 4 September 2024

*When decisions take effect:
Cabinet: after the call-in and review period has expired
Planning Committees: after the call-in and review period has expired and the formal decision notice is issued
All other committees: immediately.
Details are in the Council's Constitution.*

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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.

04 September 2024 – confirmed reports

Agenda item	Cabinet item	Description	Cabinet portfolio	Lead officer
Council Strategy 2024-28 Key Performance Indicators	Yes	A report to set out a summary of the proposed key performance indicators (KPIs) which will be reported annually to monitor progress on the Council Strategy 2024-28.	Leader of the Council and Cabinet Member for Partnership Working	Mish Tullar, Head of Corporate Strategy
Integrated Performance Report Q1 2024/25	Yes	A report to update Cabinet on finance, risk and corporate performance matters as at 30 June 2024.	Deputy Leader (Statutory) – Finance and Asset Management	Nigel Kennedy, Head of Financial Services
Treasury Management Annual Report 2023/24	Yes	A report to set out the Council's Treasury Management activity and performance for the financial year 2023-24.	Deputy Leader (Statutory) – Finance and Asset Management	Nigel Kennedy, Head of Financial Services
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

04 December 2024 – provisional reports

Agenda item	Cabinet item	Description	Cabinet portfolio	Lead officer
Budget 2025/26	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
Business Rates Non-Payment and Systems Management	No	To consider the Scrutiny-commissioned report and agree any recommendations.	Deputy Leader (Statutory) – Finance and Asset Management	Nigel Kennedy, Head of Financial Services
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

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15 January 2025 – provisional reports

Agenda item	Cabinet item	Description	Cabinet portfolio	Lead officer
Report of the Budget Review Group	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
Exempt Treasury Management Matters [discussion	No	To receive a verbal update on exempt matters relating to Treasury Management.	Deputy Leader (Statutory) – Finance and	Nigel Kennedy, Head of Financial Services

item]			Asset Management	
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07 April 2025 – provisional reports

Agenda item	Cabinet item	Description	Cabinet portfolio	Lead officer
Social Value/Impact in Procurement and Update on the Procurement Act 2023/Procurement Regulations 2024	No	To consider the report and agree any recommendations.	Deputy Leader (Statutory) – Finance and Asset Management	Annette Osborne, Procurement Manager Nigel Kennedy, Head of Financial Services
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

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To: Cabinet
Date: 11 September 2024
Report of: Head of Financial Services
Title of Report: Integrated Performance Report for Quarter 1 2024/25

Summary and recommendations	
Purpose of report:	To update the Cabinet on Finance, Risk and Corporate Performance matters as at 30 June 2024
Key decision:	No
Executive Board Member:	Councillor Ed Turner, Deputy Leader (Statutory) - Finance and Asset Management
Corporate Priority:	All
Policy Framework:	Corporate Strategy 2024-28
Recommendation: That Cabinet resolves to:	
1. Note the projected financial outturn as well as the current position on risk and performance as at 30 June 2024.	

Appendices	
Appendix A	General Fund – June 2024 Forecast Outturn
Appendix B	Housing Revenue Account – June 2024 Forecast Outturn
Appendix C	Capital Programme – June 2024
Appendix D	Corporate KPIs – June 2024

Introduction and background

1. This report updates the Cabinet on the financial, corporate performance and corporate risk positions of the Council as at 30 June 2024.

Financial Position Overview

General Fund – the outturn position is forecasting an adverse variance of £2.132 million against the net budget agreed by the Council in February 2024 of £28.604 million after allowing for a transfer from reserves of £1.4 million.

Housing Revenue Account – At the end of Quarter 1 the forecast outturn position is estimated at £7.249 million deficit, an adverse variance of £0.767m to the budgeted

deficit of £6.482 million mostly due to a forecast overspend against Responsive & Cyclical Repairs offset by increased forecast income and reduced management costs.

Capital Programme – The budget, as approved at the Council meeting in February 2024, was set at £235.419 million with carry forward of unspent balances in 2023/24 of £73.470 million, some additional budget changes including new allocations, leads to a revised latest budget of £240.744 million.

Performance – There are 15 Corporate Indicators for the current financial year, 7 of which are rated Green (on target); 2 are rated Amber (within a tolerance of target) and 2 are rated Red (outside of target). There are also 4 indicators where data is reported at year end. More details can be found in paragraph 16-17.

Corporate Risk Management – There are five red corporate risks at the end of quarter three. These relate to Financial Stability, Workforce sustainability, Climate change emergency, Climate change adaptation, Increased demand on services. More details on mitigations of the risks can be found in paragraphs 12 to 15.

Financial Position Detailed Analysis

General Fund Revenue

2. The overall Net Budget Requirement agreed by the Council in February 2024 was £28.604 million after a £1.3 million transfer from general reserves.
3. As of 30 June 2024, the General Fund forecast outturn variance would indicate an adverse variance of £2.1 million the reason for which is detailed below:
 - **Housing Services** – As at the end of June there were 252 families in temporary accommodation (TA), 133 of which were in hotel and bed and breakfast accommodation. Twenty one households were placed in TA in June compared to 51 in May. Whilst the numbers have reduced slightly, it is not considered prudent to change assumptions on such a small timeframe, and therefore the cost pressure of £3.3 million, net of housing benefit payments may still remain at this for some time to come. At the time of setting the budget in December 2023 there were 195 families in T/A with 74 in hotels and B&B. Officers included an additional amount in the base budget for TA of £300k based on these numbers with some expectation of a reduction. A full review of the forecasted pressure will be carried out in early Autumn although early indications are that this pressure of £3.3 million will continue for a number of years to come, which is having a significant impact on the Councils Medium Term Financial Plan. The Council continues to work on increasing the supply of suitable accommodation to mitigate the cost increase.
 - **Corporate Property** – total pressure of £0.178k due to:
 - Additional unbudgeted tree officer post required by new Tree Strategy to support safety concerns - £50k.
 - Additional resources to assist in insurance valuations on general fund property - £128k. Following a recent tender for councils' insurance, the insurers stance is more rigorous on ensuring property valuations are up to date. Additional resources will ensure that the council can meet this requirement. See Cabinet June 2024.

- **ODS Client** – The Company are finalising their year-end accounts for 2023-24 an outturn figures subject to audit would indicate that Directors should be in a position to pay the dividend of £1.9 million for 2024-25.
- **OXplace** - The company are due to pay £11 million of dividend to the council over the next 4-year period. Although there are significant slippages in the housing development programme the latest indications are that the company can pay the dividend albeit on a different profile to that already forecast.
- **Business Improvement** – £300k adverse. There is a significant upwards movement in software costs as systems are reprocured across the Council. Several systems have seen unbudgeted and unforeseen increases in costs from the suppliers. These include Agresso Financial Management System, Civica Pay, the Council's income management system. Additional costs are also being incurred in relation to data centre and ICT telephony. The Council is currently negotiating with the data centre provider on a better deal for data storage and costs should continue to fall as systems are moved to cloud based technology in line with the Council's ICT strategy.
- **Financial Services** - £54k (72%) increase in General Fund corporate property insurance following a recent tendering exercise in addition to a £333k (336%) for similar insurance in relation to HRA properties. A number of authorities are experiencing increases in property insurance in addition to property conditions post Grenfell.
- **Corporate** – With significant slippages in the capital programme of around £74 million last year and base rates still at 5.25% there is a net favourable variance on borrowing cost of around £2.5 million per annum forecast. This however has been partially offset by increases in the net cost of housing benefit payments. This relates to benefit paid to non-registered provider organisations in respect of supported accommodation and a forecast adverse variance is shown as £800k. The number of such providers in the city is limited and the service is commissioned by Oxfordshire County Council. Whilst the Council will try to mitigate this issue the extent to which it can do so is limited.

Efficiencies

4. There are £1.829 million of new efficiencies and transformation savings introduced or continuing into the 2024/25 budget. These are shown in the table below. Early indications are that most if not all will be achieved. 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.

Service Area	Description	2024-25	On Track	Comments
		£000's	Y/N	
Planning	Paperlite Digitalisation of Planning - savings achieved on the back of investment in new planning system	(23)	Y	
Corporate strategy	Departure of the G10 Policy and Partnerships Manager and subsequent recruitment of additional Policy and Partnerships Officer at Grade 8	(12)	Y	
Housing Needs	Housing needs system and structure change	(50)	Y	
HR & OD	Claw back of £138k investment in People Team service re-design leading to post reduction	(42)	Y	
Transformation	Reversal of investment in the change programme, now included £250k in base	(436)	Y	Reduction of resources required to deliver change programme
Human Resources	Reversal of additional funding for People PM change, now included in base	(67)		
ICT	Part reversal of ICT investment in the change programme. £60k to remain in the base budget for additional specialist resources as required.	(97)	Y	
Housing Needs	Reversal of potential Response Invest to Save bid to become a Register Provider with City supporting some of the set up costs to recoup circa £1m savings to Finance	(75)	Y	
ICT	ICT Savings from change programme	(340)	Y	
Applications Team	Savings from Customer Experience change programme	(2)	Y	
Human Resources	CD05 Staff Offers reductions	(2)	Y	
Communities	Adjustment to community impact fund	(86)	Y	
Regen & Economy	HoS capitalise time on projects under sponsor role - assumed 50% of chargeable time on regeneration and economy capital projects including time as board director on OxWED	(67)	Y	
Corporate property	Recharge of Corporate Asset Lead to HRA and OCHL	(16)	Y	
Corporate property	Recharge of HoS to Capital Programme	(67)	Y	
Planning	Savings from Customer experience change programme	(8)	Y	
Housing Needs	Savings from Customer experience change programme	(13)	Y	
Housing Needs	Housemark contract from GF to HRA	(10)	Y	
RS&CS	Reduced management costs - Head of Service post	(95)	P	HoS budget removed partially offset by increases in other posts
Community Safety	HRA funding for low level ASB in Community Response Team	(120)	Y	
Investigations	Reduction in spend on subscriptions	(5)	Y	Removed from budget
Directors	Capitalise 20% of Exec Director (Development) time as sponsor to projects	(31)	Y	
Human Resources	DP07 Reduction in Corporate Training Budget	(40)	Y	
Planning	Additional savings following service review	(50)	Y	
Environmental Sustainability	Reduction in capacity around Water Quality work	(20)	Y	post removed
Parks	Reduce grass cutting in parks from 8 cuts to 5 cuts	(36)	N	May need to be revisited
Legal Services	Stop Lexcel accreditation. This is a cost of approximately £5k over three years, the figure is an average but it fluctuates depending on if it's an assessment year	(1)	Y	
Legal Services	Do not renew Local Government Lawyer job listing package - £3999 unlimited postings per annum - standard listing	(4)	Y	
Legal Services	Cease MBL subscription. This is a subscription for training course discounts but there are other options which provide free, lower cost and more local government focused training (LLG, EM Lawshare) £600	(1)	Y	
Committee & Member Services	Remove general contracted services in Member Support budget - delete £3k and add £1k to training budget to assist with cross training for efficiencies	(3)	Y	
Committee & Member Services	Half the current budget and ensure that the Civic Officer takes up more of the driving in line with their JD	(10)	Y	
		(1,829)		

Housing Revenue Account (“the HRA”)

5. The HRA budgeted deficit agreed by the Council in February 2024 was £6.482 million. The current forecast outturn is expected to be an adverse variance of £0.767 million, giving a total deficit of £7.249 million. Reasons for the variation include:

- **Income** – additional income forecast of £333k from Major Works £60k, £60k Garages, £100k from Furnished Tenancy scheme, £23k Lease Assignment and £90k Leased Property income. This additional income represents 0.6% of the original budget
- **Management** – overall savings of £400k
- **Forecast underspends** - vacant posts £715k held up pending the landlord services review and
- **Forecast overspends** - £110k Furnished Tenancies, this is partially offset by increased income

- £140k Void Council tax due to increases in the council tax payable and also the number of voids
- £50k Additional Consultants Fees for work on HRA business planning
- £65k increased Subscription Fees to housing bodies, including the Housing Ombudsman
- **Repairs** – net overspend of £1.5 million (11.8%) largely driven by :
 - Electrical upgrades - £317k – electrical inspections are in the process of being moved to a 7 yearly cycle from 5 yearly next year to mitigate this overspend going forward
 - Void works £513k – significant increase in voids due to increases in number of new homes coming into the HRA from the Development programme.
 - General Minor works - £357k. This is a demand led budget which council officers are trying to reduce in favour of undertaken more planned work

Capital

6. The budget for 2024-25, as approved by the Council at its meeting in February 2024, was set at £235.419 million. Since this point, some of the required carry forwards of underspends from 2023/24 have been included as well as in-year budget slippages with the budgets reprofiled accordingly. This gives a revised budget at end of June 2024 of £240.743 million as shown in Appendix B.
7. Spend against the budget at the end of June 2024 is £27 million in total which is 11% of the latest budget and optimism bias based on previous years would suggest that only £96 m of the total reprofiled budget of £240m will be spent by year end.

Capital Spend Analysis 24/25				
	Original Budget 2024/25	Latest Budget 24/25	Spend to Date	% Spent
General Fund Total	77,182,456	116,302,787	20,992,977	18%
HRA Total	158,254,860	124,439,899	6,337,517	5%
Total Capital Programme	235,437,316	240,742,687	27,330,494	11%

General Fund Capital

8. 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 OX Place Housing Company Loans of which the spend is reliant on the progress of the Housing company development programme. From the start of 2024/25 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.

General Fund Schemes by project type 2024/25				
Project Classification	Projects	Latest Budget	Spend to Date	% Spent
Project - Development	32	33,366,523	7,175,419	22%
Project - ICT	26	3,206,010	736,613	23%
Project - Compliance	4	2,527,209	90,515	-4%
Project - Other	12	9,498,454	127,540	1%
Rolling Programme	9	6,202,167	758,262	12%
Housing Company Loans	2	33,130,380	5,599,810	17%
Other Capital Spend	14	28,354,294	6,685,848	24%
General Fund Total	99	116,285,037	20,992,977	18%

9. 18% of the General Fund Capital budget has been spent by 30-06-24. Key Budget Re-profile changes and slippages already during Q1 include:

- **East Oxford CC (B0083)** – £1.962m slipped – This is based on the current build programme having now entered build contract and recently commenced.
- **Town Hall & Broad St Roof & Façade works** – £3.000m slipped due to delays on building design feasibility and building control requirements.
- **BBL Regeneration** - £5.965m slipped - has been slipped into 25/26 as the project has been delayed due to programme extensions for the design of community centre: more time needed for design development, community consultation & planning for the community centre. This has affected spend forecasts for costs related to shell & core and fitout. Furthermore, Phase 2 (redevelopment of the Top Shops) is currently undergoing a review so there has been slippage on costs pertaining to budgets allocated for purchase compensation for leaseholds and home loss/disturbance costs.
- **Cave St** - £4.9m budget removed from Capital Programme entirely due to project ended as unable to proceed with feasible scheme for site.
- **OxWed Loans** - £2.325m removed – allocation was made for enabling works, which OXWED has now confirmed to be undertaken by future development partner
- **OxPlace Loans (excl Barton)** – £20.135m slippage due to revised development programme submitted by OX Place with some project delivery moving back in the programme due to issues with site assembly, planning, including delays from statutory consultees, delays in grant allocations, and re-procurement of contractors. Although the overall programme remains the same it is now reprofiled to finish in 2031/32.

HRA

10. 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, for example kitchen and bathroom replacements, heating, and electrics etc. The large element is the Other Capital Spend classification, and these schemes relate to acquisitions and developments.

HRA Schemes by project type 2024/25				
Project Classification	Projects	Latest Budget	Spend to Date	% Spent
Project - Development	4	10,837,542	1,019,960	9%
Project - Compliance	1	207,021	-	0%
Project - Other	2	17,458,163	1,673,657	10%
Rolling Programme	23	20,591,338	1,525,672	7%
Other Capital Spend	11	75,345,836	2,118,228	3%
HRA Total	41	124,439,899	6,337,517	5%

11. The majority of the movements on the HRA capital programme is solely for the purpose of reprofiling slippage carried forward from 2023/24 into 2024/25. Not all of this slippage will be spent during the 2024/25 financial year and budget managers were asked to reprofile these carry forwards across future years.
- Properties Purchased from OCHL - £113m slipped from 2024/25 due to slippages in the OX Place Housing Company development programme. Although the overall programme remains the same it is now reprofiled to finish in 2031/32. An overall £127.3million has been removed from the current 4-year MTFP period. This is due to issues with site assembly, planning, including delays from statutory consultees, delays in grant allocations, and re-procurement of contractors.
 - Tower Blocks – discussions are still ongoing with the contractor in regard to completing the outstanding works, £1.3 million from the original contract - expenditure is likely to slip into next year. Also discussing the undertaking of remedial defect works, where contractors accept liability but not full costs of making good to current regulatory standards.
 - Energy Efficiency Initiatives – delays in securing appropriate contractors has resulted in slippage of the whole programme across all years. £3.6 million has been slipped into 2025/26.
 - Tower Blocks Additional Works – this additional work will be done in conjunction with the outstanding works to the Tower Blocks referred to above and as a result £1.5 million is expected to slip into next year.

Corporate Risk

12. There are five red risks on the current Corporate Risk Register, which are as follows:
- **Financial Stability** – this is the risk of the Council being unable to deliver its plans and corporate priorities due to lack of finance. The position on temporary accommodation remains a concern and is a big contributor to the current forecast adverse variance of £2.3 million for 2024-25. This position is currently forecast to continue into 2025-26 and possibly the following year requiring further savings to be delivered over the MTFP to mitigate.
 - **Workforce sustainability** – this is the risk of loss of workforce due to various factors including inability to compete with costs and nationwide shortages in certain professions creating hard to fill roles; and work pressure.

Turnover currently is around 15% as a running 12-month average. Recruitment is challenging in a small number of teams, generally we are successful, but the process does take longer. There is a comprehensive programme of actions to improve recruitment and support retention including a review of pay and grading; improved learning and development opportunities for our staff and improved recruitment processes including attraction strategies.

- **Climate Change Emergency** – this is the risk of being unable to meet climate change targets, both local and national due to conflicting policies, pace of delivery and a skills and technology gap leading to an impact on reputation, commercial property letting, increased extreme weather and an adverse impact on the workforce and residents.
- **Climate Change Adaptation** – whereby the Council and its communities are exposed to the future impacts of climate change due to inability to deal with climate change adaptation because of lack of funding or awareness of different options leading to an increased exposure to future weather events, damage to reputation and infrastructure and an adverse financial impact.

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.

- **Increased demand on services** – Various external factors such as cost of living crisis is putting an increased demand on services provided by the Council, in particular the demand for temporary accommodation which is creating a significant budget pressure. A broad range of mitigations are in place to control the demand for service and the supply of both TA accommodation and move-on accommodation. There is a comprehensive programme of work to enable citizens to have direct access to services online, via the City Council’s contact centre and face to face across many settings. City Council funding is also made available to enable other partner organisations to provide much needed support to those in need.

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

Current Risk	Q2 2023/24	Q3 2023/24	Q4 2023/24	Q1 2024/25
Red	5	5	5	5
Amber	6	6	6	6
Green	0	0	0	0
Total risks	11	11	11	11
New risks in quarter	0	0	0	0
Closed	0	0	0	0

14. The table below shows the number of service risks as at 30 June compared with the previous reported quarters.

Current Risk	Q1 2023/24	Q3 2023/24	Q4 2023/24	Q1 2024/25
Red	8	9	8	10
Amber	42	40	37	44
Green	19	18	20	17
Total risks	69	67	65	71
New risks in quarter	0	4	0	6
Closed	0	6	2	0

15. The number of red service area risks has increased to 10. This is due to a number of factors: 1 new red risk, 2 amber risks moving to red; 1 green risk moving to red; and 2 red risks moving to amber.

Details of the Red risks are as follows beginning with the newly added red risk:

New red risk

- Corporate Property and Assets – relating to the quality of data and the need to improve data management processes arising from the need to implement an asset management system with risks around inability to plan property maintenance and implications on obtaining insurance cover.

Risks moved from amber to red

- Corporate Property and Assets – this relates to the inability to recruit and / or retain staff on current terms and conditions, particularly in respect of HRA and compliance result in an adverse impact on work programmes.
- Corporate Property and Assets – relating to the inability or delay in letting properties or the need to offer increased incentives arising from property being returned in poor condition leading to reduced or delayed rent and consequent budget pressures.

Risk moving from green to red

- Regeneration and Economy – unforeseen circumstances e.g. planning risks, external factors, competing asks on resources, contractor insolvency or supply chain issues resulting in the significant delays of capital projects and potential impact on the medium-term financial plan and / or grant stipulations. 44 Risks Continuing to be red
- **Housing Services** – this relates to concerns over the timely delivery of the Adult Homeless Pathway transformation programme to provide sufficient reprofiled services of good quality across the County resulting in increased rough sleepers and homelessness presentation which in turn leads to increased costs to the City Council.
- **Planning** – this relates to delays to Council projects caused by outside agencies. The probability of this risk occurring can only be influenced to a limited extent through greater collaboration on key projects, but the impact can

be influenced to a higher degree with a proactive approach to intervention and communications.

- **Planning** - this relates to Government legislation resulting in substantial changes to the planning system. Relaxation of Change of Use, Prior Approval regime extended. Expectations of politicians and the local community impacting on resources and priorities. The probability of this risk occurring is out of the Council's control, except through response to consultations. However, the impact of the risk can be mitigated by maintaining responsiveness and plan for change.
- **Financial Services** – this relates to risks of a successful challenge to a procurement arising through not following proper procedures due to capacity pressures on staff and because of increased challenges in the procurement area from suppliers who fail to win contracts.
- **Financial Services** – this relates to employee ability to deliver services due to increased workloads and the volume of emails, which together with the many on-line meetings is placing excessive pressure and demands on staff and managers. This risk is entirely within the control of the Council, although it cannot be fully controlled within the service area itself.
- **Housing Services** – this relates to increased homelessness costs providing temporary accommodation and rent top-up payments, which has been additionally impacted due to the pandemic, lockdown and economic recession increasing homelessness demand. Control measures include undertaking a review of the approach to temporary accommodation to ensure faster move on, informed by the “Housing First” approach, undertaking work to look at options for stock rationalisation of temporary accommodation units and bidding for any further funding available from Department for Levelling Up, Housing and Communities (DLUHC) to help fund provision for rough sleepers.

Performance Indicators

16. There are 15 corporate performance indicators further details of which are contained in a separate report to September Cabinet. Monitoring has been undertaken on these indicators to establish the 30 June 2024 position on the basis that these indicators are agreed in full.
17. Of these 15 indicators at the end of quarter 1, 7 are green, 2 are red, 2 are amber and the remainder are annual target reported at year end. Further details on the 2 red risks are:
 - **%age channel shift to online forms for top 8 services where process improvements implemented** - The top 8 services include Housing Needs, Revenues and Benefits. It is expected that increased online activity will follow once the Housing Portal is live for taking housing repairs enquiries which is expected in early September. In addition a full communication campaign is in progress to promote use of our online forms for use in Revenues and Benefits services. It is envisaged that once these campaigns have landed online usage will increase.
 - **Oxford greenhouse gas emissions measured by government tracking towards zero by 2040** – The city is currently tracking around 19% behind the

current pathway to reach net zero by 2040 according to the data issued by Department for Energy, Security and Net Zero (DESNZ). Population growth and economic output are key drivers of emissions as well as slow progress in industry decarbonisation, which has shown only a 2% reduction in emissions since the 2018 baseline year.

Financial implications

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

Legal issues

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

Level of risk

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

Equalities impact

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

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Background Papers: None

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APPENDIX A

General Fund Outturn Report 24/25 @ 30 June 2024	Approved Budget (per Budget book)	Previous Months Budget	Current Month Virements & Ear Marked Reserve Transfers	Latest Budget	% Budget Spent to date	Projected Outturn against Latest Budget	PO Variance
	£000's	£000's	£000's	£000's	%	£000's	£000's
Communities & People	9,290		10,460	10,460	19%	13,760	3,300
Development	(6,679)		(5,644)	(5,644)	58%	(5,466)	178
Chief Executive	1,750		1,916	1,916	26%	1,916	
ODS Development Director	12,933		14,794	14,794	34%	14,794	
Corporate Resources	16,347		17,790	17,790	27%	18,144	354
Directorate Total Excl SLA's & Capital Charges	33,641		39,316	39,316	23%	43,148	3,832
SLA's & Capital Charges	(9,612)		(9,612)	(9,612)	(0%)	(9,612)	
Corporate Accounts	(1,114)		(1,114)	(1,114)	(1568%)	(2,814)	(1,700)
Contingencies	7,056		1,434	1,434	0%	1,434	
Total Corporate Accounts & Contingencies	5,942		320	320	5459%	(1,380)	(1,700)
Net Expenditure Budget	29,971		30,024	30,024	89%	32,156	2,132
S48D - Transfers To/From Earmarked Reserves	(1,367)		(1,420)	(1,420)	4%	(1,420)	
Net Budget Required	28,604		28,604	28,604	93%	30,736	2,132
Funding							
S47A - External Funding	1,416		1,416	1,416	25%	1,416	
S47B - Council Tax Funding	16,278		16,278	16,278	0%	16,278	
S47C - Parish Precept	(265)		(265)	(265)	52%	(265)	
S47D - NDR Funding	11,175		11,175	11,175	(59%)	11,175	
Total Funding Available	28,604		28,604	28,604	(22%)	28,604	
(Surplus) / Deficit for the year					n/a	2,132	2,132

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APPENDIX B

HRA Report 24/25 @ Jun 2024	Approved Budget (per Budget book)	Revised Approved Budget @ 30th Jun 2024	Actual YTD	Budget YTD	Variance YTD	% Budget Spent to 30th Jun 2024	Projected Outturn against Latest Budget @ 30th Jun 2024	Projected Outturn Variance
	£000's	£'000's	£000's	£000's	£'000's	%	£'000's	£000's
Dwelling Rent	(53,249)	(53,249)	(13,063)	(13,062)	(1)	25%	(53,249)	
Service Charges	(2,897)	(2,897)	(918)	(866)	(52)	32%	(2,957)	(60)
Garage Income	(228)	(228)	(73)	(56)	(17)	32%	(288)	(60)
Miscellaneous Income	(806)	(806)	(291)	(209)	(82)	36%	(1,018)	(213)
Net Income	(57,180)	(57,180)	(14,346)	(14,194)	(153)		(57,513)	(333)
Management & Services (Stock Related)	13,975	13,975	2,265	2,524	(259)	16%	13,575	(400)
Other Revenue Spend (Stock Related)	972	972	124	128	(4)	13%	972	
Misc Expenditure (Not Stock Related)	826	826	24	30	(6)	3%	826	
Bad Debt Provision	931	931	183	233	(49)	20%	931	
Responsive & Cyclical Repairs	12,735	12,735	4,329	3,170	1,159	34%	14,235	1,500
Interest Paid	12,191	12,191				0%	12,191	
Depreciation	9,706	9,706				0%	9,706	
Total Expenditure	51,337	51,337	6,926	6,085	841		52,437	1,100
Net Operating Expenditure/(Income)	(5,843)	(5,843)	(7,420)	(8,108)	688		(5,076)	767
Investment Income	(42)	(42)				0%	(42)	
Revenue Contribution to Capital	12,367	12,367				0%	12,367	
Total Appropriations	12,325	12,325					12,325	
Total HRA (Surplus)/Deficit	6,482	6,482	(7,420)	(8,108)	688		7,249	767

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Capital Budget and Spend as at 30th June 2024						
Cost Centre	Capital Scheme	Service Area	2024/25 Original Budget	Latest 2024/25 Budget	Spend to 30/06/24	Budget Remaining
			£	£	£	£
General Fund Capital Programme						
Communities and People Directorate						
Community Services Projects						
A4820	Upgrade Existing Tennis Courts	Community	-	108,191	-	108,191
A4847	Rose Hill Community Centre - Parking	Community	-	10,000	-	10,000
A4852	Bodycams for Community Safety Team	Community	-	23,000	22,978	23
A4855	Leys Youth Hub	Community	-	1,071,594	33,071	1,038,523
A4858	Leisure Invest to Save - Leisure Contract	Community	2,400,000	3,040,000	-	3,040,000
B0075	Museum of Oxford Development	Community	-	-	-	-
B0083	East Oxford Community Centre	Community	4,223,967	3,500,000	610,214	2,889,786
B0150	Hinksey Pool Liner Replacement	Community	-	18,385	-	18,385
B0158	Street Sports Lighting Upgrade	Community	-	70,000	69,000	1,000
B0159	Redbridge Masterplan	Community	-	98,113	6,336	91,777
B0096	Bullingdon Community Centre	Community	-	63,136	89,342	(26,206)
Community Services Projects Total			6,623,967	8,002,419	830,941	7,171,478
Housing Services Projects						
B0102	Replace or refurbish Lifts	Housing Services	140,000	109,484	-	109,484
B0108	Floyds Row Refurbishment	Housing Services	48,283	48,283	12,239	36,044
C3057	Housing System Replacement	Housing Services	-	-	(9,113)	9,113
M5024	National Homelessness Property Fund	Housing Services	-	633,962	-	633,962
M5040	Brownfield Land Release Fund (BLRF)	Housing Services	-	-	6,816	(6,816)
M5038	Roken House	Housing Services	-	95,556	9,238	86,318
M5039	UK Shared Prosperity Fund Investment	Housing Services	65,000	255,000	-	255,000
Housing Services Projects Total			253,283	1,142,285	19,181	1,123,105
Oxford Direct Services Projects						
R0005	MT Vehicles/Plant Replacement	Oxford Direct	5,774,279	3,500,000	240,305	3,259,695
T2273	Car Parks Resurfacing	Oxford Direct	200,000	150,000	25,084	124,916
T2309	Cowley Marsh Extension	Oxford Direct	-	34,659	-	34,659
Oxford Direct Services Projects Total			5,974,279	3,684,659	265,388	3,419,270
Communities and People Directorate Total			12,851,529	12,829,363	1,115,510	11,713,853
Development Directorate						
Corporate Property Projects						
B0100	Gloucester Green Car Park (H&S)	Corporate Property	300,000	370,730	3,150	367,580
A4856	Conversion of stored water system to	Corporate Property	130,000	130,000	-	130,000
A4857	Leisure infrastructure life cycle investment	Corporate Property	-	840,000	-	840,000
A4859	Leisure Centre Capital Works &	Corporate Property	200,000	200,000	-	200,000
A4860	Community Centres Capital Works &	Corporate Property	430,000	150,000	-	150,000
A4861	Hinksey Splash	Corporate Property	18,385	80,000	-	80,000
B0031	Planned Building Improvements	Corporate Property	750,000	501,982	(12,268)	514,250
B0101	Capital Works at Covered Market	Corporate Property	200,000	200,395	975	199,420
B0104	Old Gas Works Bridges	Corporate Property	1,000,000	1,770,636	(94,671)	1,865,306
B0106	Covered Market Roof Works (Capitalised	Corporate Property	525,000	688,058	-	688,058
B0111	Town Hall Dry Risers	Corporate Property	-	-	35,803	(35,803)
B0117	Regeneration Property	Corporate Property	-	3,402	-	3,402
B0124	Port Meadow Moorings	Corporate Property	-	-	(5,279)	5,279
B0125	City Centre Restart (CIL Funded)	Corporate Property	-	39,324	924	38,400
B0126	Asset Surveys	Corporate Property	-	300,000	103	299,897
B0138	Enabling works - Decarbonisation Project	Corporate Property	-	0	-	0
B0142	Stock condition surveys (including bridge	Corporate Property	500,000	619,586	23,140	596,446
C3089	ICT - Asset Management System	Corporate Property	318,662	281,338	12,500	268,838
B0143	Town Hall Relocation	Corporate Property	-	479,011	(3,677)	482,688
B0149	Tumbling Bay Embankment Works	Corporate Property	-	31,186	1,005	30,181
B0151	Bus Shelters	Corporate Property	-	15,050	1,928	13,122
E3569	General Fund Capital Reserve (SCS works &	Corporate Property	1,000,000	1,000,000	-	1,000,000
B0153	HSBC Options	Corporate Property	-	55,000	-	55,000
B0154	Covered Market masterplan and enabling	Corporate Property	1,513,991	797,647	196,445	601,202
B0156	Waterways - Condition Survey / Long Bridge	Corporate Property	355,000	354,658	-	354,658
B0157	Works Town Hall	Corporate Property	1,500,000	1,521,915	167,524	1,354,392
B0161	Floyds Row (Feasibility2024)	Corporate Property	1,050,000	50,000	-	50,000
B0163	Network infrastructure installations (utiliti	Corporate Property	40,000	40,000	-	40,000
B0164	Waterways investment	Corporate Property	500,000	500,000	-	500,000
B0162	Property Services Works to Town Hall	Corporate Property	-	-	5,650	(5,650)
B0129	Town Hall Options	Corporate Property	-	25,072	266	24,806
B0165	Stone walls & Railing programme	Corporate Property	100,000	100,000	-	100,000
B0166	Broad street roofing & Façade project	Corporate Property	2,000,000	500,000	-	500,000
B0167	Fire Risk Assessment programme works	Corporate Property	50,000	50,000	-	50,000
B0133	New Burial Space	Corporate Property	-	354,000	39,244	314,756
B0168	Bridge investment work	Corporate Property	500,000	400,000	-	400,000
B0169	M&E Capital budget to fund capital replac	Corporate Property	150,000	150,000	-	150,000
B0147	Repairs to 2-4 Gloucester Street and 24-	Corporate Property	-	-	1,853	(1,853)
Corporate Property Projects Total			13,131,038	12,598,991	374,615	12,224,376
Regeneration & Economy Projects						
M5033	Blackbird Leys Regeneration (GF Element)	Regeneration &	5,586,876	8,356,000	5,574,301	2,781,699
A4853	City Wide Cycling Infrastructure	Regeneration &	60,000	55,353	12,395	42,958
B0084	Jericho Community Centre	Regeneration &	-	-	-	-
B0081	Car Parking Oxpens	Regeneration &	-	0	-	0
B0086	Seacourt Park & Ride Extension	Regeneration &	-	-	-	-
B0092	Cave Street Development (Standingford H	Regeneration &	-	194,134	146,694	47,440

Cost Centre	Capital Scheme	Service Area	2024/25 Original Budget	Latest 2024/25 Budget	Spend to 30/06/24	Budget Remaining
			£	£	£	£
B0098	1-3 George Street	Regeneration &	-	166,733	(56,243)	222,975
T2301	Depot Rationalisation	Regeneration &	-	266,645	-	266,645
B0112	Future Options for City Centre Land	Regeneration &	-	130,452	16,738	113,714
B0141	City Centre Public Realm (Kiosks Project)	Regeneration &	179,987	241,034	83,920	157,114
B0116	Osney Mead Path Works (HIF)	Regeneration &	564,914	1,398,635	-	1,398,635
B0148	Oxford Flood Alleviation HIF Contribution	Regeneration &	-	4,220,000	-	4,220,000
B0120	Osney Bridge (Growth Deal)	Regeneration &	7,184,694	7,458,420	188,790	7,269,630
B0122	City Cycle Schemes (Growth Deal)	Regeneration &	-	431,332	3,118	428,214
B0145	St Michael's Street Levelling Works	Regeneration &	168,817	175,644	3,367	172,277
B0146	Ice Rink Car Parking	Regeneration &	100,000	146,066	5,757	140,309
B0131	Meanwhile In Oxfordshire	Regeneration &	-	82,317	1,788	80,529
B0130	CIL Feasibility	Regeneration &	-	43,350	-	43,350
B0160	Templars Square (GF Element)	Regeneration &	-	-	-	-
B0170	Salary Costs across the Council to be capite	Regeneration &	323,000	-	-	-
B0171	Regeneration Property Purchase/Odeon	Regeneration &	-	212,000	713	211,287
B0172	Bury Knowle House	Regeneration &	-	41,000	-	41,000
B0173	Union Street Car Park	Regeneration &	-	65,000	-	65,000
B0152	Cowley Branch Line Full Busines Case	Regeneration &	1,689,183	2,599,669	613,900	1,985,769
B0074	R & D Feasibility Fund	Regeneration &	500,000	502,815	-	502,815
	Allocated Feasibility Funding (various		-	210,517	26,990	183,527
B0114	Diamond Place Redevelopment	Regeneration &	-	10,000	-	10,000
B0118	Oxford Ice Rink Development	Regeneration &	-	36,704	10,060	26,644
B0119	Oxford Station Feasibility	Regeneration &	-	51,563	-	51,563
B0128	Greenways Cycling Project	Regeneration &	-	92,250	16,930	75,320
B0132	Coach Parking Feasibility	Regeneration &	-	20,000	-	20,000
Regeneration & Economy Projects Total			16,357,471	26,997,117	6,622,228	20,374,888
Housing Delivery Projects						
M5025	Barton Park - Purchase by Council	Housing Delivery	11,051,609	17,769,989	5,485,365	12,284,624
M5026	Housing Company Loans (excl Barton	Housing Delivery	14,051,609	23,916,000	5,599,810	18,316,190
M5032	Barton Park - loan to OCHL	Housing Delivery	-	9,214,380	-	9,214,380
M5034	Affordable Housing Supply	Housing Delivery	1,958,000	2,086,000	-	2,086,000
M5035	Growth Deal Registered Provider	Housing Delivery	272,000	-	-	-
M5037	Northern Gateway (Oxford North)	Housing Delivery	-	1,153,416	2,218	1,151,198
Housing Supply Projects Total			27,333,218	54,139,785	11,087,393	43,052,392
Planning Projects						
E3511	Essential Repairs Grant	Planning Services	15,000	37,108	5,000	32,108
E3521	Disabled Facilities Grants	Planning Services	1,200,000	1,553,749	551,346	1,002,403
E3561	Additional DFG Funding CLOSED	Planning Services	-	4,968	-	4,968
C3091	ICT - scanning of all paper planning files	Planning Services	-	150,000	-	150,000
T2299	Controlled Parking Zones	Planning Services	-	500,000	-	500,000
Planning Projects Total			1,215,000	2,245,825	556,346	1,689,479
Development Directorate Total			58,036,727	95,981,717	18,640,582	77,341,135
Corporate Resources						
Business Improvement Projects						
C3044	ICT Software and Licences	Business	245,000	245,000	402,357	(157,357)
C3058	CRM Lagan Replacement	Business	-	48,264	-	48,264
C3060	End-Point Devices (Desktops/Laptops)	Business	150,000	354,367	53,248	301,119
C3066	Telephony Device Refresh	Business	60,000	33,690	26,396	7,294
C3068	Windows 2008 Server Replacement	Business	-	-	13,530	(13,530)
C3072	Forms Engine Replacement	Business	-	-	10,800	(10,800)
C3082	Website Redesign	Business	-	3,106	-	3,106
C3085	ICT - I-trent replacement	Business	-	-	-	-
C3086	ICT - QL Exploitation Programme	Business	256,000	230,656	168,638	62,018
C3087	ICT - replacing Netcall contact centre telep	Business	-	29,469	30,976	(1,507)
C3088	ICT - replacing Uniform (building control ar	Business	100,000	100,000	-	100,000
C3090	ICT - Extension of existing Alemba case ma	Business	-	4,004	-	4,004
C3092	ICT - Replacement of IKEN - L&G case man	Business	-	67,500	33,875	33,625
C3099	Third-party consultancy for Azure Active D	Business	135,000	135,000	-	135,000
C3100	Itrent system improvement	Business	30,000	30,000	-	30,000
C3101	I@W renewal or replacement	Business	300,000	300,000	-	300,000
C3102	Cyber security monitoring and response se	Business	115,000	115,000	-	115,000
C3103	Upgrade/replace Kirona DRS (this is an OD	Business	75,000	75,000	-	75,000
C3104	Windows security server upgrades	Business	75,000	75,000	-	75,000
C3105	Migration of Mod.gov	Business	90,000	90,000	-	90,000
C3106	Migration of SCC to cloud hosted alternati	Business	107,000	107,000	-	107,000
C3107	Replacement of Uniform IDOX (additional	Business	25,000	25,000	-	25,000
C3108	Online forms development (2x resources t	Business	160,000	160,000	-	160,000
C3093	ICT - Replacement of ArcGIS geospatial ma	Business	-	25,000	-	25,000
C3094	ICT - Information @ Work major upgrade	Business	3,000	18,000	-	18,000
C3095	ICT - Redesign of Council Website	Business	-	51,658	627	51,031
C3097	ICT - Refresh of content and taxonomy of t	Business	25,000	46,150	-	46,150
C6000	ICT - feasibility	Business	-	180,000	-	180,000
C3081	Capitalised ICT Projects	Business	163,200	615,646	300,380	315,266
Business Improvement Projects Total			2,114,200	3,164,510	1,040,827	2,123,683
Financial Services Projects						
M5023	OxWED Loans	Financial Services	3,750,000	1,425,000	-	1,425,000
C3084	Agresso Update	Financial Services	-	-	-	-
C3096	ICT - Open Revenue Cloud Migration	Financial Services	50,000	50,000	-	50,000
C3098	ICT - Agresso upgrade and migration to Clc	Financial Services	-	193,220	147,863	45,357
B0144	Salary Costs across the Council to be	Financial Services	380,000	1,760,591	-	1,760,591
C3080	Telephony Contract Replacement	Financial Services	-	-	22,600	(22,600)
Financial Services Projects Total			4,180,000	3,428,811	170,463	3,258,348
Law & Governance						
C3083	FOI System	Law & Governance	-	-	3,938	(3,938)

Cost Centre	Capital Scheme	Service Area	2024/25 Original Budget	Latest 2024/25 Budget	Spend to 30/06/24	Budget Remaining
			£	£	£	£
L1000	Audio & Visual Equipment	Law & Governance	-	12,782	-	12,782
	Law & Governance Projects Total		-	12,782	3,938	8,845
	Corporate Resources Directorate Total		6,294,200	6,606,102	1,215,227	5,390,875
Chief Executive						
Environmental Sustainability Projects						
E3558	Go Ultra Low Oxford - On Street	Environmental	-	494,706	-	494,706
E3557	Oxford and Abingdon Flood Alleviation	Environmental	-	-	2	(2)
E3570	Biodiversity Net Gain (Feasibility)	Environmental	-	100,000	-	100,000
E3560	Go Ultra Low Oxford - Taxis	Environmental	-	38,327	17,815	20,512
E3565	Decarbonisation Fund - OCC element	Environmental	-	105,142	-	105,142
B0127	ZEZ Phase 1 Feasibility	Environmental	-	141,000	-	141,000
E3568	Leisure Centre LED Lighting Feasibility	Environmental	-	6,430	3,840	2,590
	Environmental Sustainability Projects Total		-	885,605	21,657	863,948
	Chief Executive Total		-	885,605	21,657	863,948
	General Fund Total		77,182,456	116,302,787	20,992,977	95,309,811
Housing Revenue Account Capital Programme						
HRA - Property Services Schemes						
N6384	Tower Blocks	HRA	1,000,000	260,387	6,630	253,757
N6385	Adaptations for disabled	HRA	800,000	602,175	412,337	189,838
N6386	Structural	HRA	2,000,000	2,187,754	11,267	2,176,487
N6387	Controlled Entry	HRA	100,000	317,991	4,929	313,062
N6388	Major Voids	HRA	1,000,000	18,944	262,552	(243,608)
N6389	Damp-proof works (K&B)	HRA	-	43,714	-	43,714
N6390	Kitchens & Bathrooms	HRA	-	(250,000)	-	(250,000)
N7057	Kitchens	HRA	-	440,772	290,558	150,213
N7049	Compulsory purchase of property	HRA	-	-	1,596	(1,596)
N7058	Bathrooms	HRA	-	186,995	91,889	95,106
N6391	Heating	HRA	-	(107,710)	-	(107,710)
N7059	Boilers Only	HRA	500,000	1,325,598	395,567	930,031
N7060	Heating Systems	HRA	500,000	654,823	5,992	648,831
N6392	Roofing	HRA	-	190,751	(152,452)	343,203
N6395	Electrics	HRA	2,000,000	1,947,924	266,657	1,681,267
N6434	Doors and Windows	HRA	-	(371,960)	70,148	(442,107)
N7020	Extensions & Major Adaptions	HRA	1,000,000	1,927,387	63,443	1,863,944
N7026	Communal Areas	HRA	-	0	(16,898)	16,898
N7033	Energy Efficiency Initiatives	HRA	7,450,000	6,874,425	114,752	6,759,672
N7044	Lift Replacement Programme	HRA	100,000	103,432	2,166	101,266
N7048	Fire doors	HRA	1,500,000	3,571,177	32,950	3,538,228
N7067	Renewal Of Fire Alarm Panels	HRA	60,000	207,021	-	207,021
N7052	HRA Stock Condition Survey	HRA	400,000	728,573	9,923	718,650
N7032	Great Estates Programme	HRA	-	1,120,539	-	1,120,539
N7071	Fencing	HRA	-	250,856	2,898	247,958
N7072	QL Improvements	HRA	-	245,000	-	245,000
N7073	Southfield Park Leases	HRA	-	1,500,000	-	1,500,000
N7074	Oxford North Development	HRA	13,538,505	14,695,162	676,183	14,018,979
N7075	LAHF Acquisitions	HRA	-	312,704	(69,385)	382,089
N7076	Major Voids – Kitchens and Bathrooms	HRA	-	(440,434)	77,658	(518,092)
N7077	Climate Change	HRA	-	-	-	-
N7078	LAHF 2 Acquisitions	HRA	-	690,679	751,983	(61,305)
N7080	Retained Right to Buy Receipts (Acquis	HRA	-	-	4,620	(4,620)
N7081	Retained Right to Buy Receipts (Additi	HRA	1,000,000	1,000,000	-	1,000,000
N7084	Alice Smith (Heating)	HRA	200,000	200,000	-	200,000
N7085	Renewal of Solar and Energy infrastruc	HRA	15,000	15,000	-	15,000
N7086	Extensions (5/6 Beds)	HRA	300,000	-	-	-
N7087	SHWP Urgent Works	HRA	500,000	500,000	-	500,000
N7088	Tower Blocks Additional Works	HRA	1,500,000	-	-	-
N7089	Housing for Older People - white good	HRA	50,000	50,000	-	50,000
N7090	Digital Noticeboards for towerblocks	HRA	50,000	50,000	-	50,000
N7091	Capital R&M Works Investment	HRA	2,500,000	2,500,000	-	2,500,000
N7092	Communal Capital investment works	HRA	4,500,000	4,500,000	1,079	4,498,921
N7093	External Capital investment works to C	HRA	4,500,000	4,500,000	578,245	3,921,755
N7094	Internal Capital investment works to C	HRA	3,500,000	3,500,000	324,254	3,175,746
N7095	Tower Blocks - Fire Alarm System Repl	HRA	-	-	-	-
N7096	Stock Decency Improvement Works (L	HRA	-	-	-	-
N7097	Leiden Road (c. 12 affordable homes)	HRA	-	-	-	-
N7098	Underhill Circus (c. 11 affordable hom	HRA	-	-	-	-
N7099	Additional Units (RRTBR)	HRA	-	-	-	-
N7100	Additonal Programme (RRTBRs)	HRA	-	-	-	-
N7042	Barton Regeneration	HRA	-	598,360	-	598,360
N7070	Major Refurbishment Masons Road	HRA	-	586,179	(1,327)	587,506
HRA - Housing Supply Schemes						
N7047	Social Rented Housing Acquisitions	HRA	-	(820,540)	156,430	(976,970)
N7051	Acquisition of Additional Units	HRA	3,000,000	5,466,000	-	5,466,000
N7050	East Oxford development	HRA	6,793,288	7,637,659	343,913	7,293,746
N7054	Properties Purchased From OCHL	HRA	83,684,822	23,911,742	5,579	23,906,163
N7061	Northfield Hostel	HRA	9,524,123	21,999,763	74,568	21,925,195
N7062	Lanham Way	HRA	3,185,122	6,711,853	862,515	5,849,338
N7079	SHAP Acquisitions	HRA	-	(1,021,088)	3,553	(1,024,641)
N7068	Juniper	HRA	-	385,229	-	385,229
N7066	Next Steps Accommodation Programme	HRA	-	581,746	-	581,746
N7040	Blackbird Leys Regeneration (HRA)	HRA	1,504,000	2,353,318	670,745	1,682,573

Cost Centre	Capital Scheme	Service Area	2024/25 Original Budget	Latest 2024/25 Budget	Spend to 30/06/24	Budget Remaining
			£	£	£	£
	Housing Revenue Account Total		158,254,860	124,439,899	6,337,517	118,102,383
	Grand Total		235,437,316	240,742,687	27,330,494	213,412,193
					% Latest Budget	% Original Budget
				General Fund Spend v Bud	18%	27%
				HRA Spend v Bud	5%	4%
				Total Spend v Bud	11%	12%

N.B. Mitigating actions are included for underperforming KPIs.

Measure ID	Short Name	Owner	Year End target	June Target	June Actual	Comments
	Total number of affordable homes in Oxford completed in year	Carolyn Ploszynski / Dave Scholes	1600 new affordable homes built over the preceding 4 years or 200	See Comments		The forecast is currently set to achieve the target with a programme of 1,779 homes to be delivered over this period. This comprises 1,179 at social rent, 87 at affordable rent, 482 at shared ownership and 32 First Homes. Please note that delivery figures are subject to change and the delivery risks and risk of slippage are greater in later years. 28 affordable homes have been delivered in the first quarter of this year with an additional 156 homes forthcoming in 2024/25 (currently 184 expected). All these units are social rent tenure. New schemes are continuously under consideration to account for any slippage and to keep the programme with the Council target. Units delivered are high quality, meeting and, where possible, exceeding energy efficiency policy.
	Number of rough sleepers without an offer of accommodation	Nerys Parry/ Richard Wood	29	30	28	On 30/06/24 we had 32 people rough sleeping, 28 of whom did not have an offer of accommodation.

	Tenant overall satisfaction with services provided by the City Council as their landlord	Nerys Parry/ Bill Graves	78%	See Comments		The overall satisfaction TSM measures are reported to annually to HouseMark. For 23/24 OCC achieved 77.5% (close to 78% Quartile 1 of LA and RPs in England). Work is continuing to improve tenant satisfaction across all areas.
	Number of Oxford Living Wage employers and employees	Carolyn Ploszynski	150 employers 27,306 employees	N/A	132 and 26,931 employees	The employee figures are based on published figures on employer websites. We are working currently in the process of updating the figures for employers and so no change since end of 2023/24. We have a pipeline of employers we are working with in terms of signing up to OLW.
	Number of Community Employment and Procurement plans agreed and underway	Carolyn Ploszynski	5	N/A	3	We have got a healthy pipeline of commitments to a delivering CEPPs and are on track to meet the target of approved and implemented CEPPs. This is a pilot measure. The CEPPs KPI was introduced in 2023/24 and targets reflect the early stage of this programme. The targets will be reviewed at the end of year one.
	% of spend with local businesses by the Council and its wholly owned companies	Annette Osborne	70%	70%	69.97%	Almost on target – this is a yearly target

	Secure at least 600k investment for programmes that help tackle inequalities	Hagan Lewisman	£625k	n/a	£322,577	This is a yearly target, and we are on programme to achieve this. <ul style="list-style-type: none"> - We have secured £144k from public health for extension of the Community Health Development roles - We have secured £30k Healthy Place Shaping. - £90,577 for continuation and expansion of You Move and Move Together (payable in 2 tranches – July and October) - £28k for vaccine engagement work from ICB Access and Inequalities - £30k from Public Health operations budget for the delivery of the Community Health Development Officer Programme
	The participation numbers for young people accessing our leisure centres and physical and cultural activities	Hagan Lewisman	81,800	See comments		This is an annual target and we're currently on track
	The % improvement in health outcomes experienced by those individuals referred into our Physical Activity programmes.	Hagan Lewisman	61%	n/a	86%	Move Together - Reported on at the 6-month review point, but on track to achieve this with 86% people currently having a 'successful outcome' from the support provided) NB – this is a different measure to health perception. You Move – Reported on at the 6-month review point, but on track to achieve this.

	City Council greenhouse gas emissions per annum – tracking towards zero by 2030.	Mish Tullar	4,555 equivalent (2023-24) <i>note always reported in arrears</i>	N/a	N/a	Achievements in 2022-23 were less than the target with a 5% rather than 10% reduction. 2023-24 should see a larger reduction with the advent of the larger Salix and PSDS programmes commissioned in this period.
	Oxford greenhouse gas emissions measured by government tracking towards zero by 2040	Mish Tullar	453.7 kt CO2e <i>note always reported 2 years in arrears</i>	2040 Net-Zero Action Plan (zerocarbon.oxford.org) 33% reduction by 2022 compared to 2018 benchmark		<p>Data is taken from DESNZ's annual report data set on local authority carbon emissions. The most recent data, released in June 2024, covers the city's emission for 2022. Therefore the % reduction target included are also two years in arrears.</p> <p>The data from DESNZ shows a 7% decrease compared to last year's emissions, and a 14% decrease compared to the 2018 benchmark. This data shows therefore the city is significantly (19 % points) behind the current pathway.</p> <p>Population growth and economic output are key drivers of emissions. The city's Per Capita Emissions, at 3.7 tCO2e/capital, is at its lowest level since these records began in 2014.</p> <p>Sectoral breakdown shows slow progress in industry's decarbonisation - only 2% reduction since baseline year. The current ZCOP ID project will outline how to ramp up decarbonisation in this sector in line with our targets. Similarly, next year whole city decarbonation action plan will be commissioned to identify opportunities.</p>
	Satisfaction with parks and open spaces	Jane Winfield	85%	n/a	n/a	This is an annual measure taken from the Annual Residents Survey. The next Annual Residents Survey data should be available in Nov/Dec 2024

	% of staff from minority ethnic groups	Helen Bishop	15%	15%	14.44%	Action we are taking in the year ahead is to introduce more inclusive recruitment practices and inclusive recruitment training for recruiting managers. We continue work on building a more inclusive culture so that people feel a sense of belonging, no matter who they are, and therefore choose to stay. We will do this through work on lunch and learn sessions and building staff networks and EDI training for all staff. A longer-term initiative is a positive action development programme to start building talent for future manager and leader positions to improve diversity at this level. This will also act to support retention and sends out a message that the organisation is committed to being more representative of the communities it serves.
	% channel shift to online forms for top 8 services where process improvements implemented	Helen Bishop	+5%	+5%	-11.8	The top 8 services include Housing Needs, Revenues and Benefits. It is expected that increased online activity will follow once the Housing Portal is live for taking housing repairs enquiries. Also a full communication campaign is in progress to promote use of our online forms for revenues and benefits. It is envisaged that once these campaigns have landed online usage will increase.
	Oxford residents' satisfaction with City Council services (Overall, how satisfied or dissatisfied are you with the way Oxford City	Mish Tullar	53%	n/a	n/a	This is an annual measure. The next Annual Residents Survey data should be available in Nov/Dec 2024

	Council runs things?)					
	Efficiencies delivered against plan	Nigel Kennedy	£1,829,000	n/a	£1.778m	The budget has been adjusted for most of the efficiencies identified. No major overspends are being reported for most of these areas and therefore most can be said to be being achievable.

To: Cabinet
Date: 11 September 2024
Report of: Head of Financial Services
Title of Report: Treasury Management Annual Report 2023/24

Summary and Recommendations	
Purpose of report:	The report sets out the Council's Treasury Management activity and performance for the financial year 2023/24
Key decision:	No
Executive Board Member:	Councillor Ed Turner, Deputy Leader (Statutory) - Finance and Asset Management
Corporate Priority:	All
Policy Framework:	Treasury Management Strategy

Recommendation: That Cabinet resolves to:

1. **Note** the report.

Appendices	
1 (Exempt)	Confidential Appendix on Fund Investment
2	Risk Register

Executive Summary

1. The Council held investments of £20.330 million (based on the investment value) as at 31st March 2024. Net interest earned during the year, including from loans to companies and external borrowing, was £7.24 million against a target of £6.09 million, a favourable variance of £1.15 million. This relates to the following factors:

Favourable

- Borrowing costs lower by £1.318 million due to long term borrowing on the General Fund not being required, following slippage in the capital programme including lower loan requirements from the Housing Companies due to internal borrowing.
- £1.896 million interest charged to the HRA in lieu of external borrowing.

Adverse

- Lower investment income by £0.815 million due to less funds being available to invest, due to internal borrowing to fund housing company projects.
 - £0.614 million interest relating to company bank balances paid in accordance with internal agreements plus a variance in budgeted income from loans to companies
 - £0.635 million Interest on short term borrowing which was needed due to a requirement to repay government grants at short notice.
2. The average rate of return on the Council's investments in 2023/24 was 4.52% compared to 3.77% in 2022/23. The Bank of England base Rate increased steadily throughout 2023/24, starting at 4.25% and finishing at 5.25%.
 3. The Council held £218.528 million of fixed rate Public Works Loan Board (PWLB) debt as at 31st March 2024. £198.528 million was originally borrowed in March 2012 to fund the self-financing of the Housing Revenue Account (HRA) with one of the loans that had matured being replaced on 28th March 2022. All of the debt relates to housing and the maturity profile ranges from 5 to 50 years. Interest paid on the debt in 2023/24 and charged to the HRA was £6.40 million. An additional £20 million was borrowed in 2023/24 to improve cashflow backed by the HRA borrowing to finance the 2022/23 capital programme which was originally financed by internal borrowing.

Background

4. The primary principle governing the Council's investment decisions is the security of the investment, with liquidity and yield being secondary considerations.
5. The Council has a statutory duty to set, monitor and report on its prudential indicators in accordance with the Prudential Code, which aims to ensure that the capital investment plans of local authorities are affordable, prudent and sustainable.
6. When considering whether to borrow, the Council's Debt Strategy requires a number of factors to be considered. These include:
 - prevailing interest rates;
 - the profile of the Council's debt portfolio;
 - the type of asset being financed; and
 - the availability of cash balances to finance capital expenditure.
7. The Council fully complied with its Treasury Management Strategy in relation to both debt and investment management in 2023/24.
8. The prudential indicators detailed in the body of this report compare the Council's outturn position against the target set for 2023/24.

Financing the Capital Programme 2023/24

9. Table 1 below shows actual capital expenditure and expected financing compared to the original budget.

Table 1 Capital Expenditure and Financing 2023-24			
Capital Expenditure	2023/24 Original Budget £'000	2023/24 Actual £'000	Variation £'000
Non-HRA Capital Expenditure	117,020	20,539	-96,481
HRA Capital Expenditure	117,568	38,235	-79,333
Total Capital Expenditure	234,588	58,774	-175,814
Resourced by:			
Developer Contributions	14,029	1,654	-12,375
Capital Grants and contributions	34,277	9,392	-24,885
Capital Receipts	27,092	13,086	-14,006
Revenue	2,923	1,581	-1,342
Major Repairs Reserve	10,393	15,440	5,047
Prudential Borrowing	145,874	17,621	-128,253
Total Capital Resources	234,588	58,774	-175,814

10. Much of the variation to the original budget relates to slippage in the programme, the resources for which will be moved into funding the expenditure in future financial years.

The Council's Overall Borrowing Need

11. The Council's underlying need to borrow, or Capital Financing Requirement (CFR), is the measurement and control of the Council's overall debt position. It represents all prior years' net capital expenditure which has not been financed by other means, i.e. revenue, capital receipts, grants etc.

12. The CFR can be reduced by:

- The application of additional capital resources, such as unapplied capital receipts;
- Repayment of debt financed by borrowing (including repayment of capital debtors); or
- Charging a Minimum Revenue Provision (MRP), or a Voluntary Revenue Provision (VRP).

13. Table 2 below shows the Council's CFR as at the 31st March 2024, this is a key prudential indicator, and shows that actual borrowing is below the CFR:

Table 2 Capital Financing Requirement (CFR) 2023-24 Estimate and Actual			
CFR	31st March 2024 Estimate £'000	31st March 2024 Actual £'000	Variation £'000
Opening Balance	345,261	336,953	-8,308
Prudential Borrowing	145,874	17,621	-128,253
Repayment of debt	-11,285	-11,640	-355
Minimum Revenue Provision	-165	-182	-17
CFR Closing Balance	479,685	342,752	-136,933
External Borrowing	364,358	218,528	-145,830
Internal Borrowing	115,327	124,224	8,897

14. New external debt of £20 million was taken out during 2023/24 in relation to HRA capital financing and as at 31st March 2024 the Council's total external debt is now £218.528 million, all in relation to HRA. This is below the CFR and indicates that the Council continues to internally borrow from its cash balances which is the cheapest form of borrowing.

Treasury Position at 31st March 2024

15. Whilst the Council's gauge of its underlying need to borrow is the CFR, the treasury function manages the Council's actual need to borrow by either:

- Borrowing to the CFR;
- Choosing to utilise temporary cash flow funds, instead of borrowing (known as "under borrowing"); or
- Borrowing for future increases in the CFR that are reasonably certain.

16. The Council's treasury position as at the 31st March 2024 for both debt and investments, compared with the previous year is set out in Table 3 below:

Table 3 : Borrowing and Investments 2022-23 and 2023-24				
Treasury Position	31st March 2023		31st March 2024	
	Principal £'000	Average Rate %	Principal £'000	Average Rate %
Borrowing				
Fixed Interest Rate Debt	198,528	3.23	218,528	3.41
Total Debt	198,528	3.23	218,528	3.41
Investments				
Fixed Interest Investments	43,000	0.48	0	0.00
Call Accounts	0	0.90	0	0.00
Variable Interest Investments	10,125	0.01	330	5.28
Property Funds	20,000	3.54	20,000	4.58
Total Investments	79,440	1.01	20,330	4.93
Net Position	119,088		198,198	

17. Overall, the Council earned a weighted average return of 4.52% on its investment which is below the target of 0.2% above average base rate, which equated to an average of 5.06% as at 31st March 2024. The return is down due to not having funds available to invest at the improved rates throughout the year, this is however offset as the those funds were used for internal borrowing which reduces the amount of interest payable at those higher rates.

Prudential Indicators and Compliance Issues

18. Some of the prudential indicators provide an overview, others a specific limit on treasury activity. These are detailed below:

19. **Net Borrowing and the CFR** – In order to ensure that borrowing levels are prudent, the Council’s external borrowing (net of investments) over the medium-term must only be for a capital purpose, and not exceed the CFR except in the short-term. In the short term the Council can borrow for cash flow purposes. Table 4 below highlights the Council’s net borrowing position against the CFR, and shows that it is significantly below the limit, due to the level of internal borrowing that has been undertaken.

Table 4 : Net Borrowing CFR 2022-23 and 2023-24		
Net Borrowing & CFR	31st March	31st March
	2023	2024
	Actual	Actual
	£'000	£'000
Total Debt	198,528	218,528
Total Investment	73,125	20,330
Net Borrowing Position	125,403	198,198
CFR	336,953	342,752
Under Borrowing plus Investments	211,550	144,554

20. In the current climate, internal borrowing is preferable to borrowing externally as the interest rate payable on an external loan is much higher than that which can be earned on investments. Therefore, forfeiting interest receivable on investments is more economical than paying additional interest charges for new external debt. If the net borrowing position, interest rate position and/or CFR changed significantly, the prospect of taking on additional debt would be reviewed.

21. **The Authorised Limit** – The Authorised Limit is the ‘affordable borrowing limit’ required by section 3 of the Local Government Act 2003. The Council does not have the power to borrow above this level unless it explicitly agrees to do so. Table 5 below demonstrates that during 2023/24 the Council’s gross borrowing was within its Authorised Limit. The Authorised Limit allows for some headroom above the Council’s projected CFR.

Authorised Limit compared to Actual Borrowing	31st March 2023		31st March 2024	
	Limit £'000	Actual £'000	Limit £'000	Actual £'000
Borrowing	691,950	198,528	815,820	218,528
Other Long Term Liabilities	0	0	0	0
Total Borrowed	691,950	198,528	815,820	218,528
Amount under Limit	493,422		597,292	

22. **The Operational Boundary Limit** – the Operational Boundary Limit is the expected borrowing position of the Council during the year. It is possible to exceed the Operational Boundary Limit, for a short period of time, providing that the Authorised Borrowing Limit is not breached. Table 6 below shows the limits for the last two financial years. Actual borrowing increased by £20 million to £218.5m but the limits were not breached during either period.

Operational Boundaries	31st March 2023	31st March 2024
	£'000	£'000
Operational Borrowing Limit	480,087	499,685
Other Long Term Liabilities	0	0
Totals	480,087	499,685

Investment Income

23. High inflation has put pressure on the Bank of England to increase the interest rate to reduce the rate of inflation. The rate rose to a peak of 5.25% and was not reduced until 1st August 2024 to 5.0%. The Council manages its investments in-house and invests with institutions listed in the Council's approved counterparty list. The Council invests for a range of periods from overnight to 364 days, dependant on cash flow requirements and its view on interest rates and duration limits set out in the Council's Investment Strategy.
24. During 2023/24, the Council maintained an average investment balance of £59.7m million and received a weighted average return of 4.52%. The upper limit of non-specified investments allowed in the strategy is 25% of the average investment balance for the preceding calendar year. The average balance for 2022 was £107.8 million giving a limit on non-specified investments of £26.95 million (being the higher of 25% of the previous calendar year's average investment portfolio and £25 million). Property funds and Multi Asset Funds fall into the non-specified investment category; their original investment value was £20 million which is within the non-specified limit at 18.6% of the average investment balance.
25. The property funds and the Multi asset Funds are classified as Non-specified Investments within the approved Investment Strategy. The current rate of return on the investments is circa 3.54% per annum.
26. The capital value of the Communities, Churches and Local Authorities (CCLA) Fund has increased by 17.84% between April 2013 and March 2024. The overall value of

the Lothbury property fund investment has fallen by 10.28% as at 31st March 2024 since its inception in August 2014. It is important to understand that fluctuations in value are to be expected with property fund investments over the short term and that they are a long term investment; as such, any gains and losses in fund value should be considered over the long term. More information about the current position can be found in the confidential appendix to this report.

27. Two Multi Asset Funds each for the amount of £5m are held with two fund managers, Fidelity and Artemis. The values as at 31st March 2024 were £4.09 million and £5.39 million respectively. The position on both continues to fluctuate. As with the property funds any gains or losses should be considered over the long term. Aggregate Multi Asset Fund Investment value is currently approximately 5.2% lower than the original investment amount. It is expected that this will improve as bank interest rates fall.
28. Fund managers are reporting that the funds continue to deliver stable income in line with objectives. Yields across asset classes have risen materially and have been incorporating higher yield investments- in the fund, which will remain the focus over the coming months. The funds are well positioned to continue to deliver objectives of a stable yield of around 4-6% per annum over a market cycle.
29. Actual treasury investment income for 2023/24 was £2.07 million; £0.82m Lower than the estimate of £2.89 million. This is mainly due to lower cash balances due to internal borrowing to fund Housing company projects. This should be considered in the context of the overall position which includes savings on external borrowing; overall there is a favourable variance of £1.15 million which is broken down in paragraph 1 of this report.
30. Fluctuations in the Council's balances have been managed through a mix of instant access and notice accounts, money market funds and short term deposits (up to 364 days). This approach is in line with the Investment Strategy approved by the Council.

Other Loans

31. The Council currently have non treasury loans to the Oxford City Housing group (known as OxPlace) of £35.3 million with interest rates varying in line with PWLB rates plus a subsidy control markup and £13.3 million to Oxwed LLP with an interest rate of 6.5% per annum. There are also 2 loans with the Low Carbon Hub of £1.87 million with an interest rate of 2.85% and £1.9 million with an interest rate of 1.45%.

Treasury Advisers

32. The Council takes advice from Link Asset Services on the appropriate durations to place investments with counterparties. These durations and also the availability of individual counterparties are subject to change dependant on market conditions and the credit ratings of the individual institutions. This means that the investment portfolio has to be actively managed to ensure both the availability of enough suitable counterparties and that the Council achieves the best interest rates possible within the agreed security and liquidity parameters.

Interest Rates since 31st March 2024 and forecasts

33. Interest rates have now started to fall following the Bank of England announcement of a reduction of 0.25% from 5.25% to 5.0% and forecasts suggested further gradual falls in short, medium and longer-term rates during 2024/25 and onwards.

34. The CPI measure of inflation was 2.8% in June 2024 and is expected to fall further and stay low.
35. The Council continues to use money market funds and instant access accounts for liquidity purposes, whilst seeking to maximise its returns by arranging longer term deposits where possible., it is vital to maintain a robust cash-flow model which is continuously reviewed and updated.

Environmental Social and Governance (ESG)

36. The Council adopted an ethical investment policy in 2015/16. No changes were made to the policy in setting the 2023/24 Treasury Management Strategy which is set out below:

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:

- a. Human rights abuse (e.g. child labour, political oppression)
 - b. Environmentally harmful activities (e.g. pollutants, destruction of habitat, fossil fuels)
 - c. Socially harmful activities (e.g. tobacco, gambling)
37. The Council set a separate ESG policy within the 2023/24 Treasury Strategy which was then updated in the 2024/25 Treasury Strategy. ESG criteria are a set of measures of a company's operations that socially conscious investors can use to inform potential investments. Environmental criteria consider how a company performs as a steward of nature. Social criteria examine how it manages relationships with employees, suppliers, customers, and the communities where it operates. Governance deals with a company's leadership, executive pay, audits, internal controls, and shareholder rights. Due to the number of different agencies producing ESG data, which are not comparable between the agencies because of the different methodologies used, the Council is limited on how this information can be used to inform investment decisions. Due to the focus that has to be placed on the treasury management principles of Security, Liquidity and Yield, caution needs to be applied in order to not restrict the number of counterparties that the Council can invest in such that there is no remaining capacity for further investments or so that the level of interest income is not significantly affected which would cause unexpected financial pressure on the Council. However the Council does monitor the activities of its various counterparties and questions and challenges them on their ESG credentials at any meeting held with them.

Financial implications

38. These are set out within the body of the report.

Legal Issues

39. The Council is required by regulations issued under the Local Government Act 2003 to produce an annual treasury management review of activities and the actual prudential and treasury indicators for 2023/24. This report 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

40. The key risk going forward is around uncertainty caused by interest rate rises from the Bank of England. These are being driven by the overall economic position both at the national and the global level. This gives uncertainty around both investment and borrowing decisions. 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

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

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Background Papers: None

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

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Risk Register

Treasury Management

As at: 1 August 2024

Ref	Title	Risk description	Risk		Date Raised	Owner	Gross		Current		Target		Comments	Controls				
			Opp/ threat	Cause			I	P	I	P	I	P		Control description	Due date	Status	Progress	Action Owner
Treasury Management																		
1	Loss of capital investment due to a counterparty collapsing	The Council loses its principal investment or an investment becomes impaired.	T	Counterparty collapses or hits a financial crisis rendering it unable to repay investments.	The Council may lose money or repayment of funds could be significantly delayed which could have an adverse impact on operational funding levels	05/08/16	Bill Lewis	5	3	5	3	5	3	Reducing risk by limiting the use of high risk counterparties. Imposing a maximum investment value on approved counterparties in order to spread and reduce risk. Controls and procedures are in place to ensure investment and durations limits with approved counterparties are not exceeded. Counterparties are also monitored and reviewed on a weekly basis at least, or more regularly if considered necessary to do so.	Ongoing	Ongoing	100%	Bill Lewis
2	Pooled fund investments lose value	The value of the Council's units held in pooled fund investments decreases.	T	Uncertainty in the commercial property market and investment markets following Brexit, Covid and slowdown in general economic activity.	Capital depreciation will decrease the overall value of the investment.	05/08/16	Bill Lewis	4	3	3	3	3	2	The Council receives monthly valuations from the fund managers detailing the indicative redemption value of the individual units. These are reported to the Head of Finance on a monthly basis. The Council has the option to sell its units if there is a concern that the fund value is likely to decrease for a prolonged period.	Ongoing	Ongoing	100%	Bill Lewis
3	Changes in interest rates	Interest rates continue to change affecting investment and borrowing rates.	T	Changing national and global economic conditions resulting in interest rates being higher or lower than anticipated	The Council may not achieve its target level of interest income; the Council may lock in to fixed term investments with the interest rate subsequently rising; or the Council may take out borrowing at higher rates than subsequently achievable.	15/10/22	Bill Lewis	3	4	3	4	3	4	The Council continually monitors base rates and projection of rates from its treasury advisors and general economic data and plans investments accordingly. The same approach is taken for planning borrowing by monitoring forecasts against the different rates of interest offered for different periods and loans are then planned accordingly.	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
9	Environmental Social and Governance	Inability to place investments	T	Environmental Social and Governance factors not being compatible with the Security Liquidity and Yield principles; limiting counterparties	Inability to find satisfactory counterparties to take all of the investments	10/01/23	Bill Lewis	3	4	3	3	3	3	Environmental Social and Governance factors are being used as an overlay in order to not restrict counterparties. These will be used as a means to select counterparty where there is more than one available.	Ongoing	Ongoing	100%	Bill Lewis
10	Staff Resource	Staff capacity issue	T	Additional CIPFA requirements on treasury management increases pressure on staff, training, additional reporting, etc	Reports not produced to comply fully with the code	10/01/23	Bill Lewis	3	4	3	3	3	3	Reporting will be undertaken at a reasonable level to include reporting on indicators that can be measured during the year.	Ongoing	Ongoing	100%	Bill Lewis

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