

Agenda Item 6

To: **City Executive Board**

Date: **11th December 2013** Item No:

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

Title of Report: **Integrated Report 2nd Quarter 2013/2014**

Summary and Recommendations

Purpose of report: To update Members on Finance, Risk and Performance as at the end of Quarter 2, 30th September 2013.

Key decision: No

Executive lead member: Councillor Ed Turner

Policy Framework: Improving value for money and service performance

Recommendation(s):

The City Executive Board is requested to:

- a) Note the financial position and performance of the Council for the second quarter of 2013/14 and also the position of risks outstanding as at 30th September 2013.
- b) Note a virement, approved by the Head of Finance under delegated authority, being the introduction into the 2013/14 HRA Capital Programme a £0.250 million budget for "Green Energy" and further funding associated with this project being included in the 2014/15 Budget Consultation.
- c) Note that it will be a priority to transfer at year-end the reported £2.262m GF projected surplus, together with the £0.800m previously transferred from the in-year risk contingency budget, to a specific Earmarked Reserve to fund the Capital Programme in the absence of further planned capital receipts.

Appendix A - Corporate Integrated Report

Appendix B - City Regeneration Integrated Report

Appendix C - Organisational Development and Services Integrated Report

Appendix D - Community Services Integrated Report

Appendix E - September Finance Performance Report

Appendix E1 – General Fund September Forecast Outturn

Appendix E2 – Capital Programme September Forecast Outturn

Appendix E3 – HRA September Forecast Outturn

Appendix E4 – General Fund September Year to Date Position

Background

1. Historically Finance, Performance and Risk have been reported separately to the City Executive Board with little documented consideration of the interrelationship of these three key elements of management information.
2. An integrated reporting approach is one which enables a more holistic picture to be presented and understood. It is a concept many local authorities are now turning towards producing.
3. Appendices A to D are the Council's four Q2 Integrated Performance Reports, the first being the overall Corporate position for the authority and the remaining three relating to each one of the Council's Directorates. They have been produced using CorVu the Council's performance management system and utilise a Red, Amber and Green reporting methodology. Appendix E and associated outturn statements are September's Finance Performance report.

Principles of the Integrated Report

4. The key principles applied in producing the report are:
 - Exception reporting utilising clear graphical summaries, followed by narrative which focuses only on those issues that require attention.
 - Associated narrative which pulls together and makes the links between risk, finance and performance to form a holistic view and incorporating trend data.
 - CorVu will be used to create the base data for the report from existing information (i.e. no additional work created for Services).
 - Some entries for performance monitoring and risk monitoring are shown as "no data". What this means when referring to performance measures is the indicator is not required to be calculated for the period reported. For risk it is because the previous quarterly measurement was not undertaken so no assessment of the risk being increased or reduced is possible.
 - The distinction between a summary Corporate-level view and Directorate-level picture of performance is retained and the latter enhanced by the inclusion of, service plan target performance
 - The detail of the existing finance report will be appended to the integrated report as it is needed to enable decisions to be taken at executive level (authorisations, virements etc)

5. The following tolerances apply to the financial dials:

Green - Forecast outturn is within 100% of the latest approved budget.

Amber - Forecast outturn is within 100% - 105% of the latest approved budget.

Red - Forecast outturn is over 105% of the latest approved budget.

Performance in this area is a potential concern and will be commented on within the report.

What Do the Dials Show?

6. Several items are displayed below each dial.

| | |
|----------|---|
| Budget | This is the monetary value of the Latest Budget for the above dial. |
| Forecast | This is the projected outturn position i.e. what we think the year-end spend will be. |
| Variance | Difference between the Latest Budget and the Projected Outturn (Forecast). |
| Prev Qtr | The projected outturn estimated at the time of the previous quarter. |
| Movement | Change in projected outturn for the previous quarter with the projected outturn for the current quarter. Please note that the projected outturn for the previous quarter can be retrospectively revised if additions/transfers to latest budget levels have taken place during the interim. |

Performance Summary

7. This section is broken down into 3 sub-sections;

- I. Current quarter's information on performance targets broken down between the RAG categories.
- II. A summary of the previous quarter's position.
- III. Direction of Travel table displaying the movement between categories from one quarter to the next.

Risk Management

8. This section is similarly broken down into the same 3 sub-sections;

- I. Current quarter's information on performance targets broken down between the RAG categories.
- II. A summary of the previous quarter's position.
- III. Direction of Travel table displaying the movement between categories from one quarter to the next.

Financial Implications

9. Detailed financial analysis and narrative is provided at Appendix E of the attached Integrated Report. The financial implications arising from the transfer of non-dwelling assets from the HRA to the GF, reported and approved by Council on 30 September 2013, has been reflected on the financial statements provided.
10. Briefly summarising the General Fund is currently predicted to show a £2.262 million favourable variance against the latest budget position, the HRA conversely is estimated to be £0.421 million adverse but this is manageable due to reduced revenue contributions towards funding of capital spend arising as a result of re-phasing the HRA capital programme, together with further re-profiled phasing of GF capital expenditure totalling £11.890 million. Members should be reassured that this re-phasing of spend is not predominately to do with staff capacity issues but has been heavily influenced by a number of external factors outside of the Council's control.

Legal Implications

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

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List of background papers:

Version number: