

### Budget Monitoring as at 30th September 2013

- **Appendix E1:** September 2013 monitoring – General Fund Forecast Outturn
- **Appendix E2:** September 2013 monitoring – Capital Programme Forecast Outturn
- **Appendix E3:** September 2013 monitoring – Housing Revenue Account Forecast Outturn
- **Appendix E4:** September 2013 monitoring – General Fund year to date position

### EXECUTIVE SUMMARY

1. This report sets out the Council's projected outturn position as at the 30th September 2013 and highlights major variances to the approved budget. In summary;
  - The General Fund Revenue account shows a favourable variation to the latest budget of £2.262 million. In contrast this was £0.190 million adverse at Q1.
  - The HRA is reporting a £0.421 million adverse position as at Q2. The Q1 projected outturn variance was £0.001 million favourable.
  - The latest General Fund Capital outturn projection suggests a £7.669 million favourable variance against the latest budget. The Q1 projection was £0.125 million favourable.
  - Similarly, the HRA Capital programme is showing a favourable variance as at the end of September, Q2, namely £4.221 million. The Q1 projection was nil.
  - The collection rate for Council Tax arrears is 97.91% as at the end of September 2013, slightly up on August's position of 97.80% and the cumulative year-end position for 2012/13 of 97.01%. At Q1 the performance was 97.58%.
  - The collection rate for Business Rates arrears is 98.23% as at the end of September 2013, again slightly up on August's position of 98.17% and the cumulative year-end position for 2012/13 of 97.04%. At Q1 the performance position being reached was 97.73%.
  - The collection rate for HB Overpayments is 85.21% as at the end of September 2013. This is higher than the 82% target set for 2013/14 and higher than the 79.80% achieved twelve months ago. At Q1 the collection rate was 81.37%.
  - The payment of invoices within 30 days now stands at 93.32% slightly down from the 93.53% achieved last month. The performance target being reached at Q1 was 96.54% just below the 97% target set for the year.
  - HRA total arrears were £1.674 million as at the end of September, they were £1.241 million for the same period 12 months ago. HRA total arrears were £1.462 million at the end of August and £1.250 million at Q1.
2. The Latest Budgets have been re-aligned to reflect virement requests approved by the Head of Finance/Council up to the end of September in accordance with the Council's Financial Regulations. This includes along with the normal day to day virements predominately from Earmarked Reserves, the budget changes arising from Council approving the recommendations within the HRA transfer of assets report, submitted to Council on 30 September 2013 that also incorporated revisions to HRA Business Plan assumptions and revised interest rates for internal borrowing. The value of which totals £ (1.322) million. This has been identified to be moved to Earmarked Reserves.
3. As part of the monitoring process Finance staff have met and had budget monitoring discussions with Cost Centre Managers and Heads of Service to verify the current

budgetary position. The following forecast variances have been identified and these are commented on and explained more fully within the body of the report.

## GENERAL FUND OUTTURN

4. Appendix E1 sets out the General Fund revenue outturn position as at the end of September 2013, broken down by Service Area. Table 1 below details the summarised General Fund position and compares the September projected outturn position with that reported last month and as at Quarter 1.

**Table 1 General Fund Revenue**

GF Outturn Report 13/14 @ Q2 30th Sept,2013	Approved Budget (per Budget book)	Latest Budget	Actual YTD	% Budget Spent to Q2 30th Sept,2013	Projected Outturn @ Q2 30th Sept,2013	Outturn Variance Q2	Reported Last Month	Mvt from Reported Last Month	Outturn Variance Q1	Mvt from Q1
	£000's	£000's	£000's	%	£000's	£000's	£000's	£000's	£000's	£000's
<b>Directorates</b>										
City Regeneration	(283)	(75)	(1,725)	2296%	(73)	2	15	(13)	109	(107)
Community Services	8,296	9,752	5,369	143%	9,552	(200)	(200)			(200)
Organisational Dev & Corp Services	13,066	14,084	6,613	47%	14,233	149	81	68	81	68
Directorate Total Excl SLA's & Capital Charges	21,079	23,761	10,256	43%	23,712	(49)	(104)	55	190	(239)
SLA's & Capital Charges	(1,182)	(891)	930	(104%)	(891)					
<b>Corporate Accounts</b>	2,793	1,576	(825)	(52%)	685	(891)		(891)		(891)
<b>Contingencies</b>	2,336	1,247		0%	1,247					
Total Corporate Accounts & Contingencies	5,130	2,823	(825)	101%	1,932	(891)		(891)		(891)
<b>Net Expenditure Budget</b>	25,027	25,693	10,361	40%	24,753	(940)	(104)	(836)	190	(1,130)
Transfer to / (from) Ear Marked Reserves		(1,988)	(1,811)	91%	(3,310)	(1,322)		(1,322)		(1,322)
<b>Net Budget Requirement</b>	25,027	23,705	8,550	131%	21,443	(2,262)	(104)	(2,158)	190	(2,452)
<b>Funding</b>										
External Funding (RSG)	8,219	8,219	3,904	47%	8,219					
External Funding (NNDR Retention)	5,661	5,661	2,831	50%	5,661					
Council tax	11,228	11,228	5,614	50%	11,228					
Less Parish Precepts	(154)	(154)	(94)	61%	(154)					
Collection Fund Surplus	73	73	37	50%	73					
<b>Total Funding Available</b>	25,027	25,027	12,291	259%	25,027					
<b>(Surplus) / Deficit for year</b>		(1,322)	(3,741)	283%	(3,584)	(2,262)	(104)	(2,158)	190	(2,452)

5. **City Regeneration Directorate** - The Directorate is currently estimated to have a projected outturn position of £ (0.73) million. This is adverse against the latest budget position by £0.002 million (Q1 it was £0.109 million adverse).
6. Previous monitoring reports had suggested that the outturn position for **City Development** was adverse due to predominately under achievement of Building Control fees. However, due to staff turnover savings and improved Planning Fees income it is now anticipated that the adverse position previously reported can be mitigated this financial year. There is nonetheless still an underlying issue that the ambitious Building Control income figure may continue to be unrealistic for 2014/15 onwards.
7. The GF Housing service, now called **Housing and Property**, incorporates the transferred Garages expenditure and income from the HRA, together with the Building Design and Construction team from the Regeneration and Major Project's service area. Part of the Council's 2013/14 efficiency savings was an intention to deliver £0.100 million from the combined transferred Building Design and Construction and Major Projects teams. Given the issues and timing associated with the transferred team it is now envisaged that the efficiency savings will now not be delivered until 2014/15. Hence an adverse variance of £0.100 million is being reported at Q2. That said this is expected to be offset by mitigating

activities within Regeneration and Major Projects reported overleaf. The remaining services within Housing and Property were tasked with delivering £0.213 million of efficiencies this financial year and so far it is anticipated that these will be delivered.

8. Similar to the garages mentioned above, the commercial properties within the HRA have likewise been transferred to the GF, within the **Regeneration and Major Projects** service level. A number of net beneficial projected outturn revisions to the original budgeted position have materialised during the year that are primarily being used to mitigate the non-achievement of the £0.100 million efficiency targets identified for the Design and Construction/Major Project teams within Housing and Property. The £ (0.098) million favourable projected outturn variance is made up from the following:

	<b>£'000</b>
Additional Commercial Income (rent reviews)	(160)
Covered Market Rent Reviews	(78)
NNDR Recovery on Commercial Properties	(30)
Bury Knowles House Service Charges	(20)
Insurance Recharges	(10)
Responsive Repairs/Other Recharges – Covered Market	(16)
Northway Centre/Barton Centre Business Rates	17
Consultants Fees – Covered Market	34
Gloucester Green Market Pitches	30
Westgate Fees	50
Service Charges Barton Centre	65
Other	20
<b>Total</b>	<b>(98)</b>

9. **Community Services Directorate** - The Directorate is currently estimated to have a projected outturn position of £9.552 million, which continues to be £ (0.200) million favourable against the latest budget and is all, predicted to materialise from within Direct Services, who have continued to be successful at winning external contracts. At Q1 no variance against the latest budget was forecast.

10. A breakdown of the **Direct Services** position is shown below;

Budget Pressures

NNDR uplifts on Direct Services buildings	-	£0.100m
Non-achievement of Horspath Rd Depot rental saving	-	£0.115m
Motor Transport under recovery	-	<u>£0.185m</u>
		<b><u>£0.400m</u></b>

Mitigating Action

Vacancies and over budgeting on Pensions	-	£0.250m
Motor Transport Auction	-	£0.050m
Additional car park income	-	£0.050m
External work won by Streetscene Service	-	£0.100m
Additional engineering income	-	<u>£0.150m</u>
		<b><u>£0.600m</u></b>

11. **Policy, Culture and Communication, Environmental Development and Leisure, Parks and Communities** are all reporting a nil projected outturn variance against their latest approved budget as at the end of September.

12. **Organisational Development and Corporate Services Directorate** - The Directorate is currently estimated to have a projected outturn position of £14.223 million, which is adverse against the latest budget by £0.149 million and has arisen predominately from within Human Resources and Facilities. As at Q1 the projected outturn variance for this Directorate was £0.081 million, so the position has worsened over the quarter.
13. With regards to **Human Resources and Facilities** there is an adverse year-end projection of £0.159 million.
14. **Business Improvement and Technology, Customer Services and Finance** are all predicting nil projected outturn variances for their service areas as at Q2.
15. **Law and Governance** are projecting a slight underspend of £ (0.010) million as at the half year stage.

### CORPORATE ACTIVITIES

16. A number of updates have taken place in relation to several items budgeted within the **Corporate Accounts** area of the GF as at the end of Q2.
17. Firstly, the Council has budgeted £0.200 m being the predicted Oxford City Council cost of Local Cost of Benefits. The activity in this area is volatile, significant in value and difficult to ordinarily predict. However, it is now estimated that a year-end surplus of £ (0.142) m may materialise, thus creating a projected outturn variance of £ (0.342) m against the latest budget position.
18. An analysis of this revised position is provided in the table below:

	<b>£m</b>
Estimated Annual Benefit Expenditure	66.172
Estimated Subsidy Entitlement	(64.608)
Estimated cost	<u>1.564</u>
<b>Less</b>	
Current Year Recovered HB Overpayments	<u>(1.931)</u>
Initial Local Cost of Benefits	(0.367)
<b>Add</b>	
Potential Increase in Bad Debts Provision	<u>0.225</u>
<b>Local Cost of Benefits</b>	<u><b>(0.142)</b></u>

19. Clearly, the movement on over £66m of benefits awarded each year can be significant and slight deviations from current performance could significantly change the projections currently made. Furthermore, the year-end estimate is predicated on current collection rates for HB Overpayments being maintained through the second half of the financial year. If performance drops, arrears will increase and additional contributions to the bad debts provision will be required, ultimately reducing the surplus shown above.
20. An element of the HRA Asset Transfers report indicated a desire to introduce an equitable long term interest rate associated with the HRA's internal borrowing position. This move has received the support from both the Council's technical advisor's Sector and the Council's external auditor's Ernst and Young.
21. Previously the HRA has in the past borrowed resources from the Council's GF resources to undertake capital improvements to Council dwellings. Collectively this borrowing amounts to approximately £23m. Under the old housing subsidy regime the interest rate the GF

could apply to this borrowing was heavily influenced by central government and invariably did not represent an equitable charge. Since the introduction of self-financing within the HRA it is now deemed correct to revise this interest rate to better reflect the real cost of long term borrowing enjoyed by the HRA.

22. The CEB report in September suggested revising the interest rate to increase the GF **Item 8 Interest Receivable** by £0.632m. However, further revisions to the interest rate now suggest that a further £0.371m could be earned bringing the projected outturn estimate to £7.792m. The contra entries for these revised changes are reflected in the HRA statement reported later on in this document.
23. The attached Capital statement does indicate that further re-profiled adjustments to the Council's 2013/14 programme are predicted. These revised spending profiles will inevitably increase cash surpluses to be invested during the remainder of the financial year. Whilst it is anticipated that movements in the Council's investment performance rate are unlikely the increased volume of cash should nonetheless generate additional **Investment Income** of approximately £0.196m. This is slightly offset by £0.018m of **Interest Payable** namely additional interest earned from increased HRA cash balances.
24. Summarising, the above adjustments suggest a projected outturn favourable variance of £ (0.891) m for the Corporate Accounts activities.

## **ACHIEVEMENT OF SAVINGS AND EFFICIENCIES**

25. The Council's budget identifies £1.320 million of efficiencies, £0.183 million of service reductions and £1.692 million of additional income for 2013/14. As at the end of September £1.970 million had been achieved to date and it is anticipated that the remainder of savings and efficiencies/fees and charges planned for this year will be delivered, save for the following exceptions:

### Efficiencies

26. Housing and Property - £0.100 million employee savings. However, increased income from the commercial property portfolio is anticipated to mitigate this position.
27. Regeneration and Major Projects - £0.030 million additional income from Gloucester Green market. This has likewise been mitigated by additional commercial income.
28. Direct Services - £0.115 million associated with Horsepath Road rental savings arising from delays associated with re-purchasing the site lease. However, mitigating activities have been identified as detailed in paragraph 10 above.

### Fees and Charges

29. Policy, Culture and Communications - £0.015 million of additional income generated from poster board income. Likewise to above mitigating savings elsewhere in the service will be undertaken during the year.

## **Table 2 – Savings and Efficiencies as at 30th September 2013**

	Efficiencies				Service Reductions				Fees and Charges				%
	Approved Savings	Projected outturn	Variance	Savings made to date	Approved Savings	Projected outturn	Variance	Savings made to date	Approved Savings	Projected outturn	Variance	Savings made to date	
	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's	
Policy, Culture & Communications					(19)	(19)		(21)	(43)	(30)	13	(25)	57%
Finance	(125)	(125)		(63)	(60)	(60)		(30)					0%
Business Improvement & Technology	(51)	(51)		(26)									0%
Law & Governance	(45)	(45)		(23)					(5)	(5)		(3)	50%
Human Resources & Facilities	(98)	(98)		(49)					85	85		43	50%
Customer Services	(30)	(30)		(15)					(13)	(13)		(7)	50%
<b>Organisational Development and Corporate Services</b>	<b>(349)</b>	<b>(349)</b>	<b>0</b>	<b>(175)</b>	<b>(79)</b>	<b>(79)</b>	<b>0</b>	<b>(51)</b>	<b>24</b>	<b>37</b>	<b>13</b>	<b>9</b>	<b>38%</b>
Direct Services	(300)	(185)	115	(145)					(899)	(899)		(516)	57%
Leisure & Parks	(133)	(133)		(67)					(34)	(34)		(17)	50%
Environmental Development	(115)	(115)		(115)	(54)	(54)		(54)	(7)	(7)		(4)	50%
Community Development Team	(44)	(44)		(22)									
<b>Community Services</b>	<b>(592)</b>	<b>(477)</b>	<b>115</b>	<b>(349)</b>	<b>(54)</b>	<b>(54)</b>		<b>(54)</b>	<b>(940)</b>	<b>(940)</b>	<b>0</b>	<b>(536)</b>	<b>57%</b>
City Development	(33)	(33)		(17)	(50)	(50)		(25)	(140)	(140)		(57)	41%
Housing & Property	(313)	(213)	100	(107)									0%
Regeneration & Major Projects	(33)	(3)	30	(34)					(636)	(636)		(318)	50%
<b>City Regeneration</b>	<b>(379)</b>	<b>(249)</b>	<b>130</b>	<b>(158)</b>	<b>(50)</b>	<b>(50)</b>		<b>(25)</b>	<b>(776)</b>	<b>(776)</b>	<b>0</b>	<b>(375)</b>	<b>48%</b>
Mitigating Savings		(245)		(245)						(13)		(13)	
<b>Total</b>	<b>(1,320)</b>	<b>(1,320)</b>	<b>245</b>	<b>(926)</b>	<b>(183)</b>	<b>(183)</b>	<b>0</b>	<b>(130)</b>	<b>(1,692)</b>	<b>(1,692)</b>	<b>13</b>	<b>(915)</b>	<b>54%</b>

## CONTINGENCIES, RESERVES AND BALANCES

30. Of the number of **Contingencies** budgeted by the Council for 2013/14 we have already adjusted this during the first 6 months of the financial year for the absorption of £0.957m Homelessness Preventative Grant within the NNDR Retention, the transfer of £0.150m earmarked for City Deal projects to City Development and a reduction of £0.800m from the risks and pressures contingency that were achieved in 2012/13. This still leaves a revised contingency position of £1.247m detailed as follows:

i. Pensions provisions top up	-	£0.118m
ii. Provision for pressures, high risk etc.	-	£0.668m
iii. Homelessness	-	£0.400m
iv. Redundancy Costs	-	£0.011m
v. Disabled Transport	-	£0.050m

31. The original Redundancy Costs contingency budget was £0.250m but this has all been utilised save for £0.011m as at the end of September. It is anticipated that further transfers from the Council's £1.670m Earmarked Reserve for this activity will be required during the second half of the financial year and this will be overseen by the Head of Finance in accordance with the Council's Financial Regulations.

32. That said no plans to utilise the remaining items that make up the Contingencies section of the GF budget are currently in place. Thus, if no spending commitments are received during the second half of the financial year a further c. £1.2m of budgeted resources would become available to carry forward or re-direct.

33. The Council's original net budget requirement for 2013/14 was £25.027m. Following the financial benefits of the HRA asset transfers and the current total projected variance for the Council's Directorates, together with the favourable budget position now projected for Corporate Accounts activity, the budget requirement is now estimated to be £21.443m. This still assumes the c. £1.2m balance of as yet unused Contingencies mentioned above, will in fact be utilised before the end of the 2013/14 financial year.

## HRA OUTTURN

34. The summarised HRA position as at 30th September 2013 is set out in Table 3 and detailed in the attached Appendix E3. The table below exemplifies the major movements commented on in the following paragraphs.

35. The HRA Latest Budget now reflects the budget adjustments arising from the non-dwelling asset transfers, revised 2013/14 HRA Business Plan financial assumptions and amended interest rate for internal borrowing as approved by Council on 30 September 2013. The projected outturn position incorporates some further revisions that have been identified since this meeting.

**Table 3 – Housing Revenue Account HRA**

HRA Outturn Report 13/14 @ 30th September,2013	Approved Budget (per Budget book)	Latest Budget	Actual YTD	Budget YTD	% Budget Spent to Q2 30th Sept,2013	Projected Outturn @ 30th Sept,2013	Outturn Variance Q2	Outturn Variance Q1	Mvt from Q1
	£000's	£000's	£000's	£000's	%	£000's	£000's	£000's	£000's
Dwelling Rent	(38,824)	(39,435)	(20,287)	(20,127)	51%	(39,435)	0	0	0
Service Charges	(1,040)	(1,040)	(532)	(520)	51%	(940)	100	0	100
Shops/Garages/Furniture/Other Rent	(2,333)	(725)	(437)	(363)	60%	(725)	0	0	0
Major Project Team Fees	(621)	(321)	(62)	(61)	19%	(321)	0	300	(300)
<b>Net Income</b>	<b>(42,818)</b>	<b>(41,521)</b>	<b>(21,317)</b>	<b>(21,070)</b>	<b>51%</b>	<b>(41,421)</b>	<b>100</b>	<b>300</b>	<b>(200)</b>
General Management	4,218	4,469	2,055	2,169	46%	4,469	0	0	0
Special Management	2,515	2,355	924	1,054	39%	2,355	0	0	0
Other Management	2,584	2,591	991	1,030	38%	2,591	0	(24)	24
Bad Debt Provision	500	400	105	105	26%	350	(50)	0	(50)
Responsive & Cyclical Repairs	9,991	9,965	4,489	4,774	45%	9,965	0	23	(23)
Interest Paid	7,060	7,421	3,771	3,710	51%	7,792	371	0	371
Depreciation	8,267	5,625	2,813	2,813	50%	5,625	0	0	0
<b>Total Expenditure</b>	<b>35,135</b>	<b>32,826</b>	<b>15,147</b>	<b>15,655</b>	<b>46%</b>	<b>33,147</b>	<b>321</b>	<b>(1)</b>	<b>322</b>
<b>Net Operating Expenditure/(Income)</b>	<b>(7,683)</b>	<b>(8,695)</b>	<b>(6,170)</b>	<b>(5,415)</b>	<b>71%</b>	<b>(8,274)</b>	<b>421</b>	<b>299</b>	<b>122</b>
Interest Received	(56)	(32)	(16)	(16)	50%	(32)	0	0	0
Other HRA Reserve Adjustments	37	37	141	148	378%	37	0	(300)	300
Revenue Contribution to Capital	10,830	8,876	4,438	4,438	50%	8,876	0	0	0
<b>Total Appropriations</b>	<b>10,812</b>	<b>8,882</b>	<b>4,563</b>	<b>4,570</b>	<b>51%</b>	<b>8,882</b>	<b>0</b>	<b>(300)</b>	<b>300</b>
<b>Total HRA (Surplus)/Deficit</b>	<b>3,130</b>	<b>187</b>	<b>(1,607)</b>	<b>(845)</b>	<b>-859%</b>	<b>608</b>	<b>421</b>	<b>(1)</b>	<b>422</b>

## Income

36. **Dwelling Rents** are £0.160 million more favourable than the projected budget for the end of September. This has primarily arisen due to lower void numbers, together with reduced turnaround times. 40 RTB disposals have now been estimated to occur during the financial year with a total of 18 completions occurring as at the end of September. Despite the favourable position mentioned above it is still regarded prudent to currently report a nil projected year-end dwelling rent variance at this stage.

37. The projected outturn figure for **Service Charge** income has been revised down by £0.100 million in line with that reported last month. This has arisen as a result of the leaseholder element of service charge income to be collected in 2013/14 being slightly too optimistic following a reconciliation of the 2012/13 accounts recently undertaken and sent out to leaseholders at the end of September 2013. That said Housing Services are nonetheless undertaking a review of the service charge process, engaging some external consultancy advice and it is anticipated that in the future opportunities to recover further contributions to costs incurred for leaseholders and associated tenants will be realised once a revised process for the communication, collation and recovery of service charges is introduced.

38. The **Shops/Garages/Furniture and Other income** budget has been revised downwards following the transfer of the non-dwelling assets from the HRA to the GF. The income level associated with the remaining activities appears to be on target and no projected year-end variance is estimated as at month 6.

39. The previously reported £0.300 million adverse variance associated with the **Major Project Team Fees** has now been resolved through the revised HRA BP assumptions approved by

Council in September. This situation originally arose following a review of capital activities actually undertaken by the Major Project Team that determined half of the fees could not be capitalised. It was agreed that the issue for 2013/14 would be resolved from using HRA balances that had been increased in 2012/13 from Building Services surpluses. For 2014/15 onwards the Head of Housing has now resolved the position through revised modelling of the HRA BP assumptions.

## **Expenditure**

40. The **General Management, Special Management and Other Management** activities are all slightly under spending as at the end of September. However, it is anticipated that spend will increase during the second half of the financial year and therefore no projected year-end variance is currently being reported.
41. It is planned that a large element of the Former Tenant Arrears will be written off soon. That said Council approved a £0.100 million reduction in contributions to the HRA **Bad Debts Provision** for dwelling arrears. Since then a further reduction of £0.050 million is deemed prudent that now brings the projected outturn position to £0.350 million. This figure is still deemed adequate given the level of write offs planned and the historical level of write offs experienced for the HRA during the last 3 financial years.
42. A significant review of the **Responsive and Cyclical Repairs** elements has been undertaken as at the end of September by the head of Housing and Head of Direct Services. It is recognised that spend associated with responsive repairs is slightly behind the projected position as at the end of September. However, this has been as a result of a favourable warm summer and it is expected that higher volume of repairs will be demanded during the winter months that will make use of the slippage experienced. Furthermore, external groundwork's activity is similarly lower as at September but a new programme of works has been agreed that will fully utilise the £0.625 million 2013/14 budget by year-end.
43. Whilst a review of the repairs and maintenance budget has been undertaken it is not envisaged to project any year-end variances at this stage.
44. As previously reported in paragraph 22 a further revision of the **Interest Paid** by the HRA for its internal borrowing from the GF has taken place. The adjusted interest rate now estimated has resulted in an additional £0.371 million of interest being paid for 2013/14. This is deemed to be both equitable and affordable for the HRA.

## **Appropriations**

45. Due to reductions now planned to take place for the 2013/14 HRA capital programme, together with the utilisation of additional capital receipts/grants the **Revenue Contributions to Capital** figure has been reduced accordingly as part of the adjustments approved by Council on 30 September 2013.

## **CAPITAL PROGRAMME**

### **General Fund and HRA Capital Programme**

46. A capital budget position, approved for the General Fund and HRA Capital Programme for 2013/14 is shown in summary at Table 4 below. Appendix E2 attached shows the Capital Programme on a scheme by scheme basis.



47. A significant review of several key capital schemes has taken place since August's monitoring statement and now indicates that the projected capital outturn position is a further £11.890 million lower as at the end of September than the Latest Budget position.

#### General Fund Capital Programme

48. A review of the recent adjusted schemes by Service Area is provided in the following paragraphs.

49. **City Development's** capital projects are primarily those funded from s106 receipts. Recent reductions in anticipated spend total a net £0.476 million and are associated with the following projects:

- i. Cycle Oxford £0.118 million – delays in producing an agreed scheme.
- ii. Woodfarm/Headington Community Centre £0.020 million – work now anticipate to take place in 2014/15.
- iii. Work of Art (Said Business School) £0.050 million - work now anticipate to take place in 2014/15.
- iv. Headington Environmental Improvements £0.060 million - work now anticipate to take place in 2014/15.
- v. Work of Art (Shotover View) £0.014 million - work now anticipate to take place in 2014/15.
- vi. West End Partnership £0.217 million – contribution to be made to County Council for Frideswide Square improvements anticipated to take place after March 2014.

50. **Housing and Property** now incorporates the capital schemes previously managed by the Building Design and Regeneration Team that has now been aligned with the Major Projects Team, managed by the Head of Housing and Property. Similarly, some revised outturn positions have been determined as part of the Q2 monitoring exercise and these are detailed below:

- I. Offices for the Future £0.119 million increase – extra costs associated with additional works to the Town Hall, car park improvements and expenditure associated with the stand alone generators.
- II. Rose Hill Community Centre £0.326 million reduction – construction costs associated with project will now not commence until 2014/15.
- III. Investment Broad Street £0.127 million reduction – scheme slipped into 2014/15.
- IV. Investment Miscellaneous City Centre Properties £0.059 million reduction – the estimated underspend associated with these works will go towards funding Offices for the Future overspend mentioned above.
- V. Investment Other Properties £0.327 million reduction – related to planned works for Outer City, St Michael's Street, Ship Street, George Street, Broad Street that will now all take place next financial year, save for the £0.028 million underspend for Outer City that will now likewise contribute towards the overspend for Offices for the Future.
- VI. Templar Square Refurbishment £0.020 million increase – estimated cost of the scheme came in higher than budgeted. There is a potential start on site date earmarked for mid-December.
- VII. Town Hall Conference System Refurbishment £0.266 million reduction – scheme delayed with start date now in 2014/15.
- VIII. Homelessness Property Acquisitions £0.500 million reduction – this scheme was only approved in September 2013 but given the associated Management

Contract that is still yet to be procured it is unlikely any acquisitions will occur this financial year.

- IX. Garages £0.117 million increase – new budget needed to accommodate roofing works planned for several garage blocks. This budget is needed following the HRA asset transfers.

51. Similarly, further reductions in capital projects for **Leisure, Parks and Communities** schemes are now predicted.

- i. New Build Completion Pool £0.961 million reduction – delays caused by Judicial Review.
- ii. Leisure Centre Improvement Work £0.447 million reduction – works now planned to take place in 2014/15.
- iii. Sports Pavilions £0.092 million increase - estimated Year 1 costs now expected to exceed budgetary provision. An additional capital bid has been submitted for 2014/15 to accommodate the anticipated increase in scheme budgets.

#### HRA Capital Programme

52. The HRA programme has similarly reduced significantly as detailed in the following paragraphs.

- i. External Adaptations £0.170 million - anticipated reduction is on top of £0.100 million reductions that were transferred to the capital Heating Budget to install an additional 42 boilers during 2013/14.
- ii. HCA New Build £3.141 million – this is a re-phasing of the budget as most spend will now occur in 2014/15. All 112 properties need to be delivered by March 2015.
- iii. Homes at Barton £0.600 million – only a nominal £0.100 million is needed for consultancy costs during 2013/14.
- iv. Horsepath Road Depot £0.700 million - a revised price for the buyout of the lease has resulted in capital budget savings being realised.

53. On the funding side half of the £2.4 million HCA grant is now expected to be received in 2013/14, £1.145 million retained RTB capital receipts and £1.293 million of previously reserved housing receipts have also been incorporated into funding the 2013/14 HRA capital programme.

#### **Table 4 – Capital Programme as at 30th September 2013**

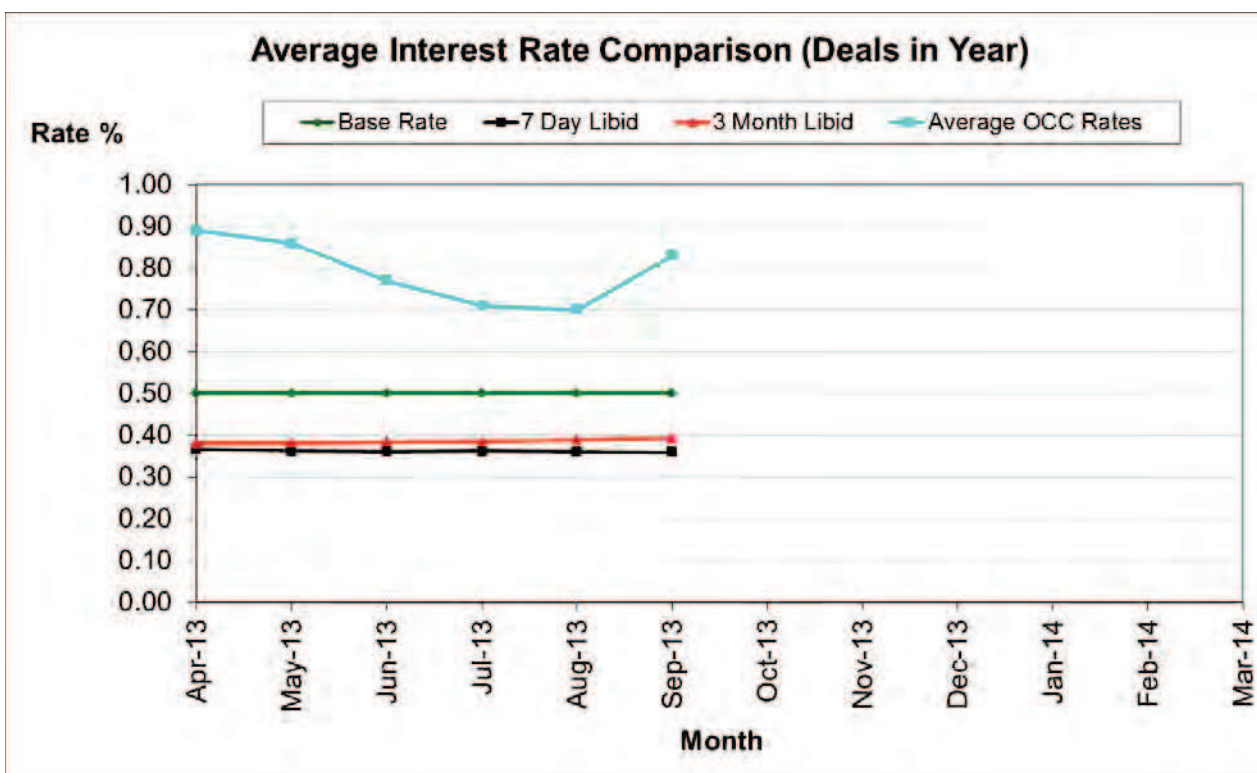
**Capital Budget and Spend as at 30th September 2013**

Capital Scheme	Latest Budget	Spend to 30th September 2013	Profiled Budget	Variance to Profiled Budget	% Spend Against Latest Budget	Projected Outturn at 30th September 2013	Outturn Variance to Latest Budget	Outturn Variance due to Slippage	Outturn variance due to Over/ Under spend
	£	£	£	£		£	£	£	£
Policy Culture & Communications	718,000	3,616	0	3,616	0%	718,000	0	0	0
City Development	694,824	38,696	36,460	2,236	6%	218,861	(475,962)	(480,250)	4,288
Environmental Development (Including Community Safety)	906,610	267,007	395,765	(128,758)	29%	906,610	0	0	0
Leisure, Parks & Communities	50,915	0	0	0	0%	50,915	0	0	0
Corporate Assets (Now Housing & Property)	10,180,149	980,317	1,333,789	(352,895)	10%	4,331,360	(5,848,789)	(5,966,411)	117,622
Customer Services	126,958	20,850	60,000	(39,150)	16%	126,958	0	0	0
Leisure, Parks & Communities	6,931,562	708,986	936,986	(227,999)	10%	5,615,412	(1,316,150)	(1,408,150)	92,000
Direct Services	3,348,690	785,816	892,750	(31,934)	23%	3,320,824	(27,866)	0	(27,866)
Business Improvement & Technology	591,575	365,293	282,314	82,979	62%	591,575	0	0	0
<b>GF Total</b>	<b>23,549,283</b>	<b>3,170,582</b>	<b>3,938,063</b>	<b>(691,904)</b>	<b>13%</b>	<b>15,880,515</b>	<b>(7,668,768)</b>	<b>(7,854,811)</b>	<b>186,044</b>
Housing Revenue Account	19,199,038	3,456,337	3,655,066	(198,729)	18%	14,978,038	(4,221,000)	(3,465,000)	(756,000)
<b>Grand Total</b>	<b>42,748,321</b>	<b>6,626,919</b>	<b>7,593,129</b>	<b>(890,633)</b>	<b>16%</b>	<b>30,858,553</b>	<b>(11,889,768)</b>	<b>(11,319,811)</b>	<b>(569,956)</b>

**PERFORMANCE INFORMATION**

54. There are a number of additional key performance indicators that need to be assessed along with the financial performance information to provide an overall financial health check position for the authority as at the end of September 2013. These additional indicators are detailed as follows:

**Investment Performance**



55. Interest investment income is currently generating a return of 0.83% and this performance is expected to remain for the remainder of the year. As such no change to the investment income budget is forecast as at the end of September.

**Creditor Payment Times**

56. During September 2013 the percentage of creditor invoices paid on time was 94.04% compared to the target of 98%. The cumulative position for the year is slightly lower at 93.32%, it was 93.75% as at the end of August.

**Table 5 – Creditor Invoice Payment Performance by Service Area as at 30th September 2013**

BVPI008 - Invoices paid within 30 days September 2013										
Service Area	Total Invoices	Undisputed	Ove 30 Days	% Over	% Intime	YTD Total Invoices	YTD Undisputed	YTD Over 30 Days	YTD % Over	YTD % Intime
S31 ICT	0	0	0	0.00%	0.00%	0	5	0	0.00%	100.00%
S32 Finance	21	20	0	0.00%	100.00%	252	241	5	2.07%	97.93%
S14 Corporate Property	101	94	2	2.13%	97.87%	813	734	24	3.27%	96.73%
S23 Direct Services	364	356	10	2.81%	97.19%	2,991	2,932	121	4.13%	95.87%
S41 Community Development	29	29	4	13.79%	86.21%	533	520	23	4.42%	95.58%
S02 Transformation	4	3	0	0.00%	100.00%	38	35	2	5.71%	94.29%
S34 Law & Governance	21	21	0	0.00%	100.00%	270	263	19	7.22%	92.78%
S22 Leisure & Parks	47	46	1	2.17%	97.83%	484	450	33	7.33%	92.67%
S33 Human Resources & Facilities	22	19	3	15.79%	84.21%	481	458	37	8.08%	91.92%
S13 Housing	91	87	6	6.90%	93.10%	715	697	62	8.90%	91.10%
S24 Housing Revenue Account	69	66	13	19.70%	80.30%	737	700	63	9.00%	91.00%
S11 City Development	9	8	2	25.00%	75.00%	171	162	18	11.11%	88.89%
S01 Policy, Culture & Communications	21	21	3	14.29%	85.71%	319	299	43	14.38%	85.62%
S12 Environmental Development	44	42	4	9.52%	90.48%	386	374	54	14.44%	85.56%
S03 Business Improvement	7	5	0	0.00%	100.00%	135	108	16	14.81%	85.19%
S21 Customer Services	7	5	1	20.00%	80.00%	173	161	24	14.91%	85.09%
<b>Totals</b>	<b>857</b>	<b>822</b>	<b>49</b>	<b>5.96%</b>	<b>94.04%</b>	<b>8,498</b>	<b>8,139</b>	<b>544</b>	<b>6.68%</b>	<b>93.32%</b>

57. The above table indicates that collectively as at the half year stage of the financial year the authority has paid 544 undisputed invoices beyond our 30 day target. Performance is actually deteriorating and the likelihood we will reach our target of 98% by year end seem remote.

58. The value associated with the 49 invoices paid late in September was just under £0.124m, Payments were made on average at day 45, some 15 days above our target of 30 days.

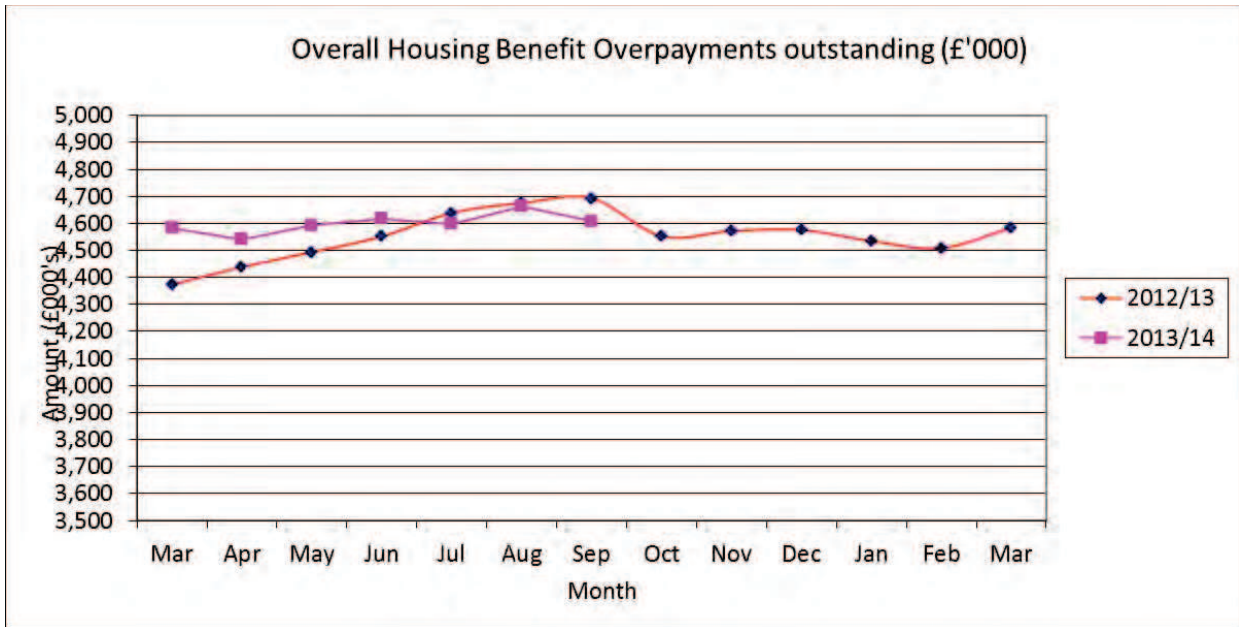
59. Significant enhancements in authorising invoices for payment are needed, especially those service areas positioned towards the bottom of the above table if payments times, especially for local suppliers, are going to improve.

### **Housing Benefit Overpayments**

60. The overall total of HB Overpayments outstanding decreased during September from £4.663 million to £4.610 million. Thus, September's outstanding value is 1.77% less than the same period twelve months ago.

61. Overpayments raised during September totalled £0.214 million with £0.252 million being recovered. These were through a combination of deductions/offsets of Housing Benefit, or cash payments received.

62. Write-offs actioned during the month totalled £0.013 million. Current collection rate is 85.21%. This is below this in excess of this year's target of 82% and well up on the equivalent figure of 79.8% twelve months ago.

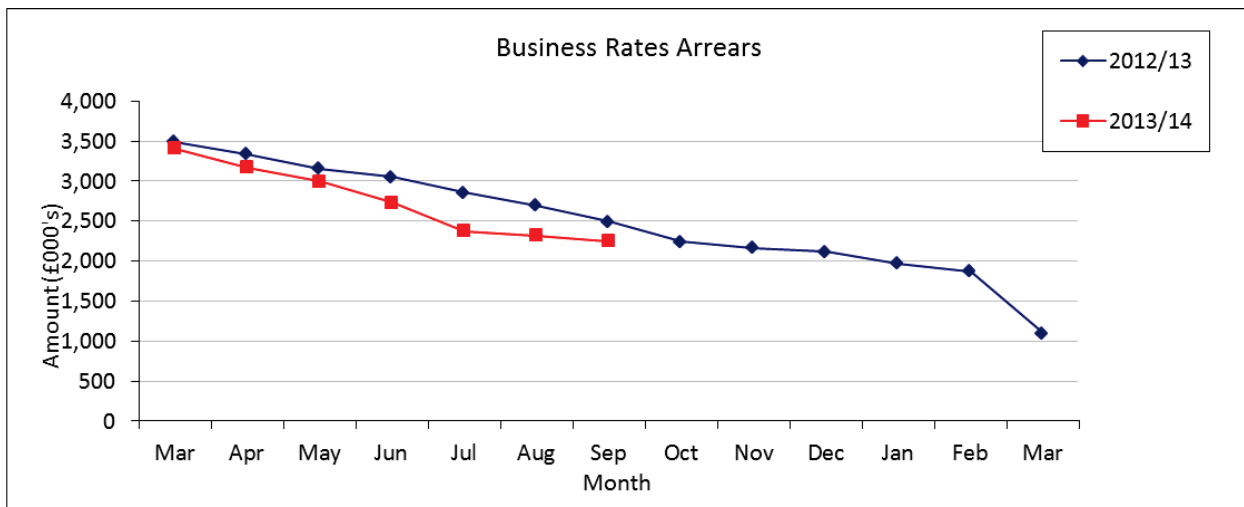


**Business Rates**

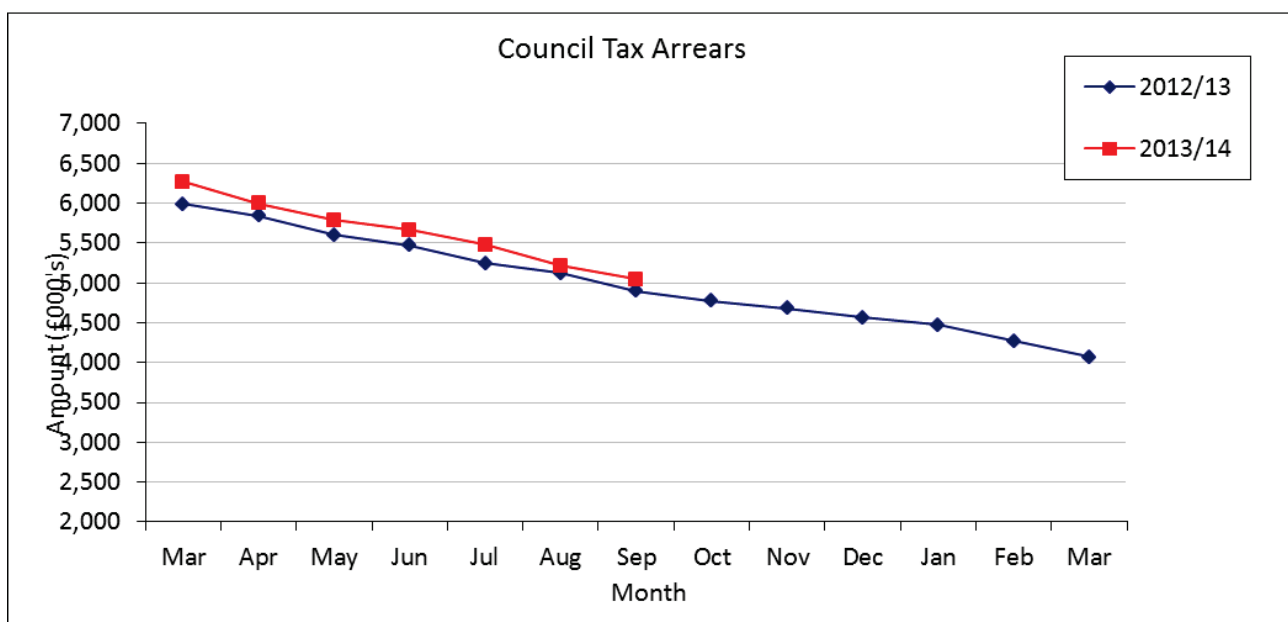
63. Arrears of non-domestic rates carried forward on April 1st 2013 were £3.409 million. This was approximately £0.081 million (2.3%) down on the corresponding figure twelve months earlier as evidenced on the graph below.

64. During September arrears fell by a further £0.073 million thus providing a new overall arrears figure of £2.246 million as at the end of the month. Payments received totalled £0.103 million, however refunds awarded during September amounted to £0.041 million. These mainly resulted from credit adjustments (backdated exemptions and other reliefs). Write-offs processed during the period amounted to £0.010 million.

65. The cumulative collection rate for 2012/13 was 97.04%. This had moved to 98.23% for the period to the end of September. The 2013/14 collection rate was 60.06% at the end of the period, which was 0.12% down on last year's equivalent of 60.18%. In monetary terms at the end of September performance was £0.807 million down compared to our target of 61% for September.



## Council Tax Arrears Collection

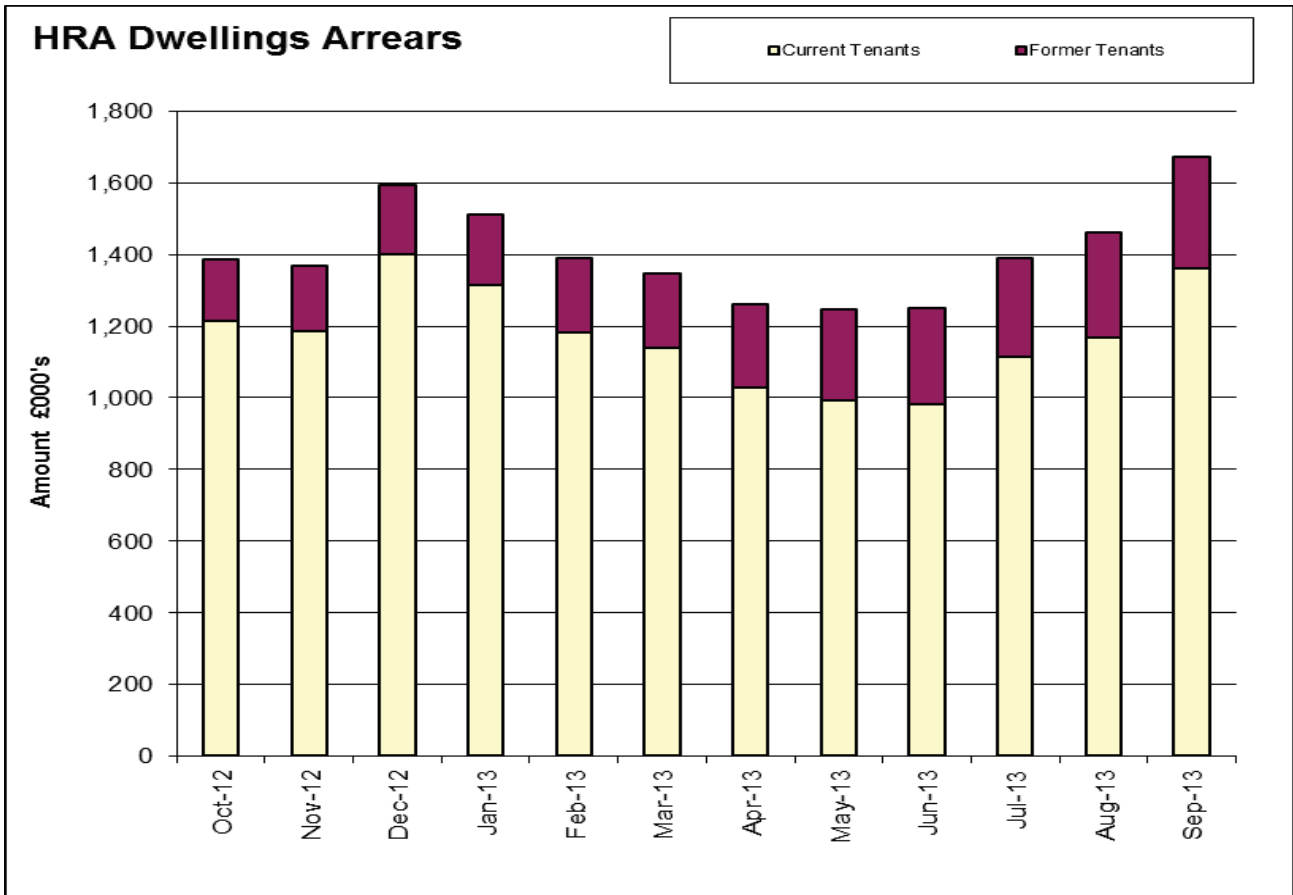


66. Arrears carried forward at the beginning of the financial year were £6.269 million, a 4.7% increase on the corresponding figure twelve months earlier. That total included outstanding Court Costs of £0.574 million.
67. During September arrears fell by £0.171 million reducing the overall total to £5.045 million at the end of the month. The main reason for this decrease was write-offs processed during the month that equated to £0.063 million. Payments received during the month amounted to £0.093 million but a total of £0.022 million was refunded. Debit adjustments, namely retrospective discounts, exemptions etc., of £0.008 million were granted in September and costs written-off totalled £0.006 million.
68. The collection rate for 2012/13 had moved on from 97.01% (at 31/03/13) to 97.91% as at the end of September.
69. The current year collection rate for the month of September was 56.66%, which was very close to last year's equivalent of 56.80% but down on the profiled end of September collection target of 58%. In cash collection terms we were £0.940 million down against the target for the year to date.

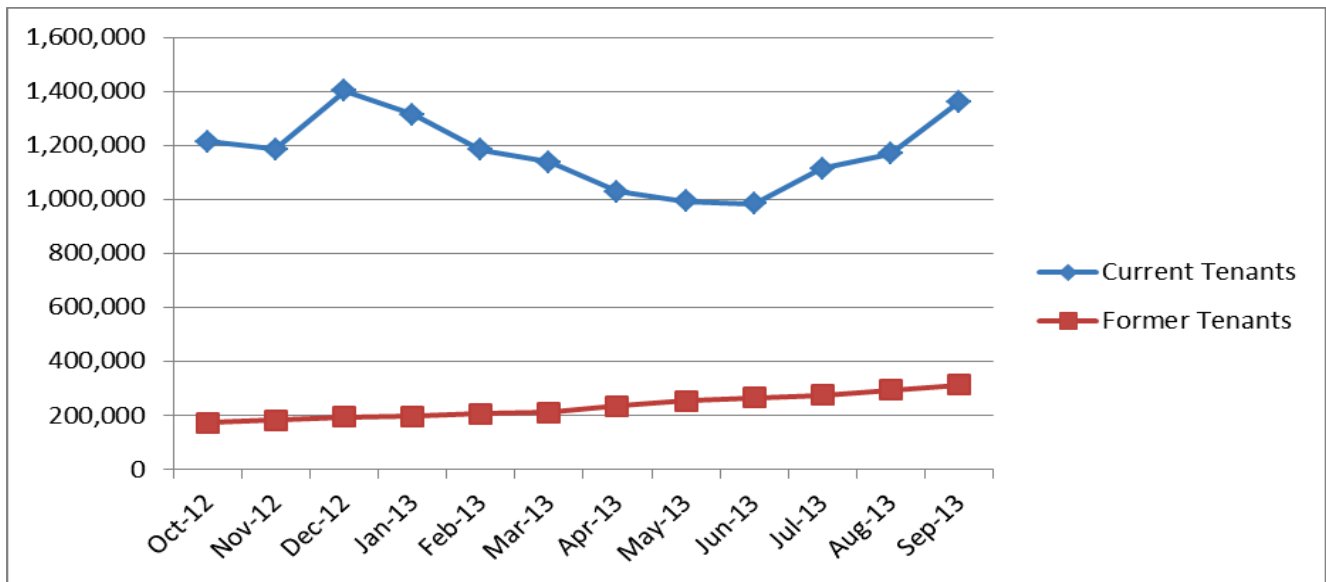
## Housing Rent Arrears

70. Analysis of current and former tenant rent arrears is shown below for the 12 month period ending 30th September 2013.

**Analysis 1 - HRA Rent Arrears Current Tenants and Former Tenants**



**Analysis 2 - HRA Rent Arrears Current Tenants and Former Tenants**



71. Total arrears (dwellings, garages and Rechargeable Repairs) stands at £1.674 million, an increase on last month's position of £0.212 million.

72. Former tenant arrears stood at £0.313 million as at the end of September 2013, which is £0.020 million higher than that reported for August. This has occurred as a result of several tenants that have recently vacated their property and doing so with substantial arrears associated with their rent accounts. Former tenant arrears are £0.159 million higher than 12 months ago.

73. The Council has estimated £0.350 million as its HRA bad debt provision contribution for the year.

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