

To: City Executive Board
Council

Date: 10 September 2014
29 September 2014

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

Title of Report: INTEGRATED PERFORMANCE REPORT FOR
QUARTER 1 2014/2015

Summary and Recommendations

Purpose of report: To update Members on Finance, Risk and Performance as at the end of Quarter 1, 30th June 2014

Key decision: No

Executive lead member: Councillor Ed Turner

Policy Framework: Improving value for money and service performance

Recommendations:

That the City Executive Board:

- a) Note the projected outturn for finance and performance as at the end of the first quarter of 2014/15 and also the risk position as at 30th June 2014;
- b) Recommend to Council the approval of a £160,000 capital investment in a Heavy Goods Vehicle Testing Facility.
- c) Recommend to Council the bringing forward of a £2 million capital investment in Homelessness Property acquisitions from 2015/16 to 2014/15 with the balance of the £10 million budget being profiled £2 million each year over four years from 2015/16.

Appendices

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 – June Finance Performance Report

- Appendix E1** – General Fund June Forecast Outturn
- Appendix E2** – Capital Programme June Forecast Outturn
- Appendix E3** – HRA June Forecast Outturn
- Appendix E4** – General Fund June Year to Date Position

Executive Summary

1. This report sets out the projected outturn position for finance and performance for 2014/15 as at the end of the first quarter, together with the risks faced. A brief summary is as follows: -
 - **General Fund** – the outturn position is a net overspend of £66,000; this is unlikely to materialise at year end.
 - **Housing Revenue Account** – the HRA is on budget.
 - **Capital Programme** – forecast expenditure is £2.005 million higher than the latest budget, £2.109 million being pulled forward from future financial years of which £2.0 million relates to Homeless Property acquisitions; experience suggests an overspend on this scale is unlikely.
 - **Performance** – Performance against corporate targets is good with 16 (80%) delivering as planned, 1 being below target but within tolerance limits and 3 not meeting their target.
 - **Risk Management** – there were three red risks outstanding within Regeneration and Major Projects as at 30th June 2014 which are detailed in Appendix B.

Background

2. Finance, Performance and Risk management information is reported in an integrated format to the City Executive Board on a quarterly basis.
3. The Corporate and Directorate Integrated Performance reports as at the 30th June 2014 are attached at Appendices A to D. The reports use a Red, Amber and Green reporting methodology. These reports are available to members on line via the intranet.

Financial Dials

4. The following tolerances apply to the financial dials in the summary reports:
 - 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.

Capital Programme – Heavy Goods Vehicle Testing Facility

5. An opportunity has arisen to provide heavy goods vehicle testing facilities onsite at the Marsh Road depot, earning additional income from external

works. Operating at 75% capacity this is predicted to breakeven after two and a half years and thereafter in a full year would generate a net contribution to overheads of around £100,000 per annum which will be included in the 2015/16 budget proposals. This provision requires some investment in the buildings to make adaptations to accommodate the testing facilities costing £160,000. The business case is financially sound and the additional expenditure can be financed from additional revenue income earned by direct services in 2014/15, as detailed in Appendix E. Approval is sought because the initial investment in the buildings is capital in nature and would therefore require a capital budget to be financed from revenue contributions to capital.

Risk

6. Corporate and Directorate risks are reported within Appendices A to C. Risks are measured according to the matrix shown below:

Probability							
>90%	Almost Certain	5	5	10	15	20	25
50-90%	Likely	4	4	8	12	16	20
30-50%	Possible	3	3	6	9	12	15
10-30%	Unlikely	2	2	4	6	8	10
<10%	Rare	1	1	2	3	4	5
			1	2	3	4	5
		Impact	Insignificant	Minor	Moderate	Major	Catastrophic

7. The Council has recognised that there is a risk of not delivering the capital programme as planned and that processes need to be improved to ensure the delivery of agreed Capital Projects going forward. Consequently, officers have recently implemented a new Capital Gateway process which will ensure greater clarity regarding timescales for projects being brought forward as well as closer monitoring of delivery. This risk is currently amber within the risk register.

Climate Change / Environmental Impact

8. There are no issues arising directly from this report

Equalities impact

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

Financial Implications

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

Legal Implications

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

Name and contact details of author:-

Name: Nigel Kennedy, Jane Lubbock

Job title: Head of Finance, Head of Business Improvement and Technology

Service Area / Department: Finance, Business Improvement and Technology

Tel: 01865 252708 e-mail: nkennedy@oxford.gov.uk, jlubbock@oxford.gov.uk

List of background papers: None