

## **CORPORATE SUMMARY**

### **1 Overall Summary Position**

- 1.1 The overall financial position is comfortable with favourable variances being anticipated on both the General Fund and Housing Revenue Account. Improvements to capital project planning and monitoring arrangements are still bedding in.
- 1.2 Of the Corporate performance targets, thirteen (65%) are being delivered as planned, two (10%) are below target but within acceptable tolerance limits and four (20%) are not meeting their target. One target has no data available. Performance is slightly down on Quarter 2 when sixteen were being delivered as planned, one was below target but within acceptable tolerance limits and three were not meeting their target.

### **2 Finance Overall and Corporate Budgets**

#### **General Fund**

- 2.1 The forecast General Fund outturn position as at the end of Quarter 3 is a net £1.267 million favourable variance to budget.

#### **General Fund Corporate Budgets**

##### Local Cost of Benefits

- 2.2 Due to positive action within Customer Services, nil variance is now being forecast in relation to the Local Cost of Benefits. However it would only take a few large overpayments to be identified to move the Council back into a subsidy loss position.

##### Contingencies

- 2.3 Contingencies held in the 2014/15 budget against under achievement of efficiencies, service reductions, and additional fees and charges are £1.028 million. Assuming that the savings and efficiency targets are met at the year-end as currently forecast, some of this contingency will need to be held to make partnership payments to staff. However, the balance will be available at the year end to release to reserves or to fund the capital programme.

#### **Housing Revenue Account (HRA)**

- 2.4 The forecast Housing Revenue Account (HRA) outturn position is a net £2.565 million favourable variance as at Q3. £2.057 million of this variance relates to favourable capital financing adjustments, directly related to slippage in the HRA Capital Programme; £0.762 million relates to favourable forecast variances in operating expenditure and income; netted down by £0.254 million unspent revenue implications of HRA major capital projects which are proposed to be transferred into earmarked reserves to fund future commitments including a new HRA ICT system.

#### **Capital**

- 2.5 The capital monitoring position as at 31<sup>st</sup> December 2014 is shown in more detail at Appendix E2. The forecast outturn shows a net underspend of £3.890 million. Key variations are detailed below: -
  - i. A further £0.900 million slippage relating to Superconnected Cities. This has a limited effect on the Council's resources as the scheme is largely externally funded.
  - ii. £0.117 million slippage associated with a number of ICT projects including website implementation, purchase of web services and new telephony solutions for extended mobile working. Procurement associated with these projects is in progress but payments will not be made as originally anticipated.
  - iii. £0.089 million slippage associated with the Cycle Oxford project due to several Park and Ride schemes being deferred until the first quarter of 2015/16.

- iv. £0.547 million of planned works across the Council's portfolio of property that have been slipped until 2015/16 for a variety of reasons, including or will underspend:
  - a. £0.221 million – Covered Market investment including Roof works. Delayed due to negotiations needed to revise estimated costs of works in line with the approved budget.
  - b. £0.043 million Leisure Depot scheme now removed.
  - c. £0.042 million – Investment in Outer City project delayed pending feasibility works
  - d. £0.080 George Street property delayed through the need to get external advice on costs
  - e. £0.128 million Barns Road Car Park dilapidation costs delayed awaiting conclusion of discussions on the cash settlement requested.
  - f. £0.050 million Equity Loan Scheme, delayed due to slow take up by eligible workers
- v. £0.150 million slippage on the Oxford Spires Academy contribution as works now not expected to be completed until December 2015.
- vi. £0.070 million representing contingency provisions on pavilions and delays to the Cutteslowe Lower pavilion due to external funding bids.
- vii. £0.500 million Car Park Oxpens, relating to re-instatement works for the Lodge that will now not take place until 2015/16.
- viii. £0.086 million linked with Dunnock's Way Parking project as a result of land sub-letting issues with the Health Centre.
- ix. £0.157 million Tower Block budget requested to be brought forward from future years to accommodate additional consultancy works that are planned to take place in 2014/15.
- x. £1.548 million slippage associated with Rose Hill Community Centre following re-profiling information received from the Council's contractors.

### **Savings and Efficiencies**

- 2.6 The Council's budget identifies £0.704 million of efficiencies, £0.224 million of service reductions and £1.192 million of additional fees and charges for 2014/15; a total of £2.120 million savings and efficiencies. As at the end of December it is anticipated that £0.022 million efficiencies and £0.005 million of fees and charges will not be delivered, although it is anticipated that there will be mitigating savings to negate their impact and so ensure efficiency targets are achieved for the year.
- 2.7 Cumulative efficiencies, service reductions and additional fees and charges achieved as at the end of December were £1.540 million.

### **3 Corporate Performance Exceptions**

- 3.1 **Overall the Council's performance against its corporate targets is Good** with 13 (65%) being delivered as planned, two (10%) below target but within acceptable tolerance limits and four (20%) not meeting their target. Exceptions to targeted performance are set out below

#### **No Data:**

- 3.2 **Vibrant and Sustainable Economy:** To achieve results for Oxford city schools that are 10% above the national average for KS2 by April 2015 – The national target or Key Stage 2 has now changed to include writing as well as reading and maths. This means that data to judge our performance, as set in the target, is no longer possible as data is no longer collected in this way. As pupils are poorer at writing the effect of this amendment is to reduce performance for our project schools to 63%. However, these school have made a 4% increase in the number of children achieving level 2 for reading, writing and maths compared to a 1% increase across Oxfordshire schools generally.

#### **Red:**

- 3.3 **Meeting Housing Need:** There was a rough sleeper count in November 2014 which counted 16 new rough sleepers spending a second night on the street, 3 new to rough sleeping and 7 entrenched rough sleepers (a total of 26). There are a number of reasons behind the high street count; the first one is that there is a lack of move on through the pathway, tent sites not being closed down quickly and mild autumn period.

However we are working with the providers to enable move on and also taking a firm approach on landowners with rough sleepers on their site.

- 3.4 **Meeting Housing Need:** Tenant satisfaction with their estates - Satisfaction with the estate as a place to live has declined by 3-percentage points since 2013 from 83%. Furthermore, dissatisfaction has increased by 3-percentage points from 7% in 2013. However, this is not felt to be statistically significant.
- 3.5 **Cleaner Greener Oxford:** The reduction in the City Council's carbon footprint – performance for December is 94 tonnes below the profiled target of 320 tonnes for the year to date. Although performance is below target at present it is still anticipated that the end of year target will be achieved.
- 3.6 **Affordable Homes for rent:** The target of 180 affordable housing units for rent for the year will not be met because a number of schemes which were expected to complete will now slip into 2015/16. These are: Barns Road, Dora Carr Close, Luther Court and Marywood House.

**Amber:**

- 3.7 **Cleaner Greener Oxford:** The number of individual HMOs subject to agreed licence provisions – The number of HMO applications has been falling , but following targeted door knocking we received double the applications in the month of November. It is still anticipated that the end of year target will be achieved in the last quarter of the year.
- 3.8 **Efficient Effective Council:** The delivery of the council's efficiency savings – current performance is just £0.055 million below the profiled target of £1.590 million for December. Confidence is high that the end of year target will be achieved in the next quarter.

**4 Corporate Risk Exceptions**

**Red:**

- 4.1 The Corporate risk register has been reviewed in the third quarter of the year and this has identified no current red risks.

**Amber:**

- 4.2 Resilience of the Information and Communications Technology (ICT) function: there are numerous projects running concurrently across the Council all needing ICT support with limited resources and vacant posts within ICT. This gives rise to a risk that there is an inability to provide good quality and consistent service.
- 4.3 Medium Term Financial Plan savings not delivered and pressures not accurately recorded: if savings are not delivered and pressures not accurately recorded this gives rise to a risk that a balanced budget cannot be produced or further savings are needed to be made in the future.
- 4.4 Management of capital projects and contracts: poor governance on major projects could result in cost overruns, non-delivery of projects, and slippage of projects.
- 4.5 Health & Safety of People: not maintaining a robust Health & Safety policy and ensuring it is implemented across all service areas could lead to increased costs, potential financial penalties and potential insurance claims.
- 4.6 Risk of fraud against the Council: fraud against the Council through internal fraud by staff, cyber-attacks on the Council's ICT systems, fraudulent claims for council tax and housing benefits and council tax discounts and fraudulent claims for payment carries the risk of additional costs and a loss of reputation.
- 4.7 Risk of breaching the Data Protection Act: breaches of the Data Protection Act through staff not being aware of the policy or being careless with data carry the risk of a loss of reputation and financial penalties.

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