

**To: City Executive Board**

**Date: 9 July 2015**

**Report of: The Finance Panel (Panel of the Scrutiny Committee)**

**Title of Report: Integrated Performance Report for Quarter 4 2014/15**

## **Summary and Recommendations**

**Purpose of report:** To present recommendations from the Finance Panel on the Integrated Performance Report for Quarter 4 2014/15

**Key decision?** No

**Scrutiny Lead Member:** Councillor Simmons

**Executive lead member:** Councillor Turner

**Policy Framework:** Corporate Plan Priority – Improving value for money and service performance

**Recommendation** of the Finance Panel to the City Executive Board:

**1. Recommendation 1 - The General Fund outturn position for 2014-15 - a favourable variance of £1.808m which is mainly due to increased income - is a very good outcome and we recommend that officers are congratulated on overachieving against income targets.**

**2. We support the transfer of £1.4m to a Dry Recyclate Reserve and recommend that the City Council urgently assesses options for significantly mitigating this serious budget pressure, including exploring the possibility of building and operating a waste transfer station and changing the Council's waste collection system.**

**3. We note that there are 4 red performance indicators against Meeting Housing Needs but only 3 are explained in the Corporate Summary. We recommend that this is corrected and that fuller explanations are given for the amber risks relating to Environmental Development (section 4.3 in the Community Services Directorate).**

**4. We recommend that the City Executive Board considers:**

- a) Re-directing a relatively small portion of the under-spend towards addressing homelessness, where it could potentially go a long way;
- b) Other potential uses for part of the under-spend in improving performance against corporate targets, including investing in an additional HMO licensing officer.

**5. We recommend that the City Council continues to embed and improve the capital gateway process to further reduce capital slippage.**

## **Introduction**

1. The Finance Panel pre-scrutinised the Integrated Performance Report for Quarter 4 2014/15 in order to monitor the Councils' budgetary performance, at its public meeting on 2 July 2015. The Panel would like to thank Nigel Kennedy and Anna Winship for introducing this item and providing advice.

## **Summary of the discussion**

2. The Panel noted that the favourable outturn of 1.808m was primarily a result of additional income generation and agreed that officers should be congratulated on overachieving against income targets.

***Recommendation 1 - The General Fund outturn position for 2014-15 - a favourable variance of £1.808m which is mainly due to increased income - is a very good outcome and we recommend that officers are congratulated on overachieving against income targets.***

3. The Panel noted that there is a major and pressing budget pressure due to a significant drop-off in the market value of dry recyclates. The Panel heard that the City Council moved quickly to hire a consultant once this pressure became apparent during the renegotiation of a contract that is due to end in October.
4. The Panel support using a major portion of the under-spend on relieving this budget pressure and suggest that solutions should urgently be explored, including the option of the Council building and operating its own waste transfer station. The Panel also expect that the Council's waste collection system will need to be looked at.

***Recommendation 2 - We support the transfer of £1.4m to a Dry Recyclate Reserve and recommend that the City Council urgently assesses options for significantly mitigating this serious budget pressure, including exploring the possibility of building and operating a waste transfer station and changing the Council's waste collection system.***

5. The Panel request a couple of minor improvements to the report, noting that one of the red performance indicators for Meeting Housing Need did not appear to be explained and that some explanations, particularly of the seven amber risks relating to Environmental Development, did not provide sufficient detail.

***Recommendation 3 - We note that there are 4 red performance indicators against Meeting Housing Need but only 3 are explained in the Corporate Summary. We recommend that this is corrected and that fuller explanations are given for the amber risks relating to Environmental Development (section 4.3 in the Community Services Directorate).***

6. The Panel considered other uses for the remainder of the under-spend, which has been allocated to the Oxfutures Reserve (300k) and capital financing (108k). The Panel suggest that some of this money could be redirected towards areas where it could be used to improve the Council's performance against corporate targets, including the rough sleeper count and the number of Houses in Multiple Occupation (HMOs) subject to agreed licensing provisions.

***Recommendation 4 - We recommend that the City Executive Board considers:***

- a) ***Re-directing a relatively small portion of the under-spend towards addressing homelessness, where it could potentially go a long way;***
  - b) ***Other potential uses for part of the under-spend in improving performance against corporate targets, including investing in an additional HMO licensing officer.***
7. The Panel noted that there was significant slippage in the Council's ambitious Capital Programme, including in the affordable homes for rent programme where it directly resulted in the Council missing a corporate performance target. The Panel heard that slippage was caused by several different factors and recognised that the rate of slippage in 2014/15 was lower than in the previous year. The Panel would like to see the further embedding of the capital gateway process to address the causes of capital slippage.

***Recommendation 5 – We recommend that the City Council continues to embed and improve the capital gateway process to further reduce capital slippage.***

#### **Further consideration**

8. The Panel suggest that the Council's Carbon and Natural Resources Management Board should look in more detail at the amber risks relating to Environmental Development.

9. The Finance Panel will monitor the Council budgetary performance for 2015-16 when it next meets on 29 October 2015.

**Executive response – to follow**

**Name and contact details of author:-**

Andrew Brown on behalf of the Scrutiny Committee

Scrutiny Officer

Law and Governance

Tel: 01865 252230 e-mail: [abrown2@oxford.gov.uk](mailto:abrown2@oxford.gov.uk)

**List of background papers: None**

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