

**To:** City Executive Board

**Date:** 10 September 2015

**Report of:** Head of Financial Services  
Head of Business Improvement

**Title of Report:** INTEGRATED PERFORMANCE REPORT FOR  
QUARTER 12015/2016

## **Summary and Recommendations**

**Purpose of report:** To update Members on Finance, Risk and Performance as at the end of Quarter 1, 30 June 2015

**Key decision:** No

**Executive lead member:** Councillor Ed Turner, Executive Board Member for Finance, Asset Management and Public Health

**Policy Framework:** Efficient and effective Council

**Recommendation(s):** That the City Executive Board resolves to:

1. Note the projected General Fund outturn of £0.385 million which will be funded from corporate contingencies, the break-even position on the Housing Revenue Account and projected Capital underspend and slippage of £0.921 million
2. Note the performance and associated risk positions as set out in paragraphs 11-15;
3. Approve a £0.300 million virement from the corporate policy contingency to the Culture service; and
4. Recommend to Council that additional budget of £115,289 for parks works be included in the Capital Programme to be financed from external grant funding.
5. Approve the recommendation to apply a temporary moratorium on General Fund and HRA capital expenditure in accordance with paragraphs 14 and 15

## 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** – Assistant Chief Executives Integrated Report

**Appendix F1** – General Fund June Forecast Outturn

**Appendix F2** – Capital Programme June Forecast Outturn

**Appendix F3** – HRA June Forecast Outturn

## 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: -

### Finance

- **General Fund** – the outturn position is estimated to be £0.385 million over budget which will be funded from earmarked reserves. The variances are in Housing and Property on Homechoice payments and Planning and Regulatory due to staff turnover. More detail is available in Appendices A to F1).
- **Housing Revenue Account** – the HRA is projected to spend to the latest budget. More detail is available in Appendices B and F3.
- **Capital Programme** – the capital outturn position shows a net forecast variance against the latest budget of £0.921 million. More detail is available in Appendices A and F3.

**Performance** – 15 (79%) performance targets are being delivered as planned, 2 (11%) are below target but within acceptable tolerance limits and 2 (11%) are not meeting their target. These are detailed in paragraph 11 below and in Appendix A attached.

**Risk Management** – there were no corporate red risks and 4 amber risks as at 30 June 2015. These are listed in paragraph 13 and Appendix A.

Following the Chancellor' budget Statement in July, there is a new red corporate risk which is detailed at paragraph 14 below.

## Background

2. Finance, Performance and Risk information is reported in an integrated format to the City Executive Board on a quarterly basis.
3. Reports as at the 30 June 2015 are attached at Appendices A to F. The reports use a Red, Amber and Green (RAG) 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.

## General Fund Revenue

### Culture Budgets

5. £0.300 million was included in the 2014/15 budget as a corporate policy contingency. During the 2015/16 budget setting process, it was agreed this was no longer required and should be removed from the 2015/16 budget. As reported verbally at the 13<sup>th</sup> April 2015 Council Meeting, the budget removal was unfortunately shown in error against Culture in Appendix 3 (page 65, line 21) to the Budget setting report rather than Policy; this then fed through to Appendices 1 (page 24) and 2 (page 26) and gave the impression that there was a reduction in the Council's Culture budget which is not actually the case.
6. Approval is therefore sought to vire £0.300 million from the corporate policy contingency to Culture to correct the budget. There is no overall impact on the Council's budget.

### Planning and Regulatory

7. Due to staff turnover additional cost pressures of approximately £0.200 million are forecast in the short term. Officers are currently working on options to resolve the position going forward. The in-year pressure will be funded from the corporate contingency.

### Housing and Property

8. Homechoice payments used for homeless prevention are expected to exceed budget by £0.185 million due to ongoing high demand. This will be financed by drawing down funds from the Homelessness Reserve which as at 31 March 2015 stood at £1 million

### Dry Recyclate

9. A budget pressure was identified in December 2014 in relation to the cost of disposal of dry recyclate. The financial impact for 2015-16 is estimated at £0.480 million for the second half of the year which the service is expecting to fully mitigate through additional income and savings including on establishment costs (indicated by the financial position on the year to date). Council officers are working up proposals to mitigate the full year cost in future years, these include potentially building a dry recyclate facility. A reserve was created as at the 31 March 2015 to facilitate this. A

more detailed report on options will be submitted to the City Executive Board in due course.

## General Fund Capital

10. Additional grant funding has been awarded for parks works as follows:
- Holloway works and Blackbird Leys Park regeneration of £0.055 million;
  - £0.060 million for works at Spindleberry Park.

The Parks works capital scheme is an amalgamation of several planned programmes including fit trails and wider park improvements such as signage. It is recommended that this is added to the Council's Capital Programme

## Performance

11. Corporate and Directorate performance is reported within Appendices A to E. There are four Corporate Performance Indicators that are not on target, two are outside acceptable tolerance limits and two are within acceptable tolerance limits as set out below. More detail is contained in Appendix A.

### Outside acceptable tolerance limits

- **Apprenticeships** -18 apprentices were employed by external companies in June as a direct result of Council investment in regeneration schemes within the city, which was short of the target of 26. However, information has not yet been received from two construction contractors, and so may be higher than shown. The missing data is currently being sought. It is anticipated that this situation will improve in the near future as more schemes get underway.
- **Affordable homes for rent delivered** – The number of units delivered stood at 20 for June against a profiled target of 60. This is due to the slippage on the AHP 1 programme. The remaining 40 units at Minchery Farm and Bradlands, will be handed over during Quarter 2 of 2015/16.

### Within acceptable tolerance limits

There are two performance targets which, although the target has not completely been met, are within acceptance tolerance limits and do not give cause for concern at this stage:

- Training places and jobs created
- Delivery of Efficiency Savings

## Risk

12. Corporate and Directorate risks are reported within Appendices A to D. 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
		<b>Impact</b>	Insignificant	Minor	Moderate	Major	Catastrophic

13. There were no red Corporate Risks identified within quarter 1. However, following the Chancellor's Budget Statement in July 2015 there is a new red risk as detailed in paragraph 14 below. The four amber Corporate Risks are listed below with more detail contained in Appendix A.
- Resilience of the Information and Communications Technology function
  - Medium Term Financial Planning
  - Partnership Risk
  - Recruitment and Retention

### Medium Term Financial Planning

14. The Chancellor's July Budget Statement included a number of proposals which have significant ramifications for the Council's Medium Term Financial Plan, and in particular the Housing Revenue Account, which under current proposals is projected to have to find savings of @ £36 million over the next 4 years.

15. Changes that are required to be made to the HRA Business Plan to mitigate the pressures will be determined through the budget setting cycle which is due to commence. In order to ensure that the Council has maximum flexibility around these issues it is recommended that a temporary moratorium is placed on all non-essential General Fund and HRA capital works, whilst officers review options for consideration during the budget process.

### Climate Change / Environmental Impact

16. There are no issues arising directly from this report

### Equalities impact

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

### Financial Implications

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

### Legal Implications

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

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**List of background papers: None.**

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