

CORPORATE SUMMARY

1 Overall Summary Position

- 1.1 The overall financial position as at the end of September 2015 is showing a net overspend of £0.136 million due to lower investment income than anticipated. The Housing Revenue Account is forecast to be on target overall. The Capital Programme is forecast to spend less than budget by £10.9 million; £6.3 million of which relates to positive action to defer expenditure on uncommitted capital schemes.
- 1.2 Of the corporate performance targets, 14 (74%) are being delivered as planned, 3 (16%) are below target but within acceptable tolerance limits and 2 (10%) are not meeting their target.
- 1.3 There are two red corporate risks which are detailed below.

2 Finance Overall and Corporate Budgets

General Fund

- 2.1 The forecast General Fund outturn as at the end of Quarter 2 shows service expenditure £0.450 million over budget which is mitigated by a £0.200 million use of corporate contingency and a technical virement of £0.250 million from revenue contributions to Capital.

Corporate Budgets

- 2.2 At the time the interest income budget was set, interest rates were predicted to rise throughout 2015/16. This has not happened and current forecasts are that there will be no rise in the Base Rate until the first quarter of 2016 at the earliest, but more likely the fourth quarter of 2016, hence there is a pressure of £0.136 million.
- 2.3 The mitigations of £(0.200) million and £(0.250) million for Planning and Regulatory and Housing and Property pressures respectively together with the £0.136 million underachievement of investment income result in an overall corporate variance of £(0.314) million.

Housing Revenue Account (HRA)

- 2.3 The forecast Housing Revenue Account (HRA) outturn position is a nil variance overall as at Q2. More detail is contained in Appendix D2.

Capital

- 2.4 The capital monitoring position as at 30th September 2015 is shown in more detail at Appendix F2. The forecast outturn shows a net forecast variance of £(10.936) million. Key variations are detailed below: -
 - General Fund
 - Deferred Schemes
 - i. A deferral of capital schemes to the value of £4.413million is proposed
 - Over / (Under) spends
 - ii. Overspend on improvements to Pembroke Street of £0.120 million
 - Budget movements between years
 - iii. Work on garages is forecast to extend into 2016/17 by £0.103 million.
 - iv. Various section 106 funded schemes to the value of £0.145 million are forecast to progress in 2016/17.
 - HRA
 - Deferred Schemes
 - v. A deferral of capital schemes to the value of £1.936m is proposed
 - Over / (Under) spends
 - vi. An underspend of £0.416 million is anticipated on the homes at Barton project
 - Budget movements between years
 - vii. Tower blocks budgets of £4.643 million are moving into 2016/17

Budget adjustment

- viii. A budget adjustment is proposed from the solar panel budget to Energy efficiency initiatives of £0.415 million to combine all of the energy efficiency budgets into one
- #### Budget movement between years and scheme variance
- ix. An in-year variance is anticipated of £0.646 million on HCA New Build. £0.395 million of this relates to budget movements between years and the balance of £0.251 million relates to internal fees and potential additional charges from the Council's external project manager which have yet to be finalised and potential claims from the Council's main contractor.

Savings and Efficiencies

- 2.5 The Council's budget identifies £1.228 million of efficiencies, £0.526 million of service reductions and £1.368 million of additional fees and charges for 2015/16; a total of £3.122 million savings and efficiencies. As at the end of September it is anticipated that all savings and efficiencies will be delivered.
- 2.6 Cumulative efficiencies, service reductions and additional fees and charges achieved as at the end of September were £1.559 million.

3 Corporate Performance Exceptions

- 3.1 **Overall the Council's performance against its corporate targets is Good** with 14 (74%) being delivered as planned, three (16%) below target but within acceptable tolerance limits and two (10%) not meeting their target. Exceptions to targeted performance are set out below

Corporate performance indicator exceptions

Red:

- 3.2 **Vibrant and Sustainable Economy:** The number of training places and jobs created as a result of Council investment and leadership – current performance is 432 jobs and training places against a second quarter target of 487. However, information has not yet been received from two construction contractors, and so may be higher than shown. We are pressing for the missing data
- 3.3 **Vibrant and Sustainable Economy:** The number of Council apprenticeships created through Council investment for those who live in Oxford – 18 apprentices were employed in September, short of the target of 26. This can be explained by some apprentices in Direct Services have completed their training and six have now been appointed into full time roles. Direct Services also ran a NEET apprenticeship programme for the second time in 2015 but this time with fewer appointees. Two service areas are not replacing apprenticeships that did not progress beyond their probation period. Other services are in the process of putting together bids or planning to recruit to apprenticeships but these had not come to fruition by September. In addition, apprenticeship candidates have reduced during recruitment campaigns, with many potential applicants opting to stay in full time education.

Amber:

- 3.4 **Efficient and Effective Council:** The delivery of the Council's efficiency savings – savings to date are £1.559 million and marginally under the September target of £1.561 million. This is expected to be achieved by the end of the year.
- 3.5 **Meeting Housing Need:** The number of households in Oxford in temporary accommodation – the service saw an unexpectedly high number of homeless families in September that required placements into temporary accommodation, leading to a total of 128 households using this accommodation against a target of 120. A significant number had lost their private rented accommodation through no fault of their own, and many had not had previous contact with the service. A significant number were also previous Home Choice cases where the landlords are seeking higher market rates for the property, and where we have been unable to source access to alternative local private rented accommodation that would meet the household's needs.

3.6 **Strong and Active Communities:** The number of young people accessing youth engagement projects and activities outside school hours – performance of 3,910 is slightly under target (by approximately 90 young people) but is currently within its tolerance. This is due to final figures not yet being received for the funded programmes and Youth Voice. It is expected that the programme is currently exceeding target with these counted.

4 **Corporate Risk Exceptions**

Red:

4.1 The Corporate risk register was reviewed in the first quarter of the year and then updated to include one red risk relating to Medium Term Financial Planning following the announcements contained in the Chancellor's Summer Budget in July which have significant ramifications for the Council's Medium Term Financial Plan, and in particular the Housing Revenue Account.

Amber:

4.2 There are three amber risks identified on the Corporate Risk Register relating to:

- resilience of the ICT function due to a number of projects running concurrently, limited resources with the correct skills, and a number of vacancies
- the risk of the potential reduction in funding to our partners
- recruitment and retention issues meaning that key posts are left vacant or filled with temporary staff

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