

To: City Executive Board
Date: 17 March 2016
Report of: Head of Financial Services
 Head of Business Improvement
Title of Report: Integrated Performance Report for quarter 3 2015/16

Summary and recommendations	
Purpose of report:	To update Members on Finance, Risk and Performance as at the end of Quarter 3, 31 December 2015.
Key decision:	No
Executive Board Member:	Councillor Ed Turner
Corporate Priority:	Efficient and Effective Council.
Policy Framework:	Corporate Plan
Recommendation(s): That the City Executive Board resolves to:	
<ol style="list-style-type: none"> 1. Note the projected outturn position and the performance and associated risk information contained in the report; and 2. Recommend to Council approval of an additional capital budget of £0.150 million for electrical works at Cowley Marsh Depot to be funded from the service's projected underspend. 	

Appendices	
Appendix A	Corporate Integrated Report
Appendix B	City Regeneration Integrated Report
Appendix C	Organisational Development and Corporate Services Integrated Report
Appendix D	Community Services Integrated Report
Appendix E	Assistant Chief Executives Integrated Report
Appendix F1	General Fund Forecast Outturn
Appendix F2	Capital Programme Forecast Outturn

Introduction and background

1. This report sets out the projected outturn position for finance and performance as at the end of the third quarter of 2015/16, together with the risks faced. A brief summary is as follows:
2. Finance
 - a. **General Fund** – the outturn position is estimated to be a £0.444 million underspend on a latest net budget of £23.3 million. Key variances are: £0.195 million underspend due to expenditure plans associated with the Educational Attainment budget still being defined; £0.500 million underspend in Direct services due to the fall in fuel prices and increased car parking income; £0.149 million overspend in Planning & Regulatory due to income targets not being met across the service and £0.106 million overspend in Housing & Property due to overspends on Home Choice payments, repairs on Community Centres and caretaking costs. More detail is available in Appendices A2 and B2.
 - b. **Housing Revenue Account** – the HRA is projected to overspend by £0.273 million against the latest budget of £34.520 million and the approved HRA Deficit of £0.208 million. More detail is available in Appendices B and F3.
 - c. **Capital Programme** – the Capital outturn position is a projected underspend of £5.146 million against the latest budget of £41.966 million, this is made up of £5.161 million slippage and a £0.015 million overspend. More detail is available in Appendices A and F2.
3. Performance - 14 corporate performance indicators (74%) are being delivered as planned, 2 (10%) are below target but within acceptable tolerance limits and 3 (16%) are not meeting their target. These are detailed in paragraph 12 below and in Appendix A attached.
4. Risk Management – There is one red corporate risk and four amber risks as at 31 December. These are listed in paragraphs 11 to 14 and Appendix A.

Background

5. Finance, Performance and Risk information is reported in an integrated format to the City Executive Board on a quarterly basis.
6. Reports as at the 31 December 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 in summary form on-line via the intranet on a monthly basis.

Financial Dials

7. 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

Assistant Chief Executive

8. An underspend is being forecast due to expenditure plans associated with the Educational Attainment budget still being defined. It is unlikely that this budget will be fully spent by the end of the financial year.

Planning and Regulatory

9. Income generation across Building control, HMO Licencing, Planning Policy, Food Hygiene courses, Planning Fees, Enforcement of Housing Act and Street Trading Licences are all under achieving and therefore an adverse variance of £0.149 million against an income budget of £3.017 million is being forecast in this area.

Housing and Property

10. An overspend of £0.106 million is forecast due to additional use of the Home Choice payment scheme, additional repairs to Community Centres and unbudgeted caretaking costs at Bury Knowle House and Barton Community Centre.

Direct Services

11. Direct Services are projecting a net underspend of £0.500 million due to Car parking showing a further favourable variance and fuel prices continuing to decrease and expenditure in this area reducing. The service are managing the budget pressure that was identified in December 2014 relating to the cost of disposal of dry recycle of approx. £0.600 million.
12. An additional Capital budget is required for remedial electrical works at Cowley Marsh Depot, these have been identified following a health and safety review and will cost approx. £0.150 million to carry out. The City Executive Board are recommended to approve an additional capital budget of £0.150 million, utilising the revenue underspend within the service.

Performance Management

Indicators not on target

13. Corporate and Directorate performance is reported within Appendices A to E. Of the nineteen Corporate Performance Indicators five are not on target: three are outside acceptable tolerance limits and two are within acceptable tolerance limits as set out below. Indicators outside acceptable tolerance limits are as follows:
 - a. **The number of Council apprenticeships created through Council investment for those who live in Oxford** – 6 apprentices were employed in December, short of the target of 26. There are a total of 19 apprentices in post at present, of which 6 are from Oxford. Numbers have dropped due to the ebb and flow of apprentice in various stages of their training. Two more have been appointed since December.
 - b. **The number of training places and jobs created as a result of Council investment and leadership** - current performance is 464 jobs and training places against a third quarter target of 519. We are expecting to see a positive increase in this target when the contract for the refurbishment of the Tower Blocks commences in January 2016.

- c. **The number of people estimated to be sleeping rough** – the annual estimate (November 2015) saw an increase from 43 to 56 against a December target of 45. This is due to a number of factors including a lack of move-on accommodation into the private rented sector and social housing and changes to the benefit system impacting EEA nationals in particular. Initiatives such as Real Lettings and the ethical landlord model are being developed to try and tackle these issues.

Indicators within acceptable tolerance limits

14. There are two performance targets which, although not completely met, are within acceptance tolerance limits and do not give cause for concern at this stage:
- Delivery of Efficiency Savings** – savings to date are marginally below target but are expected to be achieved the end of the year.
 - The percentage of estimated HMOs in the City that are licenced** – performance is at 71% against a December target of 73%.

Risk

15. 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	
		Impact	Insignificant	Minor	Moderate	Major	Catastrophic	

16. The risk relating to the delivery of the HRA Business Plan following the announcement of the Chancellor’s Summer budget in July which has significant ramifications for the Council’s Medium Term Financial Plan, and in particular the Housing Revenue Account remains as a Red risk within the Corporate Risk Register.
17. The HRA Business Plan has been reworked to take into account the announcements made in the summer budget. There are still a number of issues which need to be clarified by the Government, including the levy that the Authority will be required to pay in respect of the High Value Council Housing Initiative and the level of rent increase the authority will be able to charge after the first four years. Each could have a material effect on the Authority’s HRA Business Plan.
18. There are four amber Corporate Risks as listed below with more detail contained in Appendix A:
- Resilience of the Information and Communications Technology function

- b. Delivery of the Medium Term Financial Plan
- c. Partnership Risk
- d. Recruitment and Retention

Financial implications

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

Legal issues

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

Level of risk

21. All risk implications are covered in the body of this report and the Appendices.

Equalities impact

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

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Background Papers: None

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