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To: City Executive Board
Date: 15 September 2016
Report of: Head of Financial Services
 Head of Business Improvement
Title of Report: Integrated Performance Report for Quarter 1 2016/17

Summary and recommendations	
Purpose of report:	To update Members on Finance, Risk and Performance as at 30 June 2016.
Key decision:	No
Executive Board Member:	Cllr Ed Turner, Finance, Asset Management and Public Health
Corporate Priority:	Efficient and Effective Council.
Policy Framework:	Corporate Plan
Recommendations: That the City Executive Board resolves to:	
1.	Note the projected financial outturn, the current position on risk and performance as at the 30 June 2016;
2.	Recommend to Council that additional budget of £0.118 million and £0.399 million is approved for Super Connected Cities and Disabled Facilities Grant expenditure to be financed from external grant funding in accordance with paragraph 12.
Appendices	
Appendix A	Corporate Integrated Dials
Appendix B	General Fund - June 2016 Forecast Outturn
Appendix C	Capital Programme - June 2016 Forecast Outturn
Appendix D	HRA - June 2016 Forecast Outturn

Introduction and background

1. This report updates the Board on the financial, corporate performance and corporate risk positions of the Council as at 30 June 2016. A brief summary is as follows:

2. Financial Position

- a. **General Fund** – the outturn position is forecast to be an adverse variance of £0.389 million against the budget of £22.918 million;
 - b. **Housing Revenue Account** – the outturn position is forecasting a favourable variance of £0.144 million;
 - c. **Capital Programme** – the outturn forecast is forecasting a £0.359 million adverse variance (0.81% of budget);
3. **Performance** – 80% (12) of the Council's corporate performance targets are being delivered as planned, 13% (2) are below target but within acceptable tolerance limits and 7% (1) is currently at risk.
 4. **Corporate Risk Management** – There are no red corporate risks, but four amber risks at the end of Quarter one. These are detailed below.

Financial Position

General Fund Revenue

5. The overall Net Expenditure Budget agreed at Council in February 2016 was £19.853 million. Since setting of the budget this has been increased by £1.312 million to £21.165 million funded by transfers from earmarked reserves. This transfer largely represents unspent budgets in 2015/16 agreed to be carried forward into 2016-17. The Net Budget Requirement of £19.853 million remains unchanged.
6. In addition to transfers from reserves there have been virements, authorised under delegated powers by the Council's Head of Financial Services totalling £0.411 million. The most notable of which totalling £0.327 million relates to the realignment of the training budgets across the services. There is no change to the Council's Net Budget Requirement.
7. At 30 June 2016 the General Fund is projecting an adverse variance of £0.389 million against the latest net budget of £22.918 million. The details of these variances are explained below.
8. In **Planning and Regulatory** there is a projected adverse year end variance of (£0.281) million, this is due to the recent restructure creating a pressure in the current year of (£0.126) million in part due to additional staffing costs to support a significant improvement in the quality of service. The ongoing pressure of the restructure is approx. £0.070 million and will be proposed for incorporation into the Medium Term Financial Plan as part of the annual refresh. Income targets across the service also show some shortfalls, in the areas of: housing enforcement (£0.020 million); Building control fees (£0.070 million); Street Trading licences (£0.025 million) and Food Hygiene Courses (£0.040 million).
9. **Housing and Property** there is a budget pressure of (£0.100) million which is for the cost of external advice required for the review of the Covered Market leases.

Housing Revenue Account

10. The Housing Revenue Account is currently forecasting a favourable outturn of £0.144 million. It is anticipated that this surplus will be transferred to reserves for future expenditure. The key variations are as follows:
- **Dwelling Rent** has a year to date favourable variance of £0.382 million, this is due to fewer Right To Buy sales in the first quarter of the year than originally projected. Additional rental income is also being received from the 75 units that are being used as Temporary Accommodation properties and 36 void properties being moved to higher formulae rent during the first two months of the year.
 - **Management and Services (Stock Related)** has a projected adverse variance of £0.113 million which is due to additional expenditure associated with the tribunal case on the Tower Blocks project.
 - **Misc Expenditure (Non Stock Related)** has a projected adverse outturn of £0.116 million, this is associated with the properties that are being used as Temporary Accommodation and the utilities running costs for these properties.

Capital

11. The projected outturn on the Capital Programme is currently a total of £44.033 million a favourable variance of £0.359 million from the latest budget. This variance is made up of :
- Slippage of £0.388 million the most notable of which (£0.328 million) relates to Research and Development Feasibility Fund slipped into future years as no further funds are expected to be used this year;
 - Overspend of £0.029 million on the Competition Swimming Pool due to retention fees being higher than expected;
12. In addition following the receipt of additional grant income approval is required from Council for additional budget of £0.517 million for the following items:
- Super Connected Cities (£118k) – Additional monies have been received from the Local Enterprise Partnership (OxLEP) for Oxfordshire County Council's Better Broadband Programme for enabling Superfast Broadband in Oxford City cabinets.
 - b Disabled Facilities Grants capital schemes (£399k) – For 2016/17 the Council have been notified of an increase in grant funding from Government of £399k in respect of grants given by the Council to fund disabled facilities. This takes the total amount of grant to £999k.

Performance Management

- 13 There are fifteen corporate performance measures that are monitored during the year. Twelve (80%) are being delivered as planned, two (13%) are below target but within acceptable tolerance limits, and one (7%) is at risk of not meeting its target.
- 14 Of the twelve that are being delivered as planned, three relate to Vibrant and Sustainable Economy, two relate to Meeting Housing Need, three to Cleaner

Greener Oxford, three to an Efficient and Effective Council and one to Strong and Active Communities

15 The one measure that is not meeting its target is as follows:

- **Number of people using leisure centres** – Target of 362,000 and an actual of 333,282 for the first quarter. . There has been a downward trend in the number of visits year on year and this is reflective of the temporary facility closure for planned maintenance and investment work at the Ice Rink and Ferry Leisure Centre. Hinksey Outdoor Pool visits were also lower year on year due the inclement weather conditions during June.

Corporate Risk

16 There are no Red risks being reported in the first quarter of 2016/17 and there are four amber Risks as listed below:

- a. **Resilience of the ICT function** – managing ICT Work Plan as agreed and overseen by service heads alongside business as usual. Mitigations to manage this risk have included additional temporary staffing to address initial migration issues post April; training all staff on ITIL and starting to embed ITIL processes; migration to ICT strategic partner and embedding ongoing relationship; working towards PSN accreditation; and implementation of ICT helpdesk.
- b. **Partnership Risk** - Potential reduction in funding to our partners – The Council has worked with partners to mitigate where it can the impacts that this may have.
- c. **Recruitment and Retention** – the risk of losing and not being able to recruit key staff across the organisation – mitigations to manage this risk have included agreeing retention measures, identifying key posts and agreeing action to recruit/retain these posts and review of the recruitment process, which has included several recruitment open evenings at Direct Service depots and our community centres.
- d. **HRA Business Plan Delivery Failure** due to changes in Government legislation and the impact this will have on the Council's finances – This risk was introduced in Q2 following the summer budget and was reported as a red risk in both Q2 and Q3 but the Council has been in discussion with DCLG to help shape the proposals and implementation of these changes to assist in mitigating this risk down to an Amber.

Financial implications

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

Legal issues

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

Level of risk

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

Equalities impact

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

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Background Papers: None

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