

To: City Executive Board
Date: 19 Sept 2017
Report of: Head of Financial Services
 Head of Business Improvement
Title of Report: Integrated Performance Report for Quarter 1 2017/18

Summary and recommendations	
Purpose of report:	To update Members on Finance, Risk and Performance as at 30 th June 2017.
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:	
1.	Note the projected financial outturn, the current position on risk and performance as at the 30 th June 2017.

Appendices	
Appendix A	Corporate Integrated Dials
Appendix B	General Fund - June 2017 Forecast Outturn
Appendix C	Capital Programme - June 2017 Forecast Outturn
Appendix D	HRA - June 2017 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 30th June 2017. A brief summary is as follows:
2. **Financial Position**
 - a. **General Fund** – the outturn position is forecast to be a nil variance against the latest net budget of £21.056 million;
 - b. **Housing Revenue Account** – the outturn position is forecasting an adverse variance of £0.292 million;
 - c. **Capital Programme** – the outturn position is forecasting a £0.385 million adverse variance against the latest budget of £67.87 million;
3. **Performance** – 72% (10) of the Council's corporate performance targets are being delivered as planned, 14% (2) are below target but within acceptable tolerance limits and 14% (2) are currently at risk, as described in paragraphs 13 to 15;.
4. **Corporate Risk Management** – There is one red corporate risk at the end of quarter one. More details of this can be found in paragraph 16.

Financial Position

General Fund Revenue

5. The overall Net Budget Requirement agreed at Council in February 2017 was £21.056 million. Since setting the budget, we have increased service area expenditure by £1.813 million which represents budgets carried forward from 2016/17 being added to 2017/18 budgets. This has been funded by a corresponding release from Earmarked Reserves to ensure that the Net Budget Requirement remains unchanged.
6. Virements between service areas, authorised under delegated powers by the Council's Head of Financial Services totalling £0.416 million have also taken place. The most notable of which (£0.257 million) relates to the allocation of training budget across service areas. Other virements actioned relate to funding into Welfare Reform from Housing Services (£0.082 million), and realignment of the MFD budgets (£0.052 million). There is no change to the Council's Net Budget Requirement.
7. At 30th June 2017 the General Fund is projecting a nil variance against the latest net budget of £21.056 million although housing benefit subsidy does give some cause for concern as indicated below.
8. The level of subsidy that Oxford City Council may claim for local authority error and administrative delay overpayments is determined in relation to a lower and upper threshold (0.48% and 0.54% respectively) and expressed as a percentage of the value of correct payments made.
9. Where the local authority error and administrative delay overpayments are less than or equal to the lower threshold, local authorities receive 100% subsidy. Where they are more than the lower threshold but less than the upper the local authority receive 40% subsidy and no subsidy is payable on the value of overpayments above the upper threshold.

10. The Council is currently exceeding the upper threshold by £33,948.46 which would indicate a loss of subsidy payable. However, previous years External Audit reports have made a number of recommendations which the team have put in place to mitigate these losses and reduce the creation of Local Authority error. With these measures in place we expect local authority error to reduce significantly and enabling the Council to receive 100% subsidy by year end.

Housing Revenue Account

11. The budgeted surplus agreed at Council in February 2017 was £5.619 million. Since setting the budget, we have increased net expenditure by £0.370 million which represents budgets carried forward from 2016/17 being added to 2017/18 budgets. This has been funded by a corresponding release from Earmarked Reserves to ensure that the budgeted surplus remains unchanged.
12. The Housing Revenue Account is currently forecasting an adverse variance of £0.292 million at year end. The key variation is as follows:
- The capital spend on the Tower Block refurbishment scheme is expected to overspend due to unachieved value engineering on the contract and this will need to be funded from revenue resources, therefore showing a projected variance at year end.

Capital

13. The projected outturn on the Capital Programme is currently an adverse variance of £0.385 million against the latest budget of £67.874 million. The main variances are:
- Increased expenditure of £0.133 million on Florence Park Tennis Courts, which will be funded by external match funding;
 - Slippage of (£0.060 million) on CCTV at Gipsy Lane Campus, due to the scheme being delayed;
 - Slippage of (£0.031 million) on the Museum project, due to expenditure slipping into 2018/19;
 - Bringing £0.050 million into 2017/18 from 2018/19 for Bullingdon Community Centre project to commence work;
 - Overspend of £0.292million on the Tower Blocks scheme within the HRA due to unachieved value engineering on the contract.

Performance Management

14. There are fourteen corporate performance measures that are monitored during the year. Ten (72%) are being delivered as planned, two (14%) are below target but within acceptable tolerance limits, and two (14%) are at risk of not meeting their target.
15. Of the ten that are being delivered as planned, one relates to Vibrant and Sustainable Economy, three relate to Meeting Housing Need, three to Cleaner Greener Oxford, two to an Efficient and Effective Council and one to Strong and Active Communities.
16. The two measures that are not meeting their targets are as follows:
- **Number of people using leisure centres** – Target of 350,000 and an actual of 328,946 for the first quarter. Fusion have set themselves challenging targets in 17/18 and the Council continues to encourage them to

achieve these. In this reporting period there has been a 123% month on month increase in visits. In line with the 2009 Leisure Strategy, the number of publicly accessible gyms in the city has increased suggesting more choice to access affordable leisure provision in the city.

- **Amount of employment floor space for development (m2)** – Target of 3,750 m2 and an actual of 475 m2. There has been a net increase of 18 m2 this month. We continue to work with the developers operating in the local market to bring forward the key sites to meet this target.

Corporate Risk

17. There is one Red risk being reported in the first quarter of 2017/18 and there are six amber Risks, details of the red risk are shown below:

- **Innovation arrangements and models** – Agreements between the the Council and its wholly owned companies regarding reciprocal service provision and governance arrangements are insufficiently specified and implemented. Governance arrangements including Shareholder agreements as well as contract documents are currently being drafted in mitigation.

Financial implications

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

Legal issues

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

Level of risk

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

Equalities impact

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

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Background Papers: None