

To: City Executive Board
Date: 20 Dec 2017
Report of: Head of Financial Services
 Head of Business Improvement
Title of Report: Integrated Performance Report for Quarter 2 2017/18

Summary and recommendations	
Purpose of report:	To update Members on Finance, Risk and Performance as at 30 th September 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 and current position on risk and performance as at the 30 th September 2017.

Appendices	
Appendix A	Corporate Integrated Dials
Appendix B	General Fund - Sept 2017 Forecast Outturn
Appendix C	Capital Programme - Sept 2017 Forecast Outturn
Appendix D	HRA - Sept 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 Sept 2017. A brief summary is as follows:
2. **Financial Position**
 - a. **General Fund** – the outturn forecast is projected to be a favourable variance of (£0.447) million against the net budget requirement of £21.056 million;
 - b. **Housing Revenue Account** – the outturn position is forecast to be an adverse variance of £0.292 million;
 - c. **Capital Programme** – the outturn position is forecast to be a (£1.749) million variance against the latest budget of £64.925 million due to slippage into future financial years;
3. **Performance** – 72% (10) of the Council's corporate performance targets are being delivered as planned, 7% (1) are below target but within acceptable tolerance limits and 21% (3) are currently at risk, as described in paragraphs 13 - 15 below.
4. **Corporate Risk Management** – There are no red corporate risks at the end of quarter two. More details can be found in paragraphs 16 – 17 below.

Financial Position

General Fund Revenue

5. The Net Budget Requirement agreed at Council in February 2017 was £21.056 million. Since setting the budget there have been transfers from reserves into the expenditure budget in respect of agreed carried forwards from 2016/17 into 2017/18. These include specific on-going projects such as SALIX and the LATCo development. There has also been grant income transferred into Earmarked Reserves as the expenditure relating to this funding will not take place until future years. The net transfer from reserves to date is (£1.136k).
6. During September additional virements and transfers to and from reserves have been carried out under delegated authority by the Council's Head of Financial Services. The most notable of these relates to DCLG Grant funding received for specific projects relating to Migration, Housing Trailblazers and Flexible Homelessness that will be undertaken in future years. Therefore the funding has been set aside in Earmarked Reserves to be available in 2018/19.
7. The General Fund is forecasting a favourable variance of (£0.447), this is a net position and reflect the following key variances:

Direct Services - forecasting a favourable variance of (£0.480) million at year end. This reflects an overachievement of income in the following areas: Car Parks (£0.130) million: Motor Transport (£0.065) million: Engineering (£0.090) million and Commercial Waste (£0.182). At the beginning of the year £400k of the debt in respect of Direct Services trading (£1.2 million) was outstanding for more than 90 days. At the end of October the equivalent amount was £407k out of a total of £1.5 million with a significant part of the debt relating to new commercial business. Total debt for the Council stands at £4.3 million with a provision for bad debts of around £240k as at 1/4/2017. Although the provision is adjusted at year end some of the overachieved

income may subsequently need to be utilised to increase the bad debt provision. .

Housing Revenue Account

8. The budgeted surplus agreed at Council in February 2017 was £5.619 million. Since setting the budget, the net budget has increased by £0.670 million which represents budgets being carried forward from 2016/17 into 2017/18. This has been funded by a corresponding release from Earmarked Reserves to ensure that the budgeted surplus remains unchanged.
9. The £0.670 million relates to regeneration schemes at Blackbird Leys and Barton (£0.234 million); staffing cost in the incomes team (£0.050 million); procurement of furniture for sheltered accommodation (£0.086 million); additional funding for the new housing and management system (£0.200 million) and legal fees associated with the Tower Block Refurbishment (£0.100 million).
10. The Housing Revenue Account is currently forecasting an adverse variance of £0.292 million at year end. The key variation is as follows:
 - The tower block budget pressure has arisen from contract delays due to both unforeseen issues and others related to the implications arising from the Grenfell tower fire as well as not being able to realise all of the value engineering savings that were originally envisaged
11. A total of £1.0 million has been transferred from the Major repairs Reserve into capital to fund the recladding of Windrush and Evenlode Towers following approval of this expenditure by CEB in August 2017.

Capital

12. The projected outturn on the Capital Programme is currently a variance of (£1.749) million against the latest budget of £64.925 million. This time last year it was £1.2 million against the latest budget. The main variances are:
 - Slippage of (£0.258 million) relating to the East Oxford Community Centre project which has slipped into 18/19 due to the feasibility stage being extended to ensure consultation feedback could be taken on board as fully as possible and to deliver the best project outcome ;
 - Slippage of (£0.680 million) on Seacourt Park and Ride extension to ensure detailed work was fully undertaken to meet planning policy requirements
 - Slippage of (£0.368 million) on development at Bracegirdle Road due to a delay in the start of the project which although now underway is not expected to be completed until 2018/19;
 - Slippage of (£0.368 million) on the development at Mortimer Drive due to a delay in the start of the project which is although now underway is not expected to be completed until 2018/19;

Performance Management

13. There are fourteen corporate performance measures that are monitored during the year. Ten (72%) are being delivered as planned, one (7%) is below target but within acceptable tolerance limits, and three (21%) are at risk of not meeting their target.
14. Of the ten that are being delivered as planned, two relate to Vibrant and Sustainable Economy, three relate to Meeting Housing Need, three to Cleaner Greener Oxford and two to Strong and Active Communities.
15. The three measures that are not meeting their targets are as follows:
 - **Number of people using leisure centres** – the target is 700,000 and an actual of 678,999 at the end of the second quarter has been achieved. Whilst still under target at YTD the wider activity offer and number of affordable and accessible leisure facilities in the city has increased. Officers are working with Fusion to better promote their services and especially to continue to focus on attracting more participation from target groups.
 - **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 961 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.
 - **The percentage of customers satisfied at their first point of contact** – Target of 88% satisfaction and a result of 77.64% at the end of the second quarter. 509 telephony customers provided feedback and rated satisfaction at 99.21%; 818 customers surveyed the Web and rated satisfaction at 64.43% an increase of 6% on the 31.3.17 position.

Corporate Risk

16. There are no Red risks being reported in the second quarter of 2017/18 and there are six amber Risks.
17. The risk that was reported as Red last quarter has now been reduced to an Amber risk, this relates to the introduction on Innovation new delivery models and the setup of the Council's wholly owned companies. The Council has already established its Housing Company (Oxford City Housing Ltd) and is expected to operationalise its Local Authority Trading Company (Oxford Direct Services) in April 2018, transferring around 700 staff to the company in the process. The Council has taken professional advice and undertaken a significant amount of work in setting up its companies and as a consequence mitigating risk. As the companies become more mature the risk will diminish further.

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

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