

**To:** Cabinet  
**Date:** 10 July 2019  
**Report of:** Finance Panel (Panel of the Scrutiny Committee)  
**Title of Report:** Integrated Performance Report for Quarter 4 2018/19

<b>Summary and recommendations</b>	
<b>Purpose of report:</b>	To present Scrutiny recommendations on the Integrated Performance Report for Quarter 4 2018/19
<b>Key decision:</b>	Yes
<b>Scrutiny Lead Member:</b>	Councillor James Fry, Chair of Finance Panel
<b>Cabinet Member:</b>	Councillor Ed Turner, Cabinet Member for Finance and Asset Management
<b>Corporate Priority:</b>	Efficient and Effective Council
<b>Policy Framework:</b>	Corporate Plan
<b>Recommendations: That the Cabinet states whether it agrees or disagrees with the four recommendations in the body of this report</b>	

<b>Appendices</b>
None

## Introduction and overview

1. Finance Panel considered the Integrated Performance Report for quarter 4 2018/19 at a meeting on 1 July 2019. The Panel would like to thank Nigel Kennedy (Head of Financial Services), Stephen Clarke (Head of Housing Services) and Anita Bradley (Head of Law and Governance) for attending the meeting to inform the Panel's consideration of this item.
2. At the meeting the Head of Financial Services and the Head of Housing Services tabled the two additional recommendations (recommendations 6 & 7), an additional supporting paragraph (paragraph 15) and exempt Appendix G, which were not in the published report. The Panel had the opportunity to scrutinise these changes and supported the use of urgency provisions in respect of the key decision to recommend to Council the inclusion of an additional £1.53m budget within the HRA in 2019-20 for completion of the Tower Block refurbishment scheme. Towards the end of the meeting the Panel resolved to enter into private session to discuss exempt Appendix G.

## Summary and recommendations

3. The Panel considered the recommendation that a £200k budget is allocated in 2019/20 in respect of costs to establish a Citizens' Assembly. The Panel questioned why this was approximately double the amount that other local authorities had spent on establishing citizens' assemblies and heard that this sum included other associated costs including a new officer post and external research. The Panel commented that this was not sufficiently clear from the explanation given in paragraph 7 of the report.
4. The Panel also suggested that within this proposed additional budget, officer resource should be made available to support a scrutiny review focused on considering the outcomes of the Citizens Assembly and informing the Council's response to the Climate Emergency motion, given that staffing changes had meant that fewer scrutiny reviews could be supported within the current year than would otherwise have been the case.

***Recommendation 1 - That paragraph 7 of the report on the need to progress the work on establishing a Citizens' Assembly is expanded to reflect the breadth of work that will be enabled by the additional budget provision and to include additional resources specifically to support a scrutiny review, before the report is presented to Council on 22 July 2019. The Panel would suggest the inclusion of three additional bullet points:***

- ***Resource, within the overall £200k budget, for a scrutiny review group focused on considering the Council's response to the Climate Emergency motion and the outcomes of the Citizens' Assembly.***
  - ***Work together with existing Environmental Sustainability Team officers to identify possible work streams and additional funded officer time to focus on recommendations from the Citizens' Assembly that focus on emissions reduction.***
  - ***Other minor interventions and quick wins emerging from the Assembly.***
5. The Panel sought a number of clarifications and interrogated the reasons for capital slippage on a various projects, noting that:
    - Slippage in housing company loans was due to a strategic review which had recently been to Cabinet and would be reported to Council on 22 July.
    - The favourable variance of £2.423m in total appropriations was a result of slippage in the Capital Programme.
    - The slippage of £510k on the "purchase of homeless properties" was unrelated to the £2.5m adverse variance similarly described as "purchase of homes for homeless families", which had been spent albeit later than profiled.
    - The East Oxford Community Centre slippage was due to extended deliberations about community provision rather than the residential element.
  6. The Panel questioned whether capital slippage should be framed in positive terms as "favourable variance" and suggest that it would be helpful if reasons for capital slippage could be included in future reports. In addition to providing for public openness, this would help to inform members' consideration of these matters including at future Scrutiny and Cabinet meetings.
  7. As a more general point, it is recommended that accounting terms, such as favourable variance which may be misleading for lay people, should be covered by

a standard brief note as part of relevant papers, including for the Audit and Governance Committee and in the Budget.

8. The Panel also suggest that future integrated performance reports include a summary of financing as well as spend, including summary details of any external funding streams. This would help in identifying where external funding, such as government grants for particular purposes, might be at risk.

**Recommendation 2 - That future integrated performance reports provide:**

- a) Reasons for capital slippage on specific projects where this occurs;**
- b) An explanation of accounting terms such as favourable variance;**
- c) A summary of financing, including external funding streams.**

9. The Panel asked about the oversight of major capital schemes and the frequency of reporting. The Panel heard that progress is reported monthly at an officer level and while this information could be made available to elected members it might be overly cumbersome to provide this information in a useful format on a monthly basis. The Panel suggest that monthly reporting on large projects is made available to elected members upon request.

**Recommendation 3 - That monthly reporting on the progress of major capital schemes is made available to elected members, if they request it.**

10. The Panel noted the £612k slippage in the compulsory purchase of property and questioned whether the Council was pursuing a Compulsory Purchase Order (CPO) in respect of a long term empty residential property where the Council was engaged in a protracted dispute with the owner. Officers clarified that this particular property was unrelated to the budget provision. The Panel heard that the CPO option had previously been explored and it had not been possible to proceed at the time but this could be looked at again.

**Recommendation 4 - That the Council revisits the case for pursuing the compulsory purchase of domestic properties that have been vacant for several years where this option has not recently been explored.**

#### Further consideration

11. In discussing this report the Panel identified that the following issues could usefully be considered at future meetings, either as part of the budget review or separately:
- Plans for new online services referred to in paragraph 19c of the report.
  - Separate accounts for the Covered Market including revenue income and expenditure and capital spend.
  - The corporate performance measures for 2020/21.

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