

To: Cabinet

Date: 09 Oct 2019

Report of: Head of Financial Services
Head of Business Improvement

Title of Report: Integrated Performance Report for Quarter 1 2019/20

Summary and recommendations	
Purpose of report:	To update Members on Finance, Risk and Performance as at 30 th June 2019.
Key decision:	No
Executive Board Member:	Councillor Ed Turner
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 th June 2019.

Appendices	
Appendix A	Corporate Integrated Dials
Appendix B	General Fund - June 2019 Forecast Outturn
Appendix C	HRA - June 2019 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 2019. A brief summary is as follows:
2. **Financial Position**
 - a. **General Fund** – the outturn position is forecast to be an adverse variance of £0.270 million against the latest net budget of £22.098 million (1.22%), and £1.355 million against the service area expenditure (4.77%);
 - b. **Housing Revenue Account** – The budgeted surplus agreed at Council in February 2019 was £0.492 million. A revision to the HRA budget and Business Plan was report to Cabinet on the 20th May which outlined and requested approval for the change in budget to reflect the impact of the new acquired dwellings. The revised budget is a surplus of £1.205 million and the outturn position is forecasting a nil variance against this;
 - c. **Capital Programme** – The budget approved at Council in February 2019 was £98.305 million. The Council is now reviewing its capital programme processes, to avoid slippage and underspending. Members have been briefed on the new process. Therefore the capital programme is not included in this report, and instead an update will be provided in Quarter 2. That report will also contain any necessary modifications to go forward to Council for approval.
3. **Performance** – 56% (5) of the Council's corporate performance targets are being delivered as planned, 22% (2) are below target but within acceptable tolerance limits, 11% (1) is currently at risk and 11% (1) is showing as no data available, as described in paragraphs 13 to 16;
4. **Corporate Risk Management** – There is one red corporate risk at the end of quarter one, which relates to Housing, and ensuring housing delivery and supply for the City and enabling sufficient house building and investment . More details of risks can be found in paragraphs 17 to 18;

Financial Position

General Fund Revenue

5. The overall Net Budget Requirement agreed at Council in February 2019 was £23.205 million. Since setting the budget, service area expenditure has increased by a total of £0.322 million which mainly represents release of reserves for transformation projects and repairs and maintenance. The Net Budget Requirement remains unchanged.
6. Virements between service areas, authorised under delegated powers by the Council's Head of Financial Services totalling £0.818 million have also taken place, the most notable of which £0.212 million relates to the release from Transformation funds for ongoing projects, such as Rent Guarantee model; Team Oxford Communications; Corporate Scanning project; Idox upgrade; Business Process Automation pilot and £0.442 million being release of grant funding into the service area for ongoing expenditure. There is no change to the Council's Net Budget Requirement.

7. At 30th June 2019 the General Fund Service area expenditure is projecting an adverse variance of £1.355 million against the latest budget of £29.370 million, this is in part offset by a release from the General Fund Repairs and Maintenance reserve and capital financing reserve, of £1.085 million with an overall adverse variance of £0.270 million against the latest Net Budget Requirement of £23.205 million. The key variances are:
- **Community Services** – £0.030 million adverse variance arising from additional expenditure for the OVO Energy Women's Cycle Tour. Future years' costs will be considered in the budget setting process.
 - **Assistant Chief Executive** – £0.100 million adverse variance which is due to unbudgeted expenditure relating to the Citizens Assembly, these costs have been mitigated by use of reserves in year and therefore have a net impact on the overall adverse variance.
 - **Housing Services** - £0.975 million – adverse variance due to unexpected expenditure relating to surveys for the Town Hall, Asbestos, Health & Safety and ceiling works to the Town Hall. These costs have been funded from earmarked reserves to mitigate any adverse effect on the revenue account.
 - **Environmental Sustainability** – £0.090 million – adverse variance due to unbudgeted expenditure relating to additional officer capacity for scoping emissions reduction across the City Council carbon footprint and external research and modelling.
 - **Oxford Direct Services** - £0.160 million – adverse variance due to savings predicated on the development of the Recycling Transfer Station not materialising in year due to slippage of the scheme.
 - **Transfer to /from Earmarked Reserves** - £1.165 million – use of the General Fund Repairs and Maintenance reserve and capital financing reserve to cover the expenditure relating to Citizens Assembly, climate change and Town Hall surveys and works.

Housing Revenue Account

8. The budgeted surplus agreed at Council in February 2019 was £0.492 million. A revision to the HRA budget and Business plan was approved by Cabinet on the 29th May which outlined and requested approval for the change in budget to reflect the financial impact of dwellings acquired by the HRA from the Councils Housing Company in terms of rental income, maintenance spend, interest payments and debt redemption. The revised budgeted surplus is £1.205 million, and was approved by Council on the 22nd July 2019. The Housing Revenue Account is currently forecasting a nil variance against this deficit. However some budget variations have been made to realign budgets across the HRA and the most notable are:
- Management and Services (stock related) – increased budget to cover the costs associated with increased caretaking at the tower blocks;

- Other Revenue spend (stock related) – budget reduced to cover the pressures in the Management and Services and Responsive & Cyclical repairs lines;
- Responsive and Cyclical repairs –increased budget to cover additional costs relating to security provision at the tower blocks and costs associated with the solar panels such as repairs and meter readings.

Capital

9. There is an exercise underway to review all capital project forecasting, with the likely outcome that there will be a reduction in the year end outturn. Rather than include some of these revisions in the Q1 report, the full results of the exercise will be included in the Q2 report, alongside an explanation for any changes.

Performance Management

10. There are nine corporate performance measures that are monitored during the year. Of these 9 indicators, 5 (56%) are being delivered as planned, two (22%) are below target but within acceptable tolerance limits, and one (11%) is at risk of not meeting their target.
11. One (11%) of the measures is currently showing no data available. This relates to the number of new homes granted permission in the city. No data update has been provided for this measure in time for this report.
12. Of the five that are being delivered as planned, one relates to Cleaner Greener Oxford, two to Meeting Housing Needs and two to an Efficient and Effective Council.
13. The measure that is not meeting its targets is as follows:
 - **Number of people from our target groups using our leisure facilities** – Target of 199,700 and an actual of 189,326 for the first quarter. Officers are working with Fusion and closely monitoring their delivery approach to increase the number of visits.

Corporate Risk

14. There is one red risk on the current Corporate Risk register, which relates to Housing, and ensuring housing delivery and supply for the City and enabling sufficient house building and investment. There are ten amber risks and one green risk.
15. Operational Delivery Group and CMT are undertaking a review off all corporate risks to ensure that they capture the current risk appetite of the organisation. This review will be reported in the next quarterly report.

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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