www.oxford.gov.uk

OXFORD CITY COUNCIL

To:	**Cabinet**
Date:	**13 December 2023**
Report of:	**Head of Financial Services**
	Head of Business Improvement
Title of Report:	**Integrated Performance Report for Quarter 2 2023/24**

Summary and recommendations	
Purpose of report:	To update the Cabinet on Finance, Risk and Corporate Performance matters as at 30 September 2023
Key decision:	No
Executive Board Member:	Councillor Ed Turner, Deputy Leader (Statutory) - Finance and Asset Management
Corporate Priority:	Efficient and Effective Council
Policy Framework:	Corporate Strategy 2020-24
Recommendation: That Cabinet resolves to:	
1. **Note** the projected financial outturn as well as the current position on risk and performance as at 30 September 2023.	

Appendices	
Appendix A	General Fund - Sept 2023 Forecast Outturn
Appendix B	Housing Revenue Account - Sept 2023 Forecast Outturn
Appendix C	Capital Programme – Sept 2023
Appendix D	Corporate KPIs Sept 2023

Introduction and background

1. This report updates the Cabinet on the financial, corporate performance and corporate risk positions of the Council as at 30th September 2023. A brief summary is as follows:

Financial Position

- **General Fund** – the outturn position is forecasting an adverse variance of £0.474 million against the net budget agreed by the Council in February 2023 of £24.793 million. This would change if the additional dividend of £4 million from ODS is received before the financial year end as per paragraph 4;

- **Housing Revenue Account** – The HRA budgeted surplus agreed by the Council in February 2023 was £1.232 million. The current forecast outturn is expected to be an adverse variance of £0.604 million, giving a total surplus of £0.627 million; and
- **Capital Programme** – The budget, as approved at the Council meeting in February 2023, was set at £235.623 million with carry forward of unspent balances in 2022-23 of £19.540 million, some additional budget changes including new allocations, leads to a revised latest budget of £157.805 million. The outturn forecast position is currently £137.381million with a total slippage of £20.516 million in the second quarter.

2. **Performance** – There are 19 Corporate Indicators for the current financial year, 7 of which are rated Green (on target); 5 are rated Amber (within a tolerance of target) and 3 are rated Red (outside of target). There are also 4 indicators that have no data available. More details can be found in paragraph 26.
3. **Corporate Risk Management** – There are four red corporate risks at the end of quarter two. These relate to actions taken to ensure housing delivery and supply for the city of Oxford and to enable sufficient house building and investment; local, national, or international factors adversely affecting the economic growth of the city; negative impacts of Climate Change and non delivery of services by external suppliers and partners. More details of the risks can be found in paragraphs 24 to 25.

Financial Position

General Fund Revenue

4. The overall Net Budget Requirement agreed by the Council in February 2023 was £24.793 million after a £1.3 million transfer from general reserves. Since setting the budget, budgeted service area expenditure has decreased by a net total of £0.016 million. This is mainly due to the release of pay inflation to services from the contingency, in line with the agreed pay award, offset against other transfers to Earmarked Reserves. The Net Budget Requirement remains unchanged, in this respect since this is simply a virement.
5. As at 30th September 2023 the General Fund Service Areas are forecasting an adverse variance of £2.126 million against the latest budget of £33.773 million. These variances are summarised below:
   - **Housing Services** – pressure of £0.750 million on Temporary Accommodation (TA) due to an increased level of usage. The pressure is shown net of any potential housing benefit. The proposed in-year mitigation is to acquire, via a lease, properties suitable for this purpose. The cost of the lease should be able to be funded from the associated Housing Benefit, but there may be a requirement for additional staff to manage the properties. Grant received which is currently in Earmarked Reserves could also be used to part fund this overspend. The situation will be monitored very closely over the coming months.

     The rise in Temporary Accommodation usage is part of a national trend, with temporary accommodation levels in England now at the highest level since records began. In Oxford data shows the main groups where homelessness presentations have increased include: evictions from the Private Rented Sector, evictions by family and friends, domestic abuse, and evictions from supported housing.

Cost of living seems to be the major factor driving this pattern, with people unable to afford to stay in accommodation, in particular in the Private Rented Sector (PRS) where the Local Housing Allowance is frozen despite rental inflation being high. Factors driving increasing rents in the city seem to be linked to continuing high demand for rented properties, alongside shrinking supply with landlords exiting the market when faced with high interest rates and reports of short term lets increasing. The rise in domestic abuse presentations is at least partially due to legislation changes, with survivors of domestic abuse now able to present as homeless to any authority, and the Council has had a number present from outside Oxfordshire. Finally, another driver is due to homelessness case law over recent years, with a number of decisions expanding the definition of "priority need" and other parts of housing law, significantly increasing the number of people the Council has to accommodate when they present for help.

- **Community Services** – overall pressure of £0.620m, which is broken down as follows:
  - Leisure Management – total adverse variance of £0.247 million, made up of adverse variances of staffing (£0.052m) and utilities (£0.575m, which is being offset by a favourable variance in contracted services (£0.290m) and additional income (£0.090m). The utilities pressure is being mitigated by use of contingencies set aside for this purpose;
  - Sport and Physical Activity – a new post of Wellbeing Officer has been approved in year leading to an adverse variance of £0.026m. This post will help promote free swims and other wellbeing activities offered by the service;
  - Youth Ambition - favourable variance of £0.033m due to savings in salaries;
  - Town Hall - total adverse variance of £0.315 million, made up of adverse variances relating to Utilities (£0.120 m) and Business Rates (£0.240 m). These pressures are offset by savings in salaries (£0.016m) and offset by additional income (£0.030 m);
  - Culture – adverse variance of £0.065m due to a shortfall of income which is due to some large commercial events not taking place together with some pressures on Museum income.
- **Corporate Property** – total pressure of a total of £0.740m against a base income budget of £9.177 m, £0.440m reduced income due to delays in the letting of St Aldates Chambers offices, although a tenant has now been found. Similarly, delays in the letting of Cadogan House have been experienced and even if a tenant is found it is unlikely that rental income will be received in this financial year which will lead to a shortfall in income this year of £0.150m. The remaining pressures are £0.050m on the recruitment of an additional post within the property team to assist with back log of repairs and maintenance together with £0.100m due to under achieving on capital fee income.
- **ODS Client** – a favourable variance of £0.222m due to a slight increase in parking income but mainly due to a rebate on Business Rates due to the removal of the decked parking area at Oxpens Car park; ODS Board have declared a £4 million payment of dividend shortfalls which will paid when their

2022-23 accounts have been approved by the auditors. This amount will be included in the Council's forecast outturn when paid.

- **Business Improvement** – total pressure of £0.220m, relating to staffing overspends in the contact centre arising from unrealised savings due to the delay on implementation of new systems; unbudgeted maternity cover; and low staff turnover leading to higher than budgeted staffing costs as staff progress through the trainee grading scales. In addition, there is £0.040m relating to the extension of Programme Manager Support for the Fit for the Future programme which has been mitigated by £0.040m savings in Human Resources within staff offers and the corporate training programme; and
- **Financial Services** - £0.062m overall pressure, due to previously agreed procurement savings being unable to be identified across the organisation.

6. This overspend position is offset by a revised forecast variance within the corporate accounts, with regard to interest on borrowing and receivable from investments. This is showing a favourable variance of £1.052 million which is due to higher than anticipated cash for investment, borrowing being lower than anticipated caused by slippages in the capital programme and more use of internal balances anticipated in lieu of external borrowing. Contingencies of £600k will need releasing to cover the pressures held within the services from utilities.
7. Whilst there are not any current predicted variances on the following areas the Council will be monitoring these closely during the year:

- **Museum income –** There is potentially a total budget pressure of £0.100m which is unlikely to be met in full this year. This is made up of the expenditure budget being removed from a previous years bid and additional income target of £0.040m being added. Mitigations are in place to reduce this pressure such as savings in other areas of the budget relating to facilities expenditure and additional income in Town Hall events, however the shortfall could reach £0.050m. The museum is asking for donations on entry to further mitigate the pressure.
- **Car Park income** – no significant variance showing year to date, although there is a delay with starting to charge for Godstow Road and Florence Park car parks due to the changes that need to be made to the parking orders.

Efficiencies

8. There are £1.993 million of new efficiencies and transformation savings introduced or continuing into the 2023/24 budget. Some of these savings are already at risk of not being met. The table below shows a summary of the savings and highlights those known to be at risk which have been reflected in the forecast outturn where appropriate. All of these savings are being closely monitored by the Finance team and Heads of service and are being reported to the Organisational Change Board on a monthly basis. Current forecast outturn of efficiencies achieved is £1.103 million, a shortfall of £0.890 million against the budget, which is reflected in the commentary above.
9. As highlighted above there are pressures on the Customer Services salary budgets together with shortfalls in income forecasts for the letting of St Aldate's Chambers.

Service Area	Description	23/24 Budgeted Saving £000s	On Track	Comments
Business Improvement	Housing System rationalisation saving (ICT element)	(65)	Y	
Business Improvement	Vacancy factor	(50)	N	Pressures on existing salary budget
Business Improvement	Savings from Customer experience change programme	(44)	N	Pressures on existing salary budget
Business Improvement	ICT Savings from change programme	(46)	Y	
Business Improvement	Savings from Customer experience change programme	(7)	Y	
Community Services	Projected loss in room hire income - Covid related (60% reduction in 21-22, 40% reduction in 22-23) - base budget £233k in 22/23	(98)	Y	
Community Services	Projected loss in Town Hall income - Covid related - base budget in 22/23 is £808k - some cost savings already included in 21/22	(250)	Y	
Community Services	Invest in leisure during a changing market to devise a new model and consider new arrangements	(200)	Y	
Community Services	Future Working Programme (SAC) - Projected TH Hall Income Loss	34	N	Delays to letting out of SAC
Community Services	Future Working Programme (SAC) - Projected Expenditure Savings	(235)	N	Delays to letting out of SAC
Community Services	Vacancy factor	(54)	Y	
Corporate Property	Income pressures resulting from Covid19 on commercial income based on assumptions previously submitted which includes Westgate - current budget is £12m	190	Y	
Corporate Property	Reversal of previous budget to create 1 FTE to deliver Investment Property Strategy - require dedicated resource to oversee purchase process	(60)	Y	
Corporate Property	Future Working Programme (SAC) - Rent Income	(440)	N	Delays to letting out of SAC
Corporate Property	Future Working Programme (SAC) - Projected Corporate Property R&M savings	(42)	Y	Assumed R&M is minimal as building is unoccupied.
Corporate Property	1-3 George St - OxLEP part funded Capital Project (Returns on £1.9m Capital Programme)	(105)	N	Further delays, project slipping, handover is likey to be Q4 at earliest
Corporate Property	Cave Street Regeneration Project (assumed Income streams)	114	Y	
Corporate Property	Vacancy factor	(9)	Y	
Corporate Property	Vacancy factor	(5)	Y	
Environmental Sustainability	Environmental Sustainability - post saving	(66)	Y	
Environmental Sustainability	Vacancy factor	(5)	Y	
Environmental Sustainability	£23k funding from Planning fee income to contribute towards G5 officer role to support Environmental Quality team with assessing various environmental impacts of developments. Remaining £12k costs will be covered by exisiting resources. Link to pressure on line 2	(23)	Y	
Environmental Sustainability	£25k funding from Selective Licencing income to pay for additional 0.5FTE of Energy Efficiency Officer to provide increased support on securing funding driving energy efficiency uptake in the Private Rented Sector.	(25)	Y	
Financial Services	Housing Benefit & Council Tax Support Admin grants base review with a current budget of £443k - Council Tax Admin being rolled into RSG in 23/24 (£197k)	65	Y	
Financial Services	Vacancy factor	(21)	Y	
Financial Services	Savings from contract change programme - unallocated	(50)	N	Difficulty identifying procurement savings across the organisaiton
Financial Services	Savings of 0.2FTE from flexi retirement	(10)	Y	
Financial Services	Revenues & Benefits management changes	(60)	Y	
Financial Services	Increased income - currently circa £200k per annum	(20)	Y	
Housing Services	Housing needs system and structure change	(50)	Y	Funded from reserves - will be achieved
Housing Services	Vacancy factor	(37)	Y	
Housing Services	Savings from Customer experience change programme	(33)	Y	Savings have been factored into the new structure.
Law and Governance	vacancy factor	(30)	Y	
Law and Governance	Unallocated budget not required	(3)	Y	
Law and Governance	Manageable savings within general contracted services	(7)	Y	
Law and Governance	Member training budget - free training is available from LGA	(2)	Y	
Law and Governance	Members books and publication budget - currently unused	(1)	Y	
Law and Governance	It is proposed to add an additional grade 10 full time permanent property lawyer to the establishment to be funded by way of a recharge to Oxford City Housing Limited	69	Y	
Law and Governance	Additional SLA income from OCHL	(69)	Y	
Oxford Direct Services	Channel shift to cashless payments for car parks £30k base budget	(10)	Y	
Oxford Direct Services	ODS Clienting	60	Y	
Oxford Direct Services	Removal of all recyling banks - option 1	(27)	Y	
Oxford Direct Services	Reducing streetscene in city centre	(30)	Y	
Planning	Paperlite Digitalisation of Planning -on the back of investment in new planning system, savings can be achieved in 2024/25	(73)	Y	
Planning	Vacancy factor	(16)	Y	
Planning	Savings from Customer experience change programme	(15)	Y	
Regeneration & Economy	Vacancy factor	(8)	Y	
Regulatory Services & Community Safety	Reduce hours of Community Safety Support Officer	(13)	Y	
Regulatory Services & Community Safety	Vacancy factor	(17)	Y	
Regulatory Services & Community Safety	Cover base budget costs of 0.5FTE Tenancy Relations Officer post with licence fees	(24)	Y	
Regulatory Services & Community Safety	Funding from HRA to cover additional CCTV costs	(10)	Y	
Regulatory Services & Community Safety	Reduction of Team Manager post	(60)	Y	
TOTAL Efficiencies and Transformation		**(1,993)**		

Housing Revenue Account ("the HRA")

10. The HRA budgeted surplus agreed by the Council in February 2023 was £1.232 million. The current forecast outturn is expected to be an adverse variance of £0.604 million, giving a total surplus of £0.627 million.

11. The adverse variance is predominantly due to unplanned capital expenditure currently charged to Responsive & Cyclical Repairs. Plans are already in progress to transfer the unbudgeted expenditure that is eligible for capitalisation by the end of the financial year, mitigating the current forecasted overspend.

Capital

12. The budget, as approved by the Council at its meeting in February 2023, was set at £235.623 million. Since that date the budget has been increased to take account of unspent balances rolled forward from 2022-23 (£19.540 million) and further adjustments including new budget allocations and slippage (£97.358 million), giving a latest budget of £157.805 million

13. Spend against the budget is £29.899 million which equates to 19% of the latest budget and the forecast outturn is £137.381 million with a total of £20.516 million slippage.

Standingford House, Cave Street

14. The existing building at Standingford House, Cave Street was identified to be no longer lettable as it did not comply with the required national legislation for Minimum Energy Efficiency Standards (MEES) for commercial properties and the building was in poor condition generally and in need of repair and urgent maintenance. The existing building did not meet adequate accessibility standards with no wheelchair provision, no lift access and poor legibility and accessibility generally. It was not considered financially viable to refurbish the existing building.

15. Therefore, a project was pursued to redevelop the site and secure. In November 2021 the Cabinet and then the Council gave approval for:

    - Demolition and redevelopment of Standingford House Cave Street with a commercial development providing the best option for the Council in terms of financial viability, policy objectives, increased workspace and rental area and improved sustainability; and
    - A capital budget of £9.70m to deliver the project and including the use of £1.13m of funds awarded to the Council from OxLEP's Local Growth Fund.

16. Since then, planning permission was secured on the site. The planning permission was for a reduced floorspace compared to that originally assumed. In addition, since November 2021 there have been significant cost increases in terms of construction costs and cost of borrowing, rendering the agreed budget insufficient. This triggered a review of options Unfortunately this meant the OxLEP funding could not be retained as it took the project outside of delivery timescales but it was not possible to proceed without an options appraisal due to the budget with the funding being insufficient.

17. A thorough options appraisal exercise was undertaken by officers to look at options to address increased costs. This included a pre-contract services agreement to look at reducing construction costs.

18. All options would have required an increase in budget and require a long term payback period. This would increase pressure on the council's Medium Term Financial Plan. The revenue pressure of the cost of borrowing would be between £1m and £1.6m.

19. Officers are therefore pausing progression of this development of the site given the present uncertain economic climate and the financial challenges progressing the development at this time creates. The project will remove the remaining budget except for up to £50k to secure the site. This provides a revenue saving to the MTFS of £1.23m. The asset will be retained by the Council and other work is progressing to work up options which will then be reflected in future budget planning.

General Fund Capital

20. A summary of the General Fund schemes by project type is shown below and this provides an insight into the value of development projects that the Council is undergoing. It also highlights that a significant percentage of the capital programme relates to Housing Company Loans of which the spend is reliant on the progress of the Housing company development programme. From the start of 2023/24 a revised approach to aligning the OX Place Business Plan with the quarterly Capital Monitoring has been in place and this should realise improved projections in terms of both loans to the company and HRA purchases.

Project Classification	Projects	Latest Budget	Spend to Date	% Spent	Q2 Forecast	Variance from Q1
Project - Development	32	35,776,904	2,906,317	8%	27,184,156	(6,994,113)
Project - ICT	26	2,709,193	496,673	18%	2,709,193	58,110
Project - Compliance	4	1,977,456	130,122	7%	2,206,426	166,331
Project - Other	12	2,645,619	478,436	18%	2,398,618	200,000
Rolling Programme	9	6,413,668	2,040,506	32%	6,790,304	(2,415,615)
Housing Company Loans	2	15,026,000	3,298,620	22%	13,043,000	530,000
Other Capital Spend	14	18,650,297	9,528,619	51%	13,624,468	(6,110,470)
General Fund Total	**99**	**83,199,137**	**18,879,292**	**23%**	**67,956,165**	**(14,565,757)**

21. Details of the main GF schemes being slipped are as follows:

- **East Oxford Community Centre** – Slippage of £2.777 million, due to delays in the programme while the budget was increased due to construction cost inflation. Princes Street demolition complete and demolition commenced on East Oxford Games Hall;
- **MT Vehicles –** Slippage of £2.791 million; due to a difficult stage in transitioning vehicles to EV. Each replacement has to be assessed on a case by case basis which is causing delays;
- **Town Hall Relocation –** Slippage of £0.536 million, project running in line with programme, and completion on programme, snagging and in use changes are ongoing;
- **Works Town Hall**– bring forward budget of £0.280 million To allow for detailed plans for Phase 2 work to be undertaken, aligning the need to establish a long-term vision for the facility, with a planning and preventative maintenance asset management plan;

- **Capital Works at Covered Market** – bring forward budget of £0.403 million from future years. Project on hold while Covered Market Master Plan is defined and concluded;
- **Covered Market Roof Works** – bring forward budget of £0.345 million from future years. Phase 5a is proceeding and due to complete shortly with Phase 6c to start in January 2024;
- **Blackbird Leys Regeneration** – Slippage of £2.181 million. Project ongoing.
- **Cave Street –** budget reduced to £0.200 see paragraphs 14 to 19 above
- **Osney Mead path works –** bring forward budget of £0.565 million to allow project to move forward and spend funding by March 2024;
- **Cowley Branch Line –** slippage of £0.273 million due to a slight delay in the project starting due to finalising contracts;
- **Barton Park/Loan to OX Place** – slippage of £5.869 and £7.178 million. Following review of the scheme appraisals;
- **Housing Company Loans** – bring back £7.708 million of loans from future years;
- **Northern Gateway** – Slippage of £3.0 million, £7million to be spent in year in line with claim for funding that needs to be made by March 2024
- **Capitalised ICT projects** – bring £0.302 million of budget into current year to cover costs incurred;
- **Go Ultra Low On Street** – slippage of £0.501 million, a back-to-back legal agreement is required to transfer the funds to the Oxfordshire County Council; and
- **ZEZ Phase 1 Feasibility** – slippage of £0.141 million, will not be spent this year and further discussions are needed with the Oxfordshire County Council.

HRA

22. A summary of the HRA schemes by project type is shown in the table below, and this shows that a significant element of the capital programme is a rolling programme, for example kitchen and bathroom replacements, heating and electrics etc. The other large element is the Other Capital Spend classification, and these schemes relate to acquisitions and developments.

Project Classification	Projects	Latest Budget	Spend to Date	% Spent	Q2 Forecast	Variance from Q1
Project - Development	4	6,695,004	220,789	3%	1,602,947	(5,092,057)
Project - Compliance	1	176,802	15,221	9%	176,802	-
Project - Other	2	430,000	52,368	12%	430,000	245,000
Rolling Programme	23	18,693,315	5,101,309	27%	19,255,815	350,117
Other Capital Spend	11	48,602,274	5,635,226	12%	48,593,033	(810,241)
HRA Total	**41**	**74,597,394**	**11,024,912**	**15%**	**70,058,597**	**(5,307,181)**

23. Details of the HRA main schemes being slipped are as follow:

- Adaptions for Disabled – bring forward £0.200 million budget from future years to cover expenditure in year. A backlog in demand has caused this year's overspend. Going forward, processes have been reviewed for the approval of new schemes;

- Controlled entry – bring forward £0.132 million budget from future years. This will help to replace additional controlled entry systems that would otherwise be expensive to repair;
- Lift Replacement Programme – slippage of £0.295 million. This programme has been re-profiled to match the known planned replacements.
- Damp proof works – bring forward of £0.397million, to carry out work as planned rather than reactive, and a large number of reported issues over winter;
- Fire Doors – bring forward £0.500 million. This is a revision to last quarter's overstated slippage;
- Great Estates - scheme has been paused to help mitigate other overspends within the HRA revenue and capital budgets;
- Fencing – bring forward £0.600 million budget from future years. This is to allow the capitalisation of fencing expenditure to help mitigate overspends on the revenue budgets;
- LAHF acquisitions – slippage of £0.442 million. All properties have been identified and agreed and are in the process of being purchased. However, the actual completion dates of some are expected to be in the 2024/25;
- Social Rented Housing Acquisitions – slippage of £0.234 million to allow for planned expenditure in year;
- East Oxford Development – slippage of £2.167 million. Demolition has now completed in Princes Street and a price agreed for the construction work. The contract is currently being drafted. There were delays with the original contract negotiations, resulting in a change to the contractor;
- Northfield Hostel – bring forward budget of £1.863 million. Demolition due to start in August with main contractor starting on site in December 2023;
- Lanham Way – Slippage of £1.811 million. Land has been purchased and build contract to be signed imminently. Original profile of expenditure was too optimistic; and
- Blackbird Leys Regeneration – slippage of £2.925 million. There have been delays with gaining the necessary approvals and this has had a knock-on effect with regards to the spend profile.

Corporate Risk

24. There are four red risks on the current Corporate Risk Register, which are as follows:

    - **Housing** – the Council has key priorities around housing which include ensuring housing delivery and supply for the city of Oxford and enabling sufficient house building and investment. Insufficient housing in Oxford leads to an increase in homelessness which has an impact on residents. There are also health and quality of life issues. The Council is implementing delivery methods for temporary accommodation and accommodation for homelessness prevention which include a rent guarantee scheme, a growth deal to facilitate additional affordable housing and a tranche of property purchases to be delivered via real lettings. In addition, the Council's housing companies are in the process of constructing new affordable homes and the social housing elements will be purchased by the Council;

- **Economic Growth** – this relates to local, national or international factors adversely affecting the economic growth of the city. New trading and immigration arrangement with the EU combined with structural changes in the labour market remain a challenge, as well as the recovery from pandemic business impacts. Supply chain challenges relating to Brexit, the war in Europe, energy security and related inflationary issues are a heightened and ongoing risk. The Council can affect this risk through the delivery of the Oxford Economic Strategy & City Centre Vision Action Plan. This aims to stimulate recovery through targeted measures and the Council will work with the Economic Growth Board & City Centre Task Force and engage with businesses to understand the long term impact of COVID & EU Transition, alongside issues of inflation linked to international events. Macroeconomic impacts are outside the Council's direct control, but the effects can be managed and mitigated at the local level;

- **Negative Impact of Climate change** – areas of concern are flooding, which is highly weather dependent; poor air quality and increased episodes of excess heat. The Council does not have control over the global climate position, but it can make changes and improvements within its sphere of influence. The Council has made action on climate change one of its corporate priorities and has stepped up its programme of action, partnering and influencing to seek to mitigate social health and environmental impacts on the city; and

- **Delivery of Services by External Suppliers/Partners/Supply Chain** – this relates to the negative performance of key suppliers which has a direct impact on the Councils ability to achieve its goals. The failure of a key supplier or reductions in funding and/or financial pressures on the Councils critical service partners, may place additional demands on the Council. This could result in poorer service outcomes for citizens and potential risks to the Council's supply chain. Due to the cost-of-living crisis, memberships being cancelled by customers' leads to reduced revenue for the Council's leisure provider. There is also significant and uncontrollable increases in utility costs. The Councils leisure management contract expires in 2024 and the Council is arranging to re-tender the service.

25. The table below shows the level of Red, Amber and Green current risks over the last 12 months:

Current Risk	**Q3 2022/23**	**Q4 2022/23**	**Q1 2023/24**	**Q2 2023/24**
Red	5	5	4	4
Amber	9	9	10	10
Green	0	0	0	0
Total Risks	**14**	**14**	**14**	**14**

Performance Indicators

26. There are three red corporate performance indicators being reported at the end of quarter 2, these relate to:

- % reduction of call volume into Customer Contact Centre for Housing and Revenues and Benefits only –a target of 5% with an actual of 4.5%; Calls increased in September due to around 2800 letters to check single person discount being sent out;
- % reduction of number of face-to-face enquiries for Housing and Revenues and Benefits only – a target of 5% with an actual of 4.15%. The number of face-to-face visits is up on the same period last year. Number has increased due to the single person discount letters being sent out; and
- Council spend with local business – target of 40% with an actual of 32.69% - currently tracking 7% below target. September was significantly low (17.40%) which was affected by a large payment to one non local suppliers. If this indicator continues to be below target further investigation work will be undertaken.

Financial implications

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

Legal issues

28. There are no legal implications arising directly from this report.

Level of risk

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

Equalities impact

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

Background Papers: None

Report author	Anna Winship
Job title	Management Accounting Manager
Service area or department	Financial Services
Telephone	01865 252517
e-mail	awinship@oxford.gov.uk