

To: Cabinet
Date: 13 December 2023
Report of: Finance and Performance Panel
Title of Report: Integrated Performance Report Q2 2023-24

Summary and recommendations

Purpose of report:	To present Panel of the Scrutiny Committee recommendations for Cabinet consideration and decision
Key decision:	No
Scrutiny Lead Member:	Councillor James Fry, Panel Chair
Cabinet Member:	Councillor Ed Turner, Deputy Leader (Statutory) and Cabinet Member for Finance and Asset Management
Corporate Priority:	All
Policy Framework:	Council Strategy 2020-24

Recommendation: That the Cabinet states whether it agrees or disagrees with the recommendations in the body of this report.

Appendices

Appendix A	Draft Cabinet response to recommendations of the Scrutiny Committee
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Introduction and overview

1. The Finance and Performance Panel met on 06 December 2023 to consider the Integrated Performance Report Q2 2023-24. The report, which is due for Cabinet consideration on 13 December 2023, recommends that Cabinet notes the projected financial outturn as well as the current position on risk and performance as at 30 September 2023.
2. The Panel would like to thank Nigel Kennedy (Head of Financial Services), Anna Winship (Management Accountancy Manager) and Jason Jones (Finance Business Partner (HRA)) for attending the meeting to answer questions.

Summary and recommendations

3. Anna Winship, Management Accountancy Manager introduced the report. The report provided an update on Finance, Risk and Corporate Performance matters as at 30 September 2023.
4. The Panel asked a range of questions, including questions relating to business rates; specific Council programmes and projects; capital expenditure; Temporary Accommodation costs; announcements made by Central Government in the recent Autumn Statement and their impact on the Council; dividends expected to be paid to the Council by its wholly-owned companies; optimism bias relating to the assumptions within the Budget and Medium Term Financial Plan; and programme and project slippage.
5. In particular, the Panel discussed Temporary Accommodation and the current significant costs to the Council which were only forecast to increase over time. The Panel noted that it was due to consider a report on the options for the acquisition (purchase or lease) of Temporary Accommodation later in the meeting, but that the report did not clearly set out the options available to the Council for reducing Temporary Accommodation costs, which were currently placing large amounts of pressure on the Council's Budget. The Panel agreed that it would be useful for the Council to produce a simple summary document setting out the options available, alongside the advantages and disadvantages of the different options, given the severity of the current national situation in terms of high demand for Temporary Accommodation.

Recommendation 1: That the Council produces a summary document which clearly sets out all of the possible options available to the Council for reducing Temporary Accommodation costs, alongside the advantages and disadvantages of those options.

6. The Panel also noted that there was, as had been the case in previous years, significant slippage in relation to capital and revenue programmes – particularly within ICT and Corporate Property. While the Panel understood that an ‘optimism bias’ reduction was applied to initial assumptions within capital and revenue programmes, the Panel was of the view that the optimism bias assumptions applied would themselves benefit from more robust challenge – particularly given the degree of programme slippage indicated in the report.

Recommendation 2: That the Council challenges the optimism bias assumptions applied to initial assumptions within capital and revenue programmes, with a view to arriving at more realistic assumptions and avoiding the current high degree of slippage going forward.

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