

**To:** Cabinet  
**Date:** 17 April 2024  
**Report of:** Finance and Performance Panel  
**Title of Report:** Integrated Performance Report Q3 2023/24

<b>Summary and recommendations</b>	
<b>Purpose of report:</b>	To present Panel of the Scrutiny Committee recommendations for Cabinet consideration and decision
<b>Key decision:</b>	No
<b>Scrutiny Lead Member:</b>	Councillor James Fry, Panel Chair
<b>Cabinet Member:</b>	Councillor Ed Turner, Deputy Leader (Statutory) and Cabinet Member for Finance and Asset Management
<b>Corporate Priority:</b>	All
<b>Policy Framework:</b>	Council Strategy 2020-24
<b>Recommendation: That the Cabinet states whether it agrees or disagrees with the recommendations in the body of this report.</b>	

<b>Appendices</b>	
<b>Appendix A</b>	Draft Cabinet response to recommendations of the Scrutiny Committee

### **Introduction and overview**

1. The Finance and Performance Panel met on 26 March 2024 to consider the Integrated Performance Report Q3 2023/24. The report, which was considered by Cabinet on 13 March 2024, recommended that Cabinet noted the projected financial outturn as well as the position on risk and performance as at 31 December 2023.
2. The Panel would like to thank Nigel Kennedy (Head of Financial Services) for attending the meeting to answer questions.

### **Summary and recommendations**

3. The report provided an update on the Council's finance, risk and corporate performance matters as at 31 December 2023.

4. The Panel asked a range of questions, including questions relating to capitalisation of spend on Responsive & Cyclical Repairs; Capital Programme slippage; key performance indicators; budget pressures; and corporate and service area risk.
5. In particular, the Panel noted that the report highlighted significant slippage in the Capital Programme, which had been a common theme over the years. The Panel recalled that a 40% 'optimism bias' reduction had been applied in the Medium Term Financial Plan (MTFP) for 2024/25 to 2027/28 in order to better account for slippage within the Capital Programme. However, no comparisons had been undertaken between current slippage levels and how they aligned with the 40% optimism bias reduction assumed in the Capital Programme from 2024/25. The Panel agreed that such analysis would be helpful in understanding the extent to which the 40% optimism bias assumption was realistic.

***Recommendation 1: That the Council undertakes a comparative analysis of the current overall slippage of the Capital Programme and how that aligns with the 40% optimism bias assumptions included in the MTFP 2024/25 to 2027/28, to understand the extent to which the 40% optimism bias assumptions from 2024/25 are realistic.***

6. In addition, the Panel noted significant slippage within Council lettings, for example the letting of 1-3 George Street had been delayed compared to initial estimates. When questioning whether the Council factored delays in lettings into the budget as a matter of course, the Panel was informed that the Head of Financial Services relied on the expertise of officers within Corporate Property when factoring the estimated time taken to complete lettings into the budget. The Panel felt it would be a useful exercise for the Council to undertake an analysis of estimated time taken to let properties versus actual time taken to let properties, so that this information could be used to ensure more accurate assumptions regarding lettings in the budget going forward.

***Recommendation 2: That the Council undertakes an analysis in relation to the letting of Council-owned property between estimated time taken to let properties versus actual time taken to let properties, with a view to being able to incorporate more accurate assumptions in the budget going forward.***

7. During discussion related to risk, the Panel noted that there were two red corporate risks relating to climate change; the Panel felt that these were not separate risks and should be merged. In addition, the Panel was of the view that the red service area risk relating to Hinksey Heated Outdoor Pool was not so significant as to warrant it being a red risk; and that it should be reduced to an amber risk.

***Recommendation 3: That the Council reassesses corporate and service area risks to ensure accuracy of the number and classification of risks, with particular consideration given as to whether the two corporate risks relating to climate change should be merged into one risk and whether the service area risk related to Hinksey Heated Outdoor Pool should be reduced to an amber risk.***

8. The Panel also considered the Key Performance Indicator reporting set out in Appendix D to the report and noted that the document did not clearly set out the reporting period. It was not clear whether the reference to ‘December 2023’ referred to the month alone, the latest quarter (Q3), the year to date, or the revised estimate for the whole financial year. The Panel agreed that future iterations of the Integrated Performance report would benefit from clarity on the reporting period.

***Recommendation 4: That the Council ensures clarity in future Integrated Performance reports in relation to the period covered by Key Performance Indicator reporting.***

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