

DECEMBER 2001

BUDGET NEWS

Oxford City Council must decide on 11th February 2002 what it will spend in the financial year 2002/03 and the level of Council Tax. This paper explains the work done by the Council so far and the difficult choices it is having to make. Your views on the planned spending are sought below.

The Budget Facts

Assuming a 4% increase in Council Tax by Oxford City Council in 2002/03 it is forecast that the funds available next year will be £23,500,000

Historically, the Council has been able to use its "financial reserves" to help fund unforeseen budget pressures arising during the year. These reserves are now exhausted, yet the Council is still required to deliver demand led statutory services, respond to externally generated initiatives and take on additional responsibilities.

From our forward planning, we know that these demands are likely to outstrip available funding next year by approximately £6,000,000.

Options to Balance the Books

The City Council's Executive Board has looked carefully at the Council's planned spending for 2002/03 to find ways in which it can reduce expenditure by about £6m without a major impact on front-line Council services. It has agreed an indicative budget which lists those areas of current spend that it believes could be reduced. (Annex 1)

But there are some alternative options for increasing income and reducing expenditure, and these are listed at the end of Annex 1.

What do you think?

Oxford City Council wants to hear your views on the proposed savings and options outlined in Annex 1. We also want to hear any other ideas for reducing spending that you may have.

There will be a number of opportunities for you to come and express your views to City Councillors over the coming weeks through the Area Committee or Overview and Scrutiny Committee process or via the Forward Plan which you can find on the Council's website: www.oxford.gov.uk

Alternatively you can write with your comments or email them by 18 January 2002 to:

Annette Cunningham
Oxford City Council
Town Hall
St Aldates
Oxford OX1 1BX

or email to

acunningham@oxford.gov.uk

What next?

The City Council will listen and consider the views and comments made; it will be looking to make a decision at its full Council meeting on 11th February 2002.

DETAILS OF PROPOSED BUDGET CHANGES

Introduction

To give the reader a clearer picture of how the proposed changes will affect day to day services each proposed change is described below together with the amount of money involved

The service changes are grouped under each Business Unit and reflect the Council's application of resources to its priorities

Audit & Risk Management

£32,500 saving from a gross budget of £390,000

Additional income of £17,500 will be generated next year through commission on insurance payments and by cautions and prosecutions of those benefit claimants who submit fraudulent claims

There is a proposal to reduce the staffing of the fraud investigation team which would save £15,000 but this will be reviewed in the light of progress in rooting out fraud and the income which the Council is able to secure. If further income is generated by the issue of cautions and prosecutions then the staffing reduction will not be required

Community and Neighbourhood Renewal

£237,000 from a gross budget of £960,000

There is a proposed reduction in expenditure upon twinning of £10,000 which will result in reduced travel and hospitality

The Council currently spends £20,000 on health promotion issues. Unless income can be obtained to finance these the service will need to be cut back

The creche service currently costs £77,000 after the receipt of income from users. The City Council proposes to cease to support the provision of creches but those which are able to continue on a self financing basis will be able to do so

A further £30,000 saving is proposed from by increasing income from play provision across the City

The Council proposes to target grants to ensure that assistance is given to those most in need, and examine whether changes in housing benefit might assist some grant aided bodies, and this will enable the grants budget to be reduced by £100,000

There are opportunities to increase income in this Business Unit and these are being pursued. The proposals will be reviewed in the light of the success in generating additional income

Environmental Health

£164,500 from a gross budget of £2m

The majority of the saving (£137,000) comes from reductions in staffing which can be made without specific reductions in service levels

There are four specific service changes which are to cease the rent marque scheme (£7,500), to stop assessing the British High Commission accommodation (£2,500), delegate empty property work to Area Co-ordinators (£5,700) and to cease the out of hours service for pest control and dog warden services (£11,800)

Other out of hours services will continue but will be reviewed as part of a Council-wide initiative

Financial Management

£180,000 from a gross budget of £2m

A feasibility fund exists which is used for ad hoc projects. There is no planned use for these funds next year and this will save £25,000.

The Council has been devolving its creditor payment system to individual services over recent months and it is possible to reduce staffing in the central finance team by one post which will produce a saving of £20,000.

It is proposed to centralise the previously devolved finance teams which will eliminate duplication and use scarce resources more effectively. This proposal is still under discussion. A review of the central accountancy function is also planned and savings of £135,000 are sought. There may be other ways of achieving this saving and further work is being carried out to seek alternatives to staffing reductions.

Homelessness

£1,135,000 from a gross budget of £7.1m

The cost of dealing with applications from homeless persons and providing accommodation to those who are accepted as homeless has risen significantly over recent years. The number of homeless persons is also rising. The Council will focus upon this problem and seek to manage the available resources as effectively as possible.

A number of specific measures to reduce expenditure in this area will be pursued. The percentage of council owned properties becoming vacant that are allocated to homeless persons will rise from 50 to 75%. Homeless persons will be made one reasonable offer of accommodation instead of the current more generous policy. The Council will seek an additional 75 units for housing homeless persons. The combined financial effect of these measures is estimated to save £1m.

Three other measures, a revision to the furniture removal and storage policy, unavoidable slippage in the Foyer programme and targeted service improvements will save a further £135,000.

Housing Management

£100,000 from a gross budget of £490,000

Housing is a service that is very largely paid for by tenants of council owned properties. Some services provided in this area are not related to the provision of council owned properties and are paid for, after deducting income received, by council tax payers. These services relate to the provision of elderly and care services. It is planned to open a new control centre for the provision of care services and it is estimated that this will save £100,000.

Human Resources & Diversity

£170,000 from a gross budget of £1,166,000

This service has been recently centralised to ensure that a uniform service is provided across the whole Council.

There is a budget for short courses, typically attendance by senior staff at conferences and seminars. It is proposed to reduce this budget by £100,000.

The Council has an employment stability policy which provides employees the option of accepting a more junior post if their current post becomes redundant. Their pay is protected and there is a budget to meet the cost of this. The current level of budget provision is £70,000 more than necessary and it is being reduced accordingly.

Information Systems

£233,000 from a gross budget of £1.5m

The Council has a central IS function and also devolved IS functions in Customer Services and City Works. A review of these three IS functions will take place in the near future.

It is proposed that the opening hours of the data centre should be reduced which will save £33,000 and reductions in staff costs of £200,000 are planned. These will need to be reviewed in the light of the review mentioned above.

Legal Services/Facilities Management

£175,000 from a gross budget of £3m

Some legal work is currently placed with the private sector. Legal work carried out in house is cost effective in terms of hourly rates and a reduction in Council staff resources would need to be more than matched by increased expenditure on private fees. There is no potential budget saving in this area.

Facilities management covers the provision of in house printing, caretaking, cleaning and other core services. It is planned to reduce costs in these areas by streamlining arrangements for purchasing of cleaning materials, increasing Town Hall charges for commercial users (but not concessionary rates), reducing staff and selling the "FC1" personalised number plate. These measures will save £175,000.

Leisure

£330,000 saving from a gross budget of £7.7m (£5m after deducting charges to users)

A complete review of the provision of leisure facilities is currently being carried out and this will be completed early in the New Year. This review may highlight more cost effective ways of delivering the service.

Prior to the completion of this review the following budget reductions have been identified. Closure of retail facilities at Blackbird Leys and the Ice Rink have been agreed and this will save £29,000. Ice Rink opening times will be curtailed and this will save £45,000. Reduced opening times at Hinksey Pool will save £56,000. The closure of Northway Sports Centre will save £55,000. It is planned to review the financial arrangements at the Peers Sports Centre with a view to reducing the City Council's budget requirement by £70,000 and reductions in management and administration costs of £75,000 are planned.

Modernisation Unit

£326,000 saving from a gross budget of £2.5m

This Unit supplies committee support and carries out work connected to elections. The Council has set up Area Committees and has provided for an Area Coordinator for each Area Committee. It is proposed that each Area Coordinator shall cover two Area Committees and this will enable a budget reduction of £160,000.

It is planned to reduce the number of committee staff and administrative staff which will save £166,000.

Oxford Building Solutions

£25,000 saving from a turnover of £9m

This Unit carries out repairs to council owned properties, both council housing and commercial property. The saving has not been specifically quantified, partly because council housing is paid for by council tenants and not council tax payers, but is considered to be capable of being achieved

Parks & Green Spaces

£302,000 saving from a gross budget of £3m

A number of cost savings have been secured during the current year which will help to achieve this reduction. However, there are further reductions required and these will be met by 15 specific measures that include removing an attendant, reduced maintenance standards where circumstances permit eg through scheme re-design and rationalising pitch provision

Planning

£70,000 saving from a gross budget of £2.2m

It is planned to reduce the use of staff in the "planning bank" that are used when the service is experiencing peak workload. This which will save £70,000

Property Investment

£215,000 saving from a gross budget of £9m (£4m after deducting rental income)

The management of the Council's property investment portfolio needs to be reviewed, possibly by bringing in skills from elsewhere. It is planned to reduce staffing by £215,000

Revenues and Benefits

£121,000 saving from a gross budget of £3.5m

The Council has invested £21,000 to secure an improvement in the time taken to process claims for housing benefit and improvements are now being made. That extra investment can be reduced and a saving of £21,000 can be made

Pursuing arrears of poll tax has been successful and it is proposed to reduce resources on this activity which will save a further £15,000

Action to monitor incorrect benefit payments is becoming more successful and £85,000 income from this is reasonably certain

Strategic Policy & Research

£285,000 saving from a gross budget of £2m

A grant of £250,000 is currently given to the Womens Training Scheme. It is proposed to cease this funding which would give a full year saving of £250,000 but the saving in 2002/3 would be at least £100,000

Discussions on the future of the Cowley Training centre are currently being held and it is probable that a saving of £35,000 can be achieved

It is proposed to reduce the planned staffing in this area with a saving of £150,000

Transport & Parking

£35,000 saving from a budget net of income of £950,000

The Council plans to hold negotiations regarding the Thornhill Park & Ride facility which should yield savings of £35,000

City Works

£50,000 savings from a gross budget of £11m

Savings of £50,000 can be identified in this area. There is a range of individual proposals across all service areas particularly public toilets

Other Budget Reductions

A freeze on recruitment	£500,000
Defer non essential property maintenance	£500,000
Reduce non essential purchases	£350,000
Reduce Administration	£340,000
Tackle inflation provisions	£200,000

The total savings proposed are £6,076,000

Other Proposals for Consultation

Possible areas for further savings include

Non- statutory services
Health promotion
Park & Ride increases
Rise in council tax
Car Parking charging structure

Legal - reduce staff
Housing Benefits - reduce staff, cut overtime, end temporary contracts, redeploy scanning team
Corporate Strategy - reduce number of City News and internal newsletter
HR & Diversity - cut staff and postpone job evaluation
Traffic Management - reduce hours of security cover at Park and Ride site
Customer Services - close shops at Summertown and Northway, merge service into Finance structure
Homelessness - reduce use of advice service
Housing - reduction in foyer staff costs and housing policy staff costs

