

Draft Budget 2006/07 to 2008/09 Recommendations of Scrutiny and Area Committees

SCRUTINY COMMITTEES

Housing Scrutiny Committee – 12 December 2005

113. INDICATIVE BUDGET 2006/2007 – 2008/2009

The Strategic Director, Finance and Corporate Services circulated a report (separately) which introduced the details of the draft budgets for 2006/07 to 2008/09 and was considered by the Executive Board on 12th December 2005.

The Committee also had submitted (previously circulated now appended) the following reports, which the Chair agreed to certify as urgent business.

- (i) Housing Revenue Account (HRA) Draft Budget
- (ii) Financial Monitoring Report
- (iii) Oxford Building Solutions (OBS) Consolidation of Housing Revenue Account (HRA) and Direct Services Organisation (DSO) Year 2003/04 to 2006/07

Roy Summers presented the Housing Revenue Account (HRA) Draft Budget and said that the presentation was an extract from a Housing Advisory Board Budget meeting held on 10th November 2005. He added that the Housing Advisory Board had considered the budget in further detail at a second meeting on 18th November 2005.

In response to question on the garage sites, Graham Bourton said that the Council was trying to deal with the environmental issues highlighted during the Housing Inspection. He said that to dispose of the sites took time and the intention was to have a budget that could be used to clear the sites, as a cleared site was more valuable than one that still had derelict buildings etc. on it

Michael Lawrence in response to questions on the unallocated bids for housing inspection work, said that £250k had been initially allocated to the Stock Options Appraisal process, and some of this funding (£97k) was being reallocated to be drawn down for improvement projects highlighted in the Housing Inspection report. He further added, that projects would be approved by the Housing Advisory Board before the money was spent.

Councillor Fooks said that she was concerned that the Housing Advisory Board was taking decisions on the budget before the Housing Scrutiny

Committee had a chance to comment. She further asked what was the normal HRA surplus each year and what was done with it.

In response Roy Summers said that until recently the HRA had no surpluses, however due to a change in the way the housing subsidy was calculated with regard to capital borrowing and charges, an annual surplus had become the norm. Michael Lawrence added that the Housing Advisory Board did not take decisions, but only approved the draft budget for the next stage of the process. Roy Summers further added that it had been suggested in the past that the Housing Scrutiny Committee and the Housing Advisory Board reviewed the budgets together in the future.

Michael Lawrence with regard to the papers circulated detailing the capital budget, said that these papers were working documents and would change month by month as the capital programme progressed. Councillor Rundle said that the Housing Scrutiny Committee needed to look at the decisions on dealing with assets. Councillor Fooks added that it would be useful to see an Asset Management Plan.

In response to further questions Michael Lawrence said that no assets were disposed off until the full process had been gone through and that the Asset Management Plan was currently being reviewed.

Councillor Rundle said that there was an issue with balancing the different priorities of being a landlord and whether in every instance it was better to obtain the highest value for a property being disposed of or whether it would be better to develop the site as a social housing site. He added that there was a lack of strategy/parameters on the sale of assets.

Val Johnson with regard to General Fund Budget that had an impact on housing issues, said that this was mainly through recharging for CANACT and Housing Development. She said that there would be pressures on the Rough Sleepers Budget mainly due to reductions in Supporting People funding. However, £500k of cuts from Supporting People that were expected have not materialised. She further added that the savings identified for her Business Unit could be achieved through re-modelling and Best Value.

The Committee agreed:

- (a) With regard to the Housing Revenue Account and the Housing Capital Programme draft budgets:
 - (i) To support the bids to the Housing Revenue Account (HRA) Budget;
 - (ii) To note with concern the impact cuts in Supporting People monies would have for Neighbourhood renewal in years two and three and that this was not yet fully reflected in the 3-year budget;

- (iii) To note that in subsequent years the unallocated budgets for housing inspection work in the HRA increased significantly and to request that the budget titles in the HRA were more descriptive to allow for a clearer understanding of the budget;
 - (iv) That the improvement projects identified in the Housing Inspection Report were defined as a matter of urgency;
 - (v) To request that in future that details of previous years budgets were also submitted to allow the Housing Scrutiny Committee Members to make comparisons;
 - (vi) To recommend to the Housing Advisory Board that it and the Housing Scrutiny Committee in future years reviewed the draft budgets together in a joint meeting;
- (b) With regard to the draft General Fund Budget:
- (i) That Members felt that the form of the Budget Book made it very difficult to interrogate and that to properly manage the 3 year budget, the full details of the 3 year draft budget was required;
 - (ii) To note that the Houses in Multiple Occupation (HMO) Licensing fee was unclear and could change to what was stated in the draft budget;
 - (iii) To recommend the Community Scrutiny Committee to consider the fees and charges for the Environmental Health Business Unit.
- (c) To note the following additional reports that were submitted to the Committee:
- (i) Housing Revenue Account (HRA) Draft Budget
 - (ii) Financial Monitoring Report
 - (iii) Oxford Building Solutions (OBS) Consolidation of Housing Revenue Account (HRA) and Direct Services Organisation (DSO) Year 2003/04 to 2006/07

Community Scrutiny Committee 19 December 2005

88. INDICATIVE BUDGET

The Strategic Director, Finance and Corporate Services, submitted a report (circulated separately,) which introduced the details of the draft budgets for 2006/07 to 2008/09.

The Chair reminded members of the Committee that they should concentrate on the sections of the budget that dealt with Neighbourhood Renewal and Environmental Health.

Neighbourhood Renewal

The Committee welcomed Val Johnson (Neighbourhood Renewal Business Manager) who introduced the Neighbourhood Renewal budget. She began by explaining the expenditure areas each budget heading included, as follows:-

- Community – included support to community centres, management of community centres, health promotion, substance misuse and street wardens;
- Housing – included housing development, anti-social behaviour, and a small amount of housing advice;
- International Exchange – included the city's international links, and included external funding;
- Neighbourhood Renewal – included projects for community training schemes;
- Rough Sleepers – included some external funding via the Homelessness Directorate;
- Social Inclusion – included some funding for Sure Start staff and Closing the Gap staff;
- Funded Scheme – included maintenance of the community database, the Looking After Yourself project and the Active Sports project;
- City Centre CCTV – this was self-explanatory.

It was observed that quite a large proportion of external funding was coming into this budget.

The following additional information was given in response to questions posed by members of the Committee:-

- Neighbourhood Renewal aimed to meet inflationary pressures by increasing the fees charged to housing development and contractual work between CANAcT and Registered Social Landlords (RSL). Officers were working closely with the Primary Care Trust, as it was hoped to move staff from the Sure Start and Healthy Living Projects into other areas of funding, (probably external.)

- There were nine members of staff covered by the Neighbourhood Renewal Service budget. This also included all the administration costs and supplies and services. Val Johnson indicated that she would inform the enquiring Councillor directly of the names of the post holders and their specific jobs.
- It was observed that recharges made the budget rather opaque. Members wished to understand more clearly what effect they had in reality.
- Employee inflation was 3%; but it was hoped to obtain PCT funding for the Sure Start and Healthy Living project staff, and to increase the contracts for CANAcT. An allowance of £60,000 had been made for inflation and £130,000 for other pressures.

Environmental Health

The Committee welcomed John Copley (Environmental Health Business Unit), who introduced the Environmental Health budget.

He began by explaining that his Business Unit was seeking £50,000 to balance its budget. It hoped to achieve this by holding the transport budget at present levels, and not making an inflationary allowance on supplies and services. The proposed 3% cut would be met by a combination of efficiency savings and increasing income for some fees and charges.

The following additional information was given in response to questions posed by members of the Committee:-

- Fees and charges would be increased in a variety of ways. In some cases the existing fee would be raised by a fairly modest amount. In other cases the activity level would be increased so that extra fees were earned, and there would be one or two cases whereby the fee would be increased by a disproportionate amount. The example cited was that of sex establishments where the fee for registration would rise from £5,000 to £6,000. This was commensurate with the fee charged by many other local authorities, whilst remaining cheaper than some – Westminster charged £25,000, for instance.
- As far as the Licensing Act 2003 fees were concerned, the aim was to achieve a neutral position, but from 2007 onwards the hope was that resources would be tailored to the income stream.
- The balance between services provided at no cost, and those for which a charge was made, had not changed. There was a reasonable degree of confidence that the new budget targets would be met.
- If a higher level of enforcement were achieved, there would be resource implications. Currently the thinking was to contain enforcement levels within the existing budget. As a Business Unit,

Environmental Health would welcome a debate on the level of enforcement desired by members of the Council. It was observed that enforcement should be responsive to requests and queries from the public.

- Houses in Multiple Occupation (HMO) licensing would take effect from April 2006.

General Issues

The Committee welcomed Penny Gardner (Financial and Asset Management Business Unit), who provided the following information in response to questions posed by members of the Committee:-

- Penny Gardner had no knowledge of any cuts to services.
- It would be possible to investigate different methods of making recharges easier to understand. A request was made for a brief explanation of what each Business Unit within the Council did and what the cost for each activity was.
- The budget for concessionary fares contained £800,000 more than expected, owing to additional external funding having been received. This was good news for the next financial year, but it was not expected to continue in that way forever. There was a need to be cautious in the future.

Resolved:-

- (1) To thank Val Johnson, John Copley and Penny Gardner for their attendance;
- (2) To ask that they noted all the comments from members of the Committee;
- (3) To note the contents of the budget as presented to the Committee.

Environment Scrutiny Committee – 19 December 2005

61. INDICATIVE BUDGET 2006/07 TO 2008/09

The Strategic Director, Finance & Asset Management submitted a report (now appended).

1. Planning

Michael Crofton-Briggs addressed the Committee on the Planning Services budget confirming that there was a budget pressure of £262k. He then explained

where the savings might be made to avoid cuts to the Planning Service in the current year as follows :

- fees set by the Government in relation to the determination of planning applications in the region of £100k
- £40k from external funding in relation to work with the County Council and the West End Steering Group
- £60k taken from Local Plan/Local Development Framework to cover staffing costs in planning policy
- additional planning grant to cover residual costs of £63k unaccounted for
- staffing costs had increased by a further 3% with inflation although there had been no increase in the base budget
- Government grants were awarded in line with national targets which the Council narrowly met, but future security depended on continual performance and so the financial situation remained precarious
- responding to questions on which aspects of the service might need support during the budget process, Mr. Crofton-Briggs suggested the Public Realm Strategy and Environmental Enforcement. Further choices on priorities could then be made when the budget analysis had taken place and was again presented to Councillors
- Members said that they had been waiting for a further report on enforcement issues for some time and asked for it to be submitted in January.

2. Transport & Planning

Graham Smith spoke about the transport and car parking services budget. He explained that the 3% saving of £109k in 2006/07 could be met from the deletion of three vacant posts, reduction in temporary posts (customer services officers at car parks), and additional income from fixed penalty notices for unauthorised parking in the City which has been increasing each year and is not currently acting as a deterrent to illegal parking.

Members asked about security and parking charges. Mr. Smith explained how security would not be affected and said cars coming into the City looking for free parking would not detract from the income arising from enforcement. He also explained that although there were regulations controlling loading times for business along highways around the City, their enforcement was a County Council responsibility.

Sharon Cosgrove said that although not currently reflected in the LTP, which was a County document, consideration of future traffic and parking strategy was

ongoing as part of the Westgate planning development. Further work was required to deal with issue of concessionary bus fares.

Committee confirmed it's view that the County had not yet implemented recommendations to relieve and improve upon transport and emissions in the City. They stressed that bus services were in need of urgent review to deal more effectively with traffic and passenger flows to prevent congestion and the effect on air quality.

3. Built Environment

John Hill spoke about the Built Environment budget. He said that it would be a struggle to make savings of £60k in 2006/07 but that they would probably be achieved through a number of measures and commented as follows:

- reduction of a post in development and landscaping
- £30k on rates and associated payments
- 2007/08 using savings from rates and insurance
- difficult to see how target of £66,283 would be reached in 2008/09
- Andy Collett explained that Mr. Hill's figures appeared different from those shown in the budget book as adjustments had been made for inflationary measures on salaries and costs which had not yet been calculated for some other business units. Members said that it appeared that the updated figures in general did not seem to have been made available. Mr. Collett said that this was because further work on the budget had been undertaken since the budget book was presented to the last meeting of the Executive Board
- Members noted the key objectives as set out in the schedule and Mr. Hill confirmed that ongoing work to deal with asbestos was contained within the general maintenance budget. A further £70k might be secured from energy savings projects but as yet this was uncertain. Further income may also accrue from building control work in connection with the Westgate Development
- Members expressed their concern at the rising costs in relation to Council buildings and asked that energy sustainable schemes such as solar heating should be implemented wherever possible. The Committee asked for greater awareness of energy impact issues and that more work be carried out to implement renewable energy schemes in buildings maintained by the Built Environment business unit.

4. Leisure & Parks

Dave Tucker, Steve Holt and John Wade attended to discuss the Leisure and Parks budget.

Mr. Tucker confirmed the budget pressure figure as £234k which would be met in a number of ways :

- The management team had overhauled operational and budgetary procedures addressing any anomalies.
- There would be a general increase in charges across cemeteries, parks and leisure in line with charges set by other agencies
- readjustment of the Ferry Sports Centre Business Plan
- savings had been made from the events budget in the current year but there would be severe pressure in 2006/07 and further detail would be reported in January
- Members said that they would regret any service cuts and said that they hoped that the burial service could be extended to cover weekends to accommodate some faith groups as had previously been discussed
- In reply to further questions, Sharon Cosgrove explained the way recharges work to cover the costs of internal support services in accordance with Central Government requirements. Members said that they were still awaiting a report on the outcome of research into recharges from the Finance Strategic Director
- Members again said that there were considerable concerns regarding rising energy costs and the future use of leisure centres and asked the Executive Board to implement urgent funding to future proof the Council against energy expenditure
- Mr. Tucker said that a report would be available in January on urban forestry funding as there was currently no available allocation in the Parks budget to cover this

5. City Works

Sharon Cosgrove and Andy Collett dealt with the City Works budget in the absence of Philip Dunsdon who was on leave. They explained how the budget pressure would be met in a number of ways :

- £50k reduction in maintenance of public conveniences in 2006/07
- reduction in transport department staffing and vehicle leasing costs
- £22k through increase in trade waste prices
- reduction of £16k through recycling credits on current projects

- £5k on domestic refuse payments from County Council
- reduction of overtime budget by £22k

Members raised a number of questions and comments on the figures as follows:-

- asked for no reduction in standards due to reduction in public convenience maintenance costs
- noted reduction in overtime costs were due to contractual changes
- asked City Works Business Manager for a report on the potential impact in relation to the levels of waste processed by the Council as part of the arrangement with the County Council
- noted engineering costs were in relation to transport replacement requirements.

Conclusions

In concluding the debate on the budget, Members asked for the following issues to be referred to the Executive Board :

- the figures put to Members to consider had not been updated to include the latest information available to Business Managers and so the Committee had been unable to undertake meaningful scrutiny
- continue to urge the County Council for the implementation of transport measures to deal in particular with the number of buses in the City centre and their detrimental effect on air quality
- greater awareness of energy impact issues and that more work be carried out to reduce energy costs on Council buildings and implement renewable energy schemes where possible
- ask the Strategic Director for Finance about report on research into recharges
- note concern regarding rising energy costs in Leisure Centres and asked for urgent implementation of funding to future proof the Council against energy expenditure
- City Works Business Manager to produce report on implications of not meeting waste reduction targets

NOTE The Finance Scrutiny Committee will consider the draft budget at its meeting on 24 January and comments will be reported orally.

AREA COMMITTEES

Cowley Area Committee – 7 December 2005

118. INDICATIVE BUDGET 2006/2007 – 2008/2009

The Strategic Director, Finance and Corporate Services circulated a report (separately) which introduced the details of the draft budgets for 2006/07 to 2008/09 and was considered by the Executive Board on 12th December 2005.

Penny Gardner (Finance and Asset Management) introduced the item and informed the Committee that the Council had a net expenditure from the General Fund of £25m per year and that the balances in the General Fund stood at approximately £3m, which was above the minimum required by the District Auditor.

Penny Gardner said that the Government Settlement with regard to the grant that the City Council received had provided an additional £1.2m, however £1m of this was for funding the concessionary bus fares scheme. She added though that there was approximately £500,000 available to spend on new services or improving existing services.

Councillor Bryan Keen said that Councillors had been involved in the budget process through the various Scrutiny Committee and that the process was still in its early stages before the budget went to the Executive Board and Full Council for approval.

Councillor Paskins said that Members would be going through the figures and information and submitting options on how the £500,000 should be spent and he encourages members of the public to contact Officers and their Ward Councillors with any suggestions that that might have.

The Committee agreed:

- (a) To thank Penny Gardner for attending the meeting;
- (b) To encourage members of the public to contact their Ward Councillors or Officers if they had any queries or suggestions on the budget;
- (c) To RECOMMEND to the Executive Board that a bid to fund the work programme from the Allotment Condition Survey should be included as part of the 2006/07 budget process.

North Area Committee – 5 January 2006

128. INDICATIVE BUDGET 2006/2007 – 2008/2009

The Strategic Director, Finance and Corporate Services circulated a report (separately) which introduced the details of the draft budgets for 2006/07 to 2008/09 and was considered by the Executive Board on 12th December 2005.

Mike Baish (Finance and Asset Management) introduced the item and outlined the budget proposals. He informed the Committee that since the report had been produced the situation had further improved following the Governments Grant Settlement which the City Council received as an additional £1.2m had been allocated to the City. He further added that there was approximately £500,000 available to spend on either new services or improving existing services.

Councillor Goddard said that the budget document was impenetrable and consultation should start at the beginning of the year, starting with small groups that would be given information. He said that he and other Members had found it difficult to obtain information and that Officers had said that while some services were expensive, they did not know why. He said that if the Officers did not know why, how could Members and the public be expected to know.

The Committee agreed to RECOMMEND the Executive Board:

- (a) That the additional budget of £100k for Area Committees be re-instated to continue from the 2008/09 budget which is when the current three year funding comes to an end;
- (b) That there should be real devolution to Area Committees of powers AND budgets;
- (c) To again note that the budget consultation at Area Committee was not effective as it was not clear how they could contribute to the process and that this had been raised in previous years;
- (d) That in future years the budget consultation should start at the beginning of the Council Year and should be innovative in how the consultation should be undertaken.

South East Area Committee – 9 January 2006

170. INDICATIVE BUDGET

The Strategic Director, Finance and Corporate Services submitted a report (circulated separately), which introduced details of the draft budgets for 2006/07 to 2008/09. The Executive Board considered this on 12th December 2005.

Mark Luntley, Strategic Director of Finance and Corporate Services attended the meeting to present this document to the Committee. He made the following key points:-

- (1) Three quarters of the Council Tax raised by the City Council would be paid to the County Council and the Police Authority. The City Council had a net budget of @£25 million, of which £10 million was raised from the Council Tax. The City Council would spend somewhere in the region of £131 million in the coming year, with the balance being made up from government grants. It was likely that the Council Tax increase for the forthcoming year would be around 4%. The Council would be rate capped if it went above 5%.
- (2) The City Council needed to make savings of around 3% in the coming year. It was expected to make efficiency savings each year. There would be choices attached to spending plans that Councillors would have to make.
- (3) In answer to a question, Mr Luntley explained that the distribution of spending across the city was hard to quantify, as the figures did not show spending by area. Business Rates were collected nationally and then distributed back to each local authority. Whilst it was quite true that students did not pay Council Tax, this would be reflected in the grant from the Government. The Government had also provided money for the concessionary bus fares scheme, but the City Council had to organise and pay for it. People on low incomes were entitled to help with their Council Tax.
- (4) He noted comments made by the Committee concerning the weighting of Area Committee Budgets according to deprivation indicators.

Resolved:-

- (1) To thank Mark Luntley, Strategic Director of Finance and Corporate Services, for his attendance and informative presentation which was noted;
- (2) To note in particular the comments made concerning the weighting of Area Committee budgets according to deprivation indicator.

Central South and West Area Committee - 10 January 2006

161. INDICATIVE BUDGET 2006/2007-2008/09

The Finance and Asset Management Business Manager submitted a report (previously circulated and now appended).

Resolved to inform the Executive Board that the Committee would RECOMMEND that:-

- (1) the three-year £100,000 allocation included in the budget for Area Committees should be retained

- (2) the capital allocation to Area Committees should be reduced and the revenue allocation increased to allow committees greater flexibility in spending the money allocated to them
- (3) an allocation should be included in the budget to allow works identified in the Allotments Condition Survey to be carried out over a three year period.

East Area Committee – 18 January 2006

Agreed to RECOMMEND the Executive Board that the additional £100,000 previously agreed for Area Committees for one year be continued and that more funding be allocated to Area Committees to enable them to further develop area working and area decision making. (DRAFT – taken from the Action Sheet)

NOTE: The North East Area Committee will be considering the draft budget on 24 January 2006 and any recommendations will be reported at the meeting.