

**Report of:** Chief Executive

**To:** Executive Board and Council

**Date:** 8 October 2007

**Item No:**

**Title of Report :** Performance Reward Grant



### Summary and Recommendations



**Purpose of report:** To review alternative proposals for allocation of the Performance Reward Grant



**Key decision:** No

**Portfolio Holder:** Councillor John Goddard

**Scrutiny Responsibility:** Finance

**Area(s) affected:** All

#### **Report Approved by:**

**Portfolio Holder :** Councillor Goddard

**Legal :** Jeremy Thomas

**Finance :** Sarah Fogden

**Strategic Director :** Mark Luntley



**Policy Framework:** Sustaining Financial Stability



**Recommendation(s):** Executive Board is recommended to recommend Council to:



a. Confirm that any allocation of Performance Reward Grant to new activity can only take place when the budget forecast for 07/08 is stable and robust.

b. Agree that subject to recommendation (a), half of the previously agreed award grant allocation for Systems Thinking (£43,843) should be diverted to flood prevention projects rather than the Dovecote Centre and that the remaining allocations are made in line with the 13 August Executive Board recommendations.


## Introduction

1. Reports to EB on 13 August and Council 3 September proposed an allocation of Performance Reward Grants as follows;

£43,843 to offset Systems Thinking costs (revenue)  
£43,844 for the new HR/Payroll project (capital)  
£316,905 for new Housing projects (50% revenue, 50% capital)

2. An amendment agreed at Council changed the allocation to use half of the Systems Thinking money to support the Dovecote Centre at Blackbird Leys. See Appendix 1 for extract of draft Council minutes.
3. The Leader, on behalf of the Executive, objected to the Council's in principle decision. The Board therefore needs to consider whether it wishes to affirm its original recommendation to Council, accept the amendment proposed by Council or submit a revised recommendation to Council. This report offers options and makes a recommendation as to how the money should be utilised. Council's decision on the matter will be final.

## Financial Position

4. Senior officers review Budget forecasts regularly and a range of reports is provided for members on a monthly and quarterly basis. A number of potential risks for the 07/08-budget outturn are being monitored closely including; changes in concessionary bus fares, staffing costs, Single Status costs and car parking income. In view of the level of uncertainty in the ent forecast the Council needs to avoid committing to new spending.
5. The recent flood emergency has highlighted the need to review the Council's spending on flood prevention measures and has also led to unbudgeted cost pressures this year (an initial assessment of the Financial impact of the flooding is being reviewed by Executive Board at this meeting).

## Options for Performance Reward Grant allocation

6. If the budget outturn remains uncertain it is recommended that all the Performance Reward Grant is used to offset cost/income pressures and balance the budget.
7. If and when the budget situation allows, the following options for allocation of the performance reward grant could be considered;
  - a. Continue with allocation recommended in EB and Council papers 13 August/3 September (see paragraph 1 above)

- b. As (a) but allocate £20,000 to the Dovecote Centre in line with Council decision 3 September (reducing the allocation to Systems Thinking)
- c. As (a) but allocate £20,000 to new priorities, specifically flood prevention schemes (reducing the allocation to Systems Thinking)

### **Options assessment**

8. The lowest risk option is to use the grant to offset cost/income pressures.

If new spending becomes viable, option (a) has the advantage of being consistent with the Corporate Plan, 07/08 budget and Directorate plans. Option (b) is consistent with the 3 September Council decision but is inconsistent with the decisions made by Executive Board regarding the allocation of Grants to Community and Voluntary groups. The Dovecote Centre applied for a grant of £20,000 for low cost out of school play facilities and to provide a daily drop in centre for families with children aged 0-5. The application was declined because after school play facilities and drop in services are the primary responsibility of Oxfordshire County Council, therefore officers did not recommend a grant. The recommendation was reviewed and endorsed by the officer 'disputes' panel.

Option (c) recognises the new pressures arising from the flood emergency and would provide some additional resources for short term actions to improve flood defences. This could include additional maintenance activity on the watercourses that are the responsibility of the Council and some small scale flood defence schemes to implement ideas raised recently by community groups in Wolvercote, Osney Island, Botley Road etc.

### **Summary and Recommendations**

9. Executive Board is recommended to confirm that any allocation of Performance Reward Grant to new activity can only take place when the budget forecast for 07/08 is stable and robust.
10. Executive Board is recommended to agree that subject to the above recommendation, half of the previously agreed (EB 13 August) reward grant allocation for Systems Thinking (£43,843) should be diverted to flood prevention projects rather than the Dovecote Centre (Council 3 September). Details of the allocation to flood prevention projects would be the subject of a further report to Executive Board.

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**Background papers:** EB paper 13 August/Council paper 3 September  
'Performance Reward Grant'



## **EXTRACT FROM THE DRAFT MINUTES OF COUNCIL OF 3<sup>RD</sup> SEPTEMBER 2007**

### **59. PERFORMANCE REWARD GRANT**

Council had before it the following:-

- (a) Minute and recommendation of the Executive Board of 13<sup>th</sup> August 2007;
- (b) Report of the Finance and Asset Management Business Manager.

Councillor Bance seconded by Councillor Turner moved an amendment to alter the way in which the Performance Reward Grant was allocated, as follows:-

- Reduce the allocation for systems thinking costs (revenue) by £20,000 to £23,843;
- Add an allocation of £20,00 for out of school facilities and a pre-school drop-in centre at the Dovecote Voluntary Parent Committee.

The Head of Legal and Democratic Services advised Council that if it agreed the amendment it could only do so on an “in principle” basis and that the Leader, on behalf of the Executive, could within five working days object to the amendment.

Following a debate more than 10 Members asked for a recorded vote as provided for in Council Procedure Rule 11.16(d). Council then voted upon the amendment and this was carried, 26 members voting in favour, 14 members voting against and one member abstaining as follows:-

For the amendment: The Lord Mayor (Councillor Tanner), the Sheriff (Councillor Clarkson), Councillors Abbasi, Bance, Benjamin, Cook, Craft, Dhall, Gray, Keen, Kent, Khan, Lacey, Malik, McManners, Phelps, Pressel, Price, Sanders, Simmons, Sinclair, Timbs, Turner, Van Nooijen, Williams and Young.

Against the amendment: The Deputy Lord Mayor (Councillor Tall), Councillors Altaf-Khan, Armitage, Campbell, Fooks, Goddard, Hollander, Hussey, Murray, Roaf, Royce, Rundle, Scanlan and Van Zyl.

Member abstaining: Councillor Sargent.

Council then voted upon the substantive recommendation as follows:-

- (1) To increase the capital budget by £202,296 and the revenue budget by £202,296 in respect of the award of the Performance Reward Grant;
- (2) The sums received be allocated as follows:-
  - £23,843 for systems thinking costs (revenue);
    - £20,00 for out of school facilities and a pre-school drop in centre at the Dovecote Voluntary Parent Committee;
    - £43,844 for the HR/Payroll project (capital)
    - £316,905 for housing projects (50% revenue and 50% capital).

(The Leader said that he objected to Council's decision).