

CITY EXECUTIVE BOARD

Wednesday 4 February 2009

COUNCILLORS PRESENT: Councillors Bob Price (Chair), Ed Turner Vice-Chair) Antonia Bance, Colin Cook, John Tanner, Bob Timbs and Oscar Van Nooijen.

OFFICERS PRESENT: Peter Sloman (Chief Executive), Penny Gardner (Finance), Chris Lee (Media and Communications) and Jeremy Thomas, Pat Jones and Brenda Lammin (Legal and Democratic Services).

175. APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillors Mary Clarkson and Sajjad Malik.

176. DECLARATIONS OF INTEREST

There were none.

177. PUBLIC QUESTIONS

There were none.

178. BUDGET SCRUTINY – INDICATIVE BUDGET 2009/10

The Value and Performance Scrutiny Committee submitted a report (previously circulated and now appended). The Board also considered the Value and Performance Scrutiny Committee's recommendations on the Budget, as agreed at the Committee's meeting on 2 February 2009.

Resolved to note and, where appropriate, take action on the recommendations of the Value and Performance Scrutiny Committee as set out below:

A. Presentation of budget figures for consultation and agreement

Recommendation

That aggregations should be highlighted accompanied by notations explaining their affects within other areas of the budget. Where these have an effect on establishment budgets that reallocation should be completed as quickly as possible. This will ensure service managers have a clear view of their budget as early as possible in the year and that planning for the coming year is done from a sound establishment base at service level.

Response

It was not possible to show disaggregated figures at this stage because work was not complete on restructuring or single status. The aggregated figures gave an achievable envelope inside which managers could work. The disaggregated figures would be published as soon as possible.

Recommendation

That guidance for the completion of action sheets is issued and controlled corporately to ensure consistency and quality of information.

Response

Agreed – this was being done.

B. Priorities within the budget

Recommendation

That an introduction be added to the budget papers outlining clearly the rationale for services protected and reduced within the budget and how this linked to Corporate Plan and consultation priorities

Response

Agreed – this would be done. It would be useful if next year Scrutiny could look at the savings agreed in the budget and how they compared against the priorities in the Corporate Plan. It was noted that feedback would be given to those who had taken part in the consultation so they understood why in some cases it had not been possible to implement suggestions.

C. Innovation and transformation

Recommendation

Space within the budget and staff allocations is made to:

- Encourage officers to consider innovative ways of delivering services that not only matches but also challenges the best.
- Move forward the Transformation Programme at a pace that challenges but does not undermine the organisation.

Response

Agreed. Innovation should not only be as a result of a crisis or perceived threats to services but should be a permanent change in the behaviour and culture of the Council. It was important to recognise the need to move forward at a pace that challenges but does not undermine the organisation. The Board urged political groups to be mindful of capacity issues in deliberations on potential budget amendments.

D. Energy management

Recommendation

Priority consideration is given in all areas for better energy management to produce short and longer-term savings.

Response

Agreed. It was vital to use what money was available in a way that did not duplicate funding from other sources and obtained maximum benefit. Repair and maintenance work should concentrate on energy saving measures and savings made be reinvested into more energy saving measures. There was a balance to be achieved between the Council's energy efficiency and the carbon footprint of Oxford as a whole, but currently there was not sufficient funding available to pay for the important work needed on private sector housing to help reduce the City's carbon footprint.

E. Budget risk

Recommendation

That any budget set within the context of the current economic downturn is likely to produce high risks. This budget is therefore high risk and diligent and comprehensive monitoring arrangements need to be set in place.

Response

Agreed. Despite the numerous challenges currently facing the Council the actions taken to make savings in 2008/09 would set the Council in good stead for the future. Estimates of this year's under spend were believed to be achievable and it was hoped they may even be exceeded. The proposed budget had no unallocated savings and this meant the risk was significantly lower than in previous years. It was important that every opportunity should be taken to explain to the public that the challenges facing the Council were not as a result of any unwise actions by the Council, and why the Council was unable to do all those things it would have liked to do.

The Board was aware that there would be some suggestions for changes to the administration's budget, and slightly different ways of achieving savings may be agreed, but it was vital that the basic assumptions upon which the budget was based were adhered to.

F. Windfall grants

Recommendation

That the potential for in coming grants is noted corporately within the budget but not allocated, unless this is prudent to do so, and that any costs allocated within the budget allied to these grants are shown at the same corporate level.

Response

Agreed.

179. BUDGET FOR 2009/10 TO 2001/12

The Head of Finance submitted a report (previously circulated and now appended).

Resolved to RECOMMEND Council to: -

- (1) Note the overall financial position and approve the budget changes referred to in paragraphs 9 to 12 of the appendix on third quarter revenue and capital budget monitoring 2008/09 as follows:-
 - a. All budgets have been reviewed and changes are reflected in the forecast to show expected under spends for which budget carry forwards will be required. The budget deficit has reduced to £135k as a result.
 - b. The variance to profiled budget is mainly as a result of vacancies which are reflected in the forecast. There is a variance relating to income from shops due to profiling. Contracting and repairs is showing a small net overspend, and the forecast includes an additional £386k for sub contractor spend relating to disabled adaptations, with reduced spend on materials. Expenditure on tower blocks and flats is showing an over spend against profile as some expenditure relating to the sheltered block review is currently being shown here.
 - c. The reductions in the forecast requiring carry forwards are: £220k for CCTV, the contract for installation is currently being tendered so expenditure will not be incurred this year; £150k for feasibility studies, although work has been progressing well on the sheltered schemes, feasibility studies are required on the tower blocks and maisonettes; £30k for diversity training, a programme of training has been devised and is being rolled out across the service.
 - d. It is requested that members approve budget changes reflected in the forecast and that this becomes the approved budget for 2008-09. It is also requested that members give preliminary approval for the carry forwards.
- (2) Approve the General Fund budget at Section 1 of the Budget Book.
- (3) Approve the Housing Revenue Account budget at section 2 of the budget book and an average dwelling and garage rent increase 6.54%.
- (4) Approve the Capital Programme.
- (5) Agree that in determining the 2008/09 financial outturn, the Chief Executive and Section 151 Officer can approve adjustments of funds between Revenue and Capital in order to optimise the Council's financial position in line with the Medium Term Strategy.
- (6) Agree that any under spends in the 2009/10 budget are earmarked to generate a contingency for non achievement of savings and further

credit crunch pressures of £500,000, thereafter to allocate for the Icelandic provision up to £2 million, and thereafter be available for Transformation and Invest to Save projects.

- (7) Note that, in recommending the budget for approval, the Board recognises that recharges between services are for the Section 151 officer to determine, and that finalising service level agreements may require a post budget-setting exercise by officers that could result in some adjustments between funds.

180. FUTURE ITEMS

No issues were raised under this item.

The meeting began at 5.00 pm and ended at 6.12 pm.