

# FOR FINANCE PANEL (PANEL OF THE SCRUTINY COMMITTEE) - WEDNESDAY 21 JANUARY 2015

Agenda No    Item

4.      Budget Review



INVESTORS  
IN PEOPLE



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**To: Finance Panel (Panel of the Scrutiny Committee)**

**Date: 21 January 2015**

**Report of: Chair of Finance Panel**

**Title of Report: Budget Review – key themes and additional information**

## **Summary**

**Purpose of report:** To summarise key themes emerging during the 2015/16 Budget Review

**Key decision:** No

**Executive lead member:** Councillor Ed Turner

**Report author:** Andrew Brown

**Policy Framework:** Corporate Plan and Budget

## **Appendices**

Appendix 1 – Summary of key themes from the Budget Review

Appendix 2 – General Fund Budgets 2013/14 and 2014/15

Appendix 3 – Workforce composition

Appendix 4 – Earmarked reserves schedule

Appendix 5 – Aggregate fuel and energy costs

Appendix 6 – Community Services – additional information

Appendix 7 – Fees and charges overview

Appendix 8 – Budget Consultation Results

Appendix 9 – Trading Income

Appendix 10 – Consultant spend 2014/15

Appendix 11 – Breakdown of SLA charges

## **Background**

1. The Finance Panel has held meetings with the City Council's Head of Finance, three Executive Directors and their supporting officers as part of its annual Budget Review.

2. This paper is intended to summarise the key themes that have emerged during the Budget Review (Appendix 1), and provide additional information that the Panel requested (Appendix 2-11).

### **Requests for additional information**

3. The Panel requested the following information. With the exception of the Educational Attainment request, responses to these requests have been appended:
  - Figures for previous 1-2 years included in Appendix 1 to provide some historical perspective and comparison.
  - Composition of the workforce by pay grades.
  - Reserves and balances data.
  - The number of landlords in Oxford and the number of HMO properties currently covered by the scheme.
  - Aggregate fuel and energy costs.
  - A paper setting out what flexibility we have in setting fees and charges.
  - How the remaining Educational Attainment budget will be used (to follow).
  - Consultation responses.
  - Total revenue the City Council receives from successful competitive bids.
  - Consultants spend.
  - A list of recharges.

### **Further consideration**

4. The Panel identified the following issues for further scrutiny:
  - HMO licensing and plans to extend this regime to Scrutiny in June 2015.
  - The overall number of apprenticeship opportunities created to be monitored quarterly by the Scrutiny Committee.
  - Regular update reports on external trading accounts to Finance Panel.
  - Educational attainment to be reviewed by the Scrutiny Committee on 19 January 2015.

### **Nest steps**

5. The Panel is asked to reflect on the evidence received and begin to identify recommendation areas.
6. The Panel aims to publish its final Budget Review report and recommendations by 6 February 2015.

### **Name and contact details of author:-**

Name: Andrew Brown  
Job title: Scrutiny Officer  
Law & Governance  
Tel: 01865 252230 e-mail: abrown2@oxford.gov.uk

**List of background papers:** None

**Version number:** 1

## Budget Review –summary of key themes

<b>Theme</b>	<b>Notes / suggested commentary</b>
The overall financial health of the City Council	<p>Overall, the Review Group is satisfied that the budget is balanced over 4 years and supports the City Council's Corporate Plan priorities.</p> <p>The draft budget contains minimal service reductions whilst supporting an ambitious programme of capital investment in 2015/16.</p> <p>The relative financial health of the City Council can be partly attributed to sound financial decision making over a number of years, notably the decision taken to retain ownership and management of the City Council's housing stock.</p>
Risks	<p>Risk implications are set out in Appendix 11 of the budget paperwork. A number of these risks were recurring themes throughout the Budget Review discussions.</p> <p>The Panel heard that wider-world risks could include the outcome of the general election, future public spending levels, delayed Universal Credit implementation, judicial reviews, and cuts to partner's budgets, such as the County Council.</p>
Efficiency and service improvement	<p>The Panel heard that the scale of efficiency savings to be achieved over the budget period is stretching but realistic and deliverable.</p> <p>The Panel reviewed risk ratings against efficiency savings. Generally seemed reasonable but the Panel highlighted some specific efficiency savings that may need to be reconsidered or re-phased:</p> <ul style="list-style-type: none"> <li>- Multi-skilling Contact Centre staff (M)</li> <li>- Application and telephony review (M)</li> <li>- Business Improvement staffing reductions (L)</li> <li>- Revenue savings from purchase of properties for homelessness (H)</li> </ul> <p>The reduction of 2 posts in Business Improvement was a particular concern as it would impact the City Council's future capacity to identify and deliver efficiency savings, which could result in avoidable service reductions. The Panel heard that in some services, there is scope for further efficiencies from process improvement work.</p> <p>The Panel welcomed the success of Planning Design Review Panel.</p>

	<p>Following the success of beds in sheds project, the Panel questioned whether consideration should be given to additional investments in other forms of planning enforcement.</p>
Pressures	<p>The Panel noted that homelessness was a particular concern because there was a projected overspend in 2015/16. The Panel heard that this is expected to be a temporary pressure.</p> <p>The Panel questioned the impact of the recent fall in fuel costs on the budget proposals.</p> <p>Some waste disposal costs relating to collections from halls of residence have been taken out of the budget but are currently subject to legal proceedings or negotiation.</p> <p>The Panel suggested that estimates of reduced income from parking charges due to the closure of Westgate may need to be reconsidered because additional demand has not yet materialised at Park and Rides as expected.</p>
Delivery of the Capital programme	<p>The risk of slippage in the capital programme was noted as a major concern.</p> <p>The Panel raised concerns as to whether the City Council had sufficient capacities and resources to deliver an ambitious Capital programme, given that an officer bid of £46k for additional capacity in Legal Services for was rejected. The Panel noted the importance of partnership working to delivery, and the need to ensure that sufficient capacity is in place to do this well.</p> <p>The Panel also noted that future capital replacement costs relating to new flood prevention equipment should be built in to the capital programme.</p>
Staffing	<p>The budget proposals contain no compulsory redundancies and include pay increases of around 2.5% per year, in line with the current five year pay deal.</p> <p>Senior Officers acknowledged that many City Council employees are being asked to do more and to work more flexibly.</p> <p>The Panel noted a proposal to remove additional investment in staff training (£100k) and wellbeing (£75k) from 2016/17, and a proposal to save £200k in the same year from reviewing the senior management structure.</p>

	<p>The Panel highlighted a proposal to remove £50k from Apprenticeships and noted that the City Council is able to create apprenticeship opportunities in other ways. However, the Panel heard that there is sufficient demand should the City Council decide to maintain its current level of funding.</p> <p>The Panel has requested to see the composition of City Council staff by pay grade, and the total spend on consultancy.</p>
Investing to save	<p>The Panel noted general concern around the lack of new invest-to-save initiatives.</p> <p>The Panel heard that the Transformation fund is the invest-to-save budget. This budget has been used to top up other projects and so £150k is being removed in 2016/17.</p> <p>The Panel questioned whether employees were encouraged and incentivised to contribute invest-to-save ideas.</p>
Maximising income	<p>The Council tax referendum level is 2%. Increasing Council Tax from the assumed 1.5% to 1.99% in year 1 would generate approximately £57k of additional revenue per year.</p> <p>The Panel welcomed the Business Rates Pooling and Distribution arrangements, which should bring in some additional revenue.</p> <p>Most fees and charges are increasing with inflation. The Panel questioned whether the City Council could take a more flexible approach to encourage Street Cafes and remove bureaucracy.</p> <p>The Panel noted that Park and Ride parking charges are increasing by 50% from £2 to £3 in year 4, resulting in £500k of additional revenue.</p> <p>The Panel noted that the City Council has a successful record of receiving new funding streams through successful competitive bids. A £407k ring-fenced grant for fraud prevention has been received and should be added in to the final budget.</p> <p>The Panel noted that approximately 27% of tenants will be subject to the full impact of the CPI+1%+£2 rent increase. This will lead to parity of rent levels across Oxford. The Panel raised concerns that additional tenants may be affected by the benefit cap as a result of this increase. Some tenants who will have a higher increase may already be in arrears, with repayment agreements in place. This may generate additional work for the Welfare reform team.</p>

	<p>The Panel noted that energy efficiency measures will partly mitigate the impacts of higher rents on household finances, and heard that the majority of tenants who have been engaged feel that the balance is about right. The Panel welcomed the creation of a new post to support vulnerable tenants.</p> <p>There was a discussion around outsourcing the management of estate shops. The Panel noted that a social partner could be an acceptable option, if available.</p> <p>No additional commercial rent income is projected in years 3 &amp; 4.</p>
Asset Management	<p>The Panel noted that void losses have been modelled at 1.2% but current performance in 0.6% and realistically this is unlikely to rise above 1%.</p> <p>The Panel noted that the Barton land value is rising but the City Council is not able to realise the benefits of this in the short term, and questioned whether mechanisms for the earlier release of land value could be explored.</p> <p>Variations in the projected number of Right to Buy sales was noted as a big risk and the Panel received assurances that officers were alive to this.</p>



# Appendix 1

# **General Fund Revenue Budget Future Years**

## General Fund Budget 2013-14 to 2016-17

Service	Budget 2013/14 £	Budget 2014/15 £	Budget 2015/16 £	Budget 2016/17 £
Policy, Culture and Communication	424,848	391,848	195,848	178,848
<b>Chief Executive</b>	<b>424,848</b>	<b>391,848</b>	<b>195,848</b>	<b>178,848</b>
City Development	1,579,811	1,447,811	1,470,811	1,458,811
Housing	3,413,760	3,362,760	3,357,760	3,341,760
Corporate Property	(4,732,350)	(5,137,350)	(5,196,350)	(5,268,350)
<b>City Regeneration</b>	<b>261,221</b>	<b>(326,779)</b>	<b>(367,779)</b>	<b>(467,779)</b>
Environmental Development	2,891,603	2,690,603	2,627,603	2,579,603
Community Development Team	2,689,139	2,669,139	2,669,139	2,669,139
Leisure and Parks	5,469,070	5,109,070	5,038,070	4,965,070
Direct Services	2,635,185	2,236,185	2,091,185	1,874,185
<b>Community Services</b>	<b>13,684,997</b>	<b>12,704,997</b>	<b>12,425,997</b>	<b>12,087,997</b>
Business Improvement & Technology	667,861	670,861	366,861	364,861
Law and Governance	313,376	305,376	268,376	268,376
Customer Services	3,327,576	3,268,576	3,052,576	2,882,576
Finance	227,036	198,036	128,036	128,036
Human Resources & Facilities	200,949	142,949	111,949	18,949
<b>Organisational Development &amp; Corporate Services</b>	<b>4,736,798</b>	<b>4,585,798</b>	<b>3,927,798</b>	<b>3,662,798</b>
<b>Total Service Expenditure</b>	<b>19,107,864</b>	<b>17,355,864</b>	<b>16,181,864</b>	<b>15,461,864</b>
Corporate Accounts	2,793,399	1,710,478	(116,614)	(1,219,124)
Contingencies	3,125,587	4,237,170	5,597,990	6,807,456
<b>Net Expenditure Budget</b>	<b>25,026,850</b>	<b>23,303,512</b>	<b>21,663,240</b>	<b>21,050,196</b>
Transfer to/(from) General Fund working Balances	0	0	0	0
<b>Net Budget Requirement</b>	<b>25,026,850</b>	<b>23,303,512</b>	<b>21,663,240</b>	<b>21,050,196</b>
<b>Funding</b>				
Revenue support grant including specific grants	8,219,000	6,402,000	5,441,700	4,897,530
Business Rates Retention including specific grants	5,660,952	5,660,952	4,811,809	4,571,219
Council Tax	11,073,898	11,240,560	11,409,731	11,581,447
Collection Fund Surplus	73,000			
<b>Total Funding Available</b>	<b>25,026,850</b>	<b>23,303,512</b>	<b>21,663,240</b>	<b>21,050,196</b>
<b>(Surplus)/Deficit for year</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

The table shows the proposed budget and financing for the Financial Years 2013-14 to 2016-17 . The total budget for each Service Area contains the budget proposals i.e Efficiencies, Fees & Charges, Service Reductions, New Investment, Invest to Save, Pressures, and Contractual Inflation.

Details of the Financing of the Net Budget Requirement are shown for each of the Financial Years.

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## Oxford City Council's General Fund Revenue Budget 2014/15 for Consultation and Future Year

	Recommended Budget 2014/15		Proposed Budget 2015/16		Proposed Budget 2016/17		Proposed Budget 2017/18	
	£000's	% of Total	£000's	% of Total	£000's	% of Total	£000's	% of Total
<b>City Regeneration</b>	<b>492</b>	<b>2%</b>	<b>26</b>	<b>0%</b>	<b>(289)</b>	<b>-2%</b>	<b>(498)</b>	<b>-3%</b>
<b>City Development</b>	<b>1,842</b>	<b>9%</b>	<b>1,690</b>	<b>9%</b>	<b>1,563</b>	<b>9%</b>	<b>1,554</b>	<b>10%</b>
Cultural Development	14	0%	3	0%	(7)	0%	(16)	0%
Development	89	0%	83	0%	81	0%	81	1%
Support Services	608	3%	608	3%	518	3%	518	3%
Information Services	(28)	0%	(28)	0%	(28)	0%	(28)	0%
Spatial Development	1,159	6%	1,024	6%	999	6%	999	6%
<b>Regeneration &amp; Major Projects Team</b>	<b>(5,227)</b>	<b>-25%</b>	<b>(5,359)</b>	<b>-29%</b>	<b>(5,431)</b>	<b>-32%</b>	<b>(5,431)</b>	<b>-34%</b>
Commercial Property	(6,487)	-31%	(6,619)	-36%	(6,691)	-40%	(6,691)	-42%
Office Accommodation	488	2%	488	3%	488	3%	488	3%
Property Maintenance	306	1%	306	2%	306	2%	306	2%
Support Services	467	2%	467	3%	467	3%	467	3%
<b>Housing &amp; Property</b>	<b>3,877</b>	<b>19%</b>	<b>3,695</b>	<b>20%</b>	<b>3,579</b>	<b>21%</b>	<b>3,379</b>	<b>21%</b>
Community Housing Strategy	649	3%	644	4%	638	4%	638	4%
Housing Needs	3,756	18%	3,756	21%	3,746	22%	3,746	24%
Property Services	(528)	-3%	(705)	-4%	(805)	-5%	(1,005)	-6%
<b>Organisational Development &amp; Corporate Services</b>	<b>6,188</b>	<b>30%</b>	<b>5,390</b>	<b>30%</b>	<b>4,642</b>	<b>28%</b>	<b>4,379</b>	<b>28%</b>
<b>Finance</b>	<b>265</b>	<b>1%</b>	<b>195</b>	<b>1%</b>	<b>195</b>	<b>1%</b>	<b>195</b>	<b>1%</b>
Accountancy	43	0%	3	0%	3	0%	3	0%
Internal Audit	0	0%	0	0%	0	0%	0	0%
Corporate Finance	56	0%	56	0%	56	0%	56	0%
Investigations	177	1%	177	1%	177	1%	177	1%
Revenues	(12)	0%	(42)	0%	(42)	0%	(42)	0%
<b>Business Improvement &amp; Technology</b>	<b>1,259</b>	<b>6%</b>	<b>1,105</b>	<b>6%</b>	<b>783</b>	<b>5%</b>	<b>788</b>	<b>5%</b>
Contracts & Procurement	(17)	0%	(46)	0%	(66)	0%	(66)	0%
Transformation Projects	535	3%	535	3%	385	2%	385	2%
Performance	(91)	0%	(91)	0%	(91)	-1%	(91)	-1%
Business Improvement & Performance	61	0%	61	0%	54	0%	54	0%
Technology	770	4%	645	4%	500	3%	505	3%
<b>Customer Services</b>	<b>3,704</b>	<b>18%</b>	<b>3,586</b>	<b>20%</b>	<b>3,428</b>	<b>20%</b>	<b>3,160</b>	<b>20%</b>
Customer First Programme	30	0%	30	0%	30	0%	30	0%
Customer Contact	87	0%	(69)	0%	(189)	-1%	(309)	-2%
Revenues	1,175	6%	1,213	7%	1,175	7%	1,137	7%
Housing Benefit	2,412	12%	2,412	13%	2,412	14%	2,302	15%
Replacement Academy Server	(0)	0%	(0)	0%	(0)	0%	(0)	0%
<b>Human Resources &amp; Facilities</b>	<b>527</b>	<b>3%</b>	<b>507</b>	<b>3%</b>	<b>239</b>	<b>1%</b>	<b>239</b>	<b>2%</b>
Human Resources	195	1%	175	1%	100	1%	100	1%
Health & Safety	0	0%	0	0%	0	0%	0	0%
Learning & Development	53	0%	53	0%	(47)	0%	(47)	0%
Payroll	120	1%	120	1%	118	1%	118	1%
Facilities Management	160	1%	160	1%	69	0%	69	0%
<b>Law &amp; Governance</b>	<b>434</b>	<b>2%</b>	<b>(3)</b>	<b>0%</b>	<b>(3)</b>	<b>0%</b>	<b>(3)</b>	<b>0%</b>
Committees	3	0%	0	0%	0	0%	0	0%
Election Services	219	1%	218	1%	218	1%	218	1%
Legal Services	181	1%	98	1%	98	1%	98	1%
Member Services	4	0%	4	0%	4	0%	4	0%
Scrutiny	0	0%	0	0%	0	0%	0	0%
Executive Support	27	0%	(323)	-2%	(323)	-2%	(323)	-2%
<b>Community Services</b>	<b>14,139</b>	<b>68%</b>	<b>12,843</b>	<b>70%</b>	<b>12,470</b>	<b>74%</b>	<b>11,930</b>	<b>75%</b>
<b>Environmental Development</b>	<b>2,835</b>	<b>14%</b>	<b>2,752</b>	<b>15%</b>	<b>2,704</b>	<b>16%</b>	<b>2,704</b>	<b>17%</b>
Environmental Health	797	4%	735	4%	690	4%	690	4%
Environmental Sustainability	608	3%	608	3%	608	4%	608	4%
Environmental Protection	1,048	5%	1,027	6%	1,024	6%	1,024	6%
Business Development	219	1%	219	1%	219	1%	219	1%
ED Management	162	1%	162	1%	162	1%	162	1%
<b>Direct Services</b>	<b>2,880</b>	<b>14%</b>	<b>2,458</b>	<b>13%</b>	<b>2,271</b>	<b>13%</b>	<b>1,881</b>	<b>12%</b>
Building Planned Operations	(2,598)	-12%	(2,631)	-14%	(2,664)	-16%	(2,664)	-17%
Building - Responsive Operations	(66)	0%	(66)	0%	(66)	0%	(66)	0%
Off Street Parking	(3,635)	-17%	(4,101)	-22%	(4,281)	-25%	(4,691)	-30%
Waste & Recycling Domestic	3,403	16%	3,471	19%	3,483	21%	3,467	22%
Waste & Recycling Commercial	(1,130)	-5%	(1,162)	-6%	(1,297)	-8%	(1,297)	-8%
Engineering	(38)	0%	(131)	-1%	(149)	-1%	(136)	-1%
Street Scenes	3,858	19%	3,834	21%	3,836	23%	3,838	24%
Motor Transport	(83)	0%	(43)	0%	(1)	0%	42	0%
Garages	(53)	0%	(53)	0%	(53)	0%	(53)	0%
Caretaking & Miscellaneous	(219)	-1%	(219)	-1%	(219)	-1%	(219)	-1%
Local Overheads	2,334	11%	2,334	13%	2,334	14%	2,184	14%
Direct Building Services Stores	1,107	5%	1,225	7%	1,348	8%	1,476	9%
<b>Leisure, Parks &amp; Communities</b>	<b>7,954</b>	<b>38%</b>	<b>7,363</b>	<b>40%</b>	<b>7,156</b>	<b>43%</b>	<b>7,006</b>	<b>44%</b>
Leisure Management	2,062	10%	1,563	9%	1,453	9%	1,303	8%

## Oxford City Council's General Fund Revenue Budget 2014/15 for Consultation and Future Year

	Recommended Budget 2014/15		Proposed Budget 2015/16		Proposed Budget 2016/17		Proposed Budget 2017/18	
	£000's	% of Total	£000's	% of Total	£000's	% of Total	£000's	% of Total
Oxford Sports Partnership	91	0%	91	0%	91	1%	91	1%
Sports Development	212	1%	212	1%	209	1%	209	1%
Allotments	25	0%	25	0%	25	0%	25	0%
Burial Services	70	0%	70	0%	70	0%	70	0%
Countryside	146	1%	146	1%	146	1%	146	1%
Parks	1,815	9%	1,753	10%	1,684	10%	1,684	11%
Parks Management & Administration	444	2%	444	2%	444	3%	444	3%
Communities & Neighbourhoods	2,699	13%	2,674	15%	2,649	16%	2,649	17%
Positive Futures	393	2%	388	2%	388	2%	388	2%
<b>Policy, Culture and Comms</b>	<b>471</b>	<b>2%</b>	<b>271</b>	<b>1%</b>	<b>340</b>	<b>2%</b>	<b>340</b>	<b>2%</b>
Communications	(17)	0%	(29)	0%	(37)	0%	(37)	0%
Culture	442	2%	431	2%	422	3%	422	3%
Policy & Partnerships	46	0%	(131)	-1%	(45)	0%	(45)	0%
<b>Total Portfolio Budget</b>	<b>20,820</b>	<b>100%</b>	<b>18,259</b>	<b>100%</b>	<b>16,823</b>	<b>100%</b>	<b>15,811</b>	<b>100%</b>
<b>Below the line</b>								
Corporate Accounts	194	1%	(1,609)	-9%	(2,193)	-13%	(2,727)	-17%
Contingencies	3,067	15%	4,675	26%	6,224	37%	7,313	46%
<b>Net Expenditure Budget</b>	<b>24,081</b>	<b>116%</b>	<b>21,325</b>	<b>117%</b>	<b>20,854</b>	<b>124%</b>	<b>20,397</b>	<b>129%</b>
<b>General Fund Working Balances</b>								
Transfer to / (from) General Fund Working Balances	0	0%	0	0%	0	0%	0	0%
<b>Net Budget Requirement</b>	<b>24,081</b>	<b>116%</b>	<b>21,325</b>	<b>117%</b>	<b>20,854</b>	<b>124%</b>	<b>20,397</b>	<b>129%</b>
<b>Financed by</b>	<b>(24,081)</b>	<b>-116%</b>	<b>(21,325)</b>	<b>-117%</b>	<b>(20,854)</b>	<b>-124%</b>	<b>(20,397)</b>	<b>-129%</b>
Revenue Support Grant	(6,341)	-30%	(4,433)	-24%	(3,682)	-22%	(2,940)	-19%
Business Rates retention	(6,114)	-29%	(5,299)	-29%	(5,405)	-32%	(5,513)	-35%
Council tax	(11,582)	-56%	(11,754)	-64%	(11,928)	-71%	(12,105)	-77%
Less Parish Precept	162	1%	162	1%	162	1%	162	1%
Collection Fund Surplus	(205)	-1%	0	0%	0	0%	0	0%
Over / (Under) Allocated budget	0	0%	0	0%	0	0%	0	0%

**2014-15 Establishment Posts by Salary Band**

Grade	Average Basic Salary £	Sum of FTE	Sum of Basic Salaries £	Sum of NI £	Sum of Superannuation £	Total Pay and On-costs £
Trade Apprentices	12,350	12	148,200	13,917	49,401	211,518
Grade 03	17,326	67	1,166,045	63,930	186,260	1,416,235
Grade 04	20,057	254	5,086,890	225,950	643,536	5,956,375
Craft Worker Band B	22,244	1	22,244	1,486	4,493	28,223
Grade 05	23,423	221	5,182,476	265,352	656,047	6,103,875
Craft Worker Band C	23,956	13	311,428	21,632	62,907	395,967
Craft Worker Band D	26,522	15	397,830	29,594	74,998	502,422
Grade 06	27,732	208	5,768,793	1,902	5,301	5,775,996
Craft Worker Band E	30,779	58	1,785,184	138,408	354,597	2,278,189
Grade 07	31,706	142	4,501,679	211,606	516,802	5,230,087
Craft Worker Band F	32,509	36	1,170,324	91,302	223,277	1,484,903
Craft Worker Band G	34,221	10	342,210	28,209	62,217	432,636
Grade 08	36,411	93	3,376,969	160,756	380,078	3,917,803
Craft Worker Band H	36,787	36	1,324,332	107,943	267,516	1,699,791
Grade 09	40,690	58	2,344,401	126,800	286,673	2,757,874
Grade 10	46,047	27	1,257,093	59,218	112,638	1,428,949
Grade 11	53,299	18	949,307	54,448	102,857	1,106,611
Service Manager+	57,855	1	57,855	5,795	11,687	75,337
Corporate Lead	61,498	10	588,389	4,991	10,509	603,888
SH Level 3	66,805	4	267,221	32,591	65,582	365,393
SH Level 2	76,469	4	305,874	7,863	14,713	328,450
Service Head	81,993	2	163,986	18,253	33,126	215,365
SH Level 1	85,323	4	341,292	38,343	68,940	448,575
SH Level 1+	96,434	1	96,434	11,119	19,480	127,033
Directors and Chief Executive	120,731	4	482,923	138,234	234,380	855,537

<b>1,298</b>	<b>37,439,379</b>	<b>1,859,640</b>	<b>4,448,015</b>	<b>43,747,034</b>
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	Balance at 31 March 2014 £000	Transfers In 2013/14 £000	Transfers Out 2013/14 £000	Balance at 31 March 2013 £000	Transfers In 2012/13 £000	Transfers Out 2012/13 £000	Balance at 31 March 2012 £000
<b>General Fund:</b>							
General Licensing reserve	(51)	(8)	-	(44)	(44)	-	-
CLG Homelessness Grant	(666)	(249)	2	(420)	(420)	-	-
Taxi Licencing Reserve	(212)	(14)	-	(198)	-	13	(211)
Town Hall Equipment Reserve	(20)	-	4	(24)	-	-	(24)
Work Of Art Reserve	(5)	-	-	(5)	-	-	(5)
Shopmobility Reserve	(12)	-	51	(63)	(14)	-	(49)
Employee Cost Reserve	(1,348)	(46)	368	(1,670)	(508)	50	(1,212)
Customer Services Server Replacement	-	-	-	-	-	29	(29)
Oxford Business Contributions	-	-	-	-	-	35	(35)
SALIX Energy Projects Reserve	(257)	(59)	112	(310)	(79)	40	(271)
SALIX Management Fee	(14)	(6)	-	(8)	(8)	-	-
IT Infrastructure and Equipment Reserve	(353)	-	-	(353)	(185)	-	(168)
Repairs & Maintenance Reserve	(614)	(155)	-	(459)	-	-	(459)
Reserve for Land Charges	(42)	-	-	(42)	(18)	27	(50)
Business Transformation Projects	(617)	(395)	666	(887)	(490)	772	(1,169)
City Council Elections Reserve	(58)	(48)	-	(10)	(47)	96	(59)
Committed Projects Reserve	(1,265)	(786)	994	(1,473)	(1,099)	685	(1,060)
CRM Rollout Reserve	-	-	100	(100)	-	-	(100)
Grants Reserve	(931)	(817)	789	(903)	(721)	2,304	(2,486)
Direct Revenue Funding of Capital	(6,857)	(12,458)	7,220	(1,619)	-	150	(1,769)
Land at Barton	(105)	(17)	48	(136)	(62)	131	(206)
Homelessness	(916)	-	-	(916)	(650)	-	(266)
HMO Licensing Reserve	(242)	-	105	(347)	(56)	90	(380)
Community Services Carry Forward Reserve	(574)	(35)	19	(559)	(579)	20	-
Organisational Development Reserve	(523)	(200)	400	(723)	(486)	386	(623)
Lord Mayors Deposit	(59)	-	-	(59)	(66)	8	-
Home Choice fund for single persons	(36)	-	-	(36)	(41)	5	-
Rose Hill Demolition	(339)	-	-	(339)	(339)	-	-
Oxfordshire Total Refit Project (EU funding)	-	(68)	281	(213)	(213)	-	-
Town Team Partners	(10)	-	-	(10)	(10)	-	-
Assets of Community Value	(21)	(8)	-	(13)	(13)	-	-
Unlawful Dwellings Reserve	(96)	(60)	114	(150)	(150)	-	-
Westgate Redevelopment Reserve	(3,279)	-	-	(3,279)	(3,279)	-	-
Flood Reserve	(301)	(200)	49	(150)	(150)	-	-
Loan and Property Fund Guarantee Reserve	(516)	(401)	-	(115)	-	-	(115)
P&R County Contribution - Future Maintenance	(117)	(117)	-	-	-	-	-
Direct Payment Project Arrears Reserve	(194)	(194)	-	-	-	-	-
Business Support Scheme	(63)	(63)	-	-	-	-	-
Severe Weather Recovery Scheme	(35)	(35)	-	-	-	-	-
Berkshire, Oxfordshire, Buckinghamshire and Milton Keynes Planning Fund	(4)	(4)	-	-	-	-	-
Property Fund Reserve	(7,000)	(7,000)	-	-	-	-	-
NNDR Retention Reserve	(600)	(600)	-	-	-	-	-
<b>Total General Fund</b>	<b>(28,351)</b>	<b>(24,042)</b>	<b>11,321</b>	<b>(15,632)</b>	<b>(9,726)</b>	<b>4,841</b>	<b>(10,748)</b>
<b>HRA:</b>							
Decent Homes Capital Reserve	-	-	-	-	-	-	-
Committed Projects Reserve	(267)	-	549	(816)	(816)	317	(317)
IT Project Work	(120)	-	-	(120)	-	-	(120)
IT Equipment Reserve	(305)	-	4	(309)	-	-	(309)
HRA Capital Projects	(7,772)	(7,772)	-	-	-	-	-
	<b>(8,464)</b>	<b>(7,772)</b>	<b>553</b>	<b>(1,245)</b>	<b>(816)</b>	<b>317</b>	<b>(746)</b>
<b>Insurance Funds:</b>							
Self Insurance Fund - HRA	(1,271)	-	87	(1,358)	-	6	(1,363)
Self Insurance Fund - GF	(190)	-	126	(316)	-	7	(324)
<b>Total Capital and Insurance Funds</b>	<b>(1,461)</b>	<b>-</b>	<b>213</b>	<b>(1,674)</b>	<b>-</b>	<b>13</b>	<b>(1,687)</b>
<b>Grand Total</b>	<b>(38,276)</b>	<b>(31,814)</b>	<b>12,087</b>	<b>(18,549)</b>	<b>(10,542)</b>	<b>5,171</b>	<b>(13,181)</b>

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## Aggregate fuel and energy costs

### General Fund: -

Account(T)	Budget
Electricity	679,512.00
Gas	352,434.00
Fuel Oil	1,170.00
Petrol, Diesel & Oil	904,850.00
	1,937,966.00

### HRA: -

Account(T)	Budget
Electricity	283,160.00
Gas	187,400.00
Petrol, Diesel & Oil	10,150.00
	480,710.00

### Total

Account(T)	Budget
Electricity	962,672.00
Gas	539,834.00
Fuel Oil	1,170.00
Petrol, Diesel & Oil	915,000.00
	2,418,676.00

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## Community Services – additional information

19

Question	Response
Approximately how many HMO landlords are there in Oxford and what proportion of HMOs are currently covered by our licensing scheme?	<p>There are approximately 1,380 HMO Licence holders and 100% of the HMOs we know about are licensed.</p> <p>However, the estimated figure for HMOs in the City is 5,000 and so far we've licensed 3,500, so the figure is 70%. It's not that we know of 5,000 HMOs but we've only managed to work through 3,500 up to now. The 5,000 figure was either wrong, or there are up to 1,500 avoiding licensing or that have turned into non-HMOs instead i.e. houses rented to families.</p> <p>HMOs aren't like shops or taxis with high visibility or a requirement to have a licence before they can operate. Many are owned and rented out by unscrupulous individuals who are avoiding licensing, tax, planning, immigration controls etc. We are constantly chasing unlicensed HMOs and regularly prosecuting landlords for failing to licence:</p> <p>I've been setting the HMO Enforcement Team's workplan with the Team Manager this week and there will now be a HMO Review Report to go to CEB in June so Scrutiny will get an opportunity to look at that report later this year.</p>
Street Trading – was is the rationale behind the charging regime, what is the total income, why are some going down?	<p>The regime is based on covering the Council's costs in administering the street trading scheme and we cannot charge for enforcement or make a profit. The changes are proposed to clarify the officer costs involved in processing new applications and in real terms, there is no reduction in the overall fee. The fee for a new application has been increased by £200 whilst the annual consent fee has been reduced by the same amount to take this into account and to rebalance the total fee payable. The annual consent fee has also been increased by 1.9%. The total income budget for miscellaneous licensing is £225,000.</p>
Street Cafes – this is high so high so that no one takes up? Could more income be derived and greater local vibrancy if the fees were dropped?	<p>Prior to 2013/14 the Council charged on a 'per table' basis (£366/table). Following legal advice, in 2013/14 a 'per premises' fee of £750 was introduced to try and encourage more applications. This fee level was not increased in the 14/15 fees and charges. 8 Street Café Licences have been issued in 14/15, which is an increase of 1 premises. In many cases the need for planning permission and highways approval is the primary blockage, but the introduction of a reduced fee may encourage more businesses to apply.</p>

Are there any fees that we have the discretion to increase that we have chosen not to? If so why and is more income possible if we did raise?	The event fee (currently £25) has not been increased as the definition of an event has been reviewed and amended in the Street Trading Policy (recently subject to consultation and to be presented to the General Purposes Licensing Committee on 27th January). All other fees have been increased in line with inflation.
We often hear that we can't make a profit from some licence fees (fair enough) but can we and do we cover the cost of enforcement?	The Council can charge fees that cover elements of enforcement e.g. compliance inspections and responding to complaints, but it cannot recover the costs of legal enforcement e.g. prosecution. The Council seeks to cover as much of the costs as it can when it sets fees.
Is there a specific piece of legislation that prevents this and has it been open to challenge?	The European Union Services Directive covers licensing fees. In a landmark court case in 2012, Hemming v Westminster, the Court of Appeal ruled that the fees set must not exceed the costs of administering the licensing regime. This meant that the council was no longer able to include the cost of enforcement against unlicensed sex establishment operators when setting the licence fee, although the cost of visits to licensed premises to monitor compliance could be recovered through fees. The case was upheld at appeal, although it was subject to a further appeal to the Supreme Court that was heard on the 13th January 2015. The decision is not imminent and if the Court refers the matter to Europe, a final determination may not materialise until late 2016.

## **Fees and Charges**

The lists below show categories of fees and charges and whether they are broadly locally determined or set by statute or central government.

### **Locally Determined**

Procurement fees  
Provision of copy documents  
Building Control fees  
Land Charges  
Food hygiene courses etc.  
Street Trading & Distribution of Free Printed Matter  
Road closures  
Taxi Licensing  
Alcohol and Entertainment Licensing fees  
HMOs  
Sex Establishments  
Contaminated Land and Air Quality enquiries  
Environmental Sustainability enquiries  
Primary Authority Fees  
Charging for business advice (e.g. noise, pre planning application advice, odour etc.)  
Dog Warden Fees  
Pest Control fees  
Home Improvement Agency  
Refuse Collection & Recycling  
Car Parks Charges  
Room and Facility Management Charges  
Legal Services  
Democratic Services (including rental of election equipment)  
Commercial Rents

### **Centrally Determined**

Planning fees  
Taxi fixed penalty notices  
Gambling Licenses  
Pollution Prevention & Control permits  
Environmental Enforcement  
MOT Test fees (maximum level)

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## Budget Consultation Results

The consultation concentrated on a number of key areas which are shown with 13 responses being received. The results for each are detailed below:

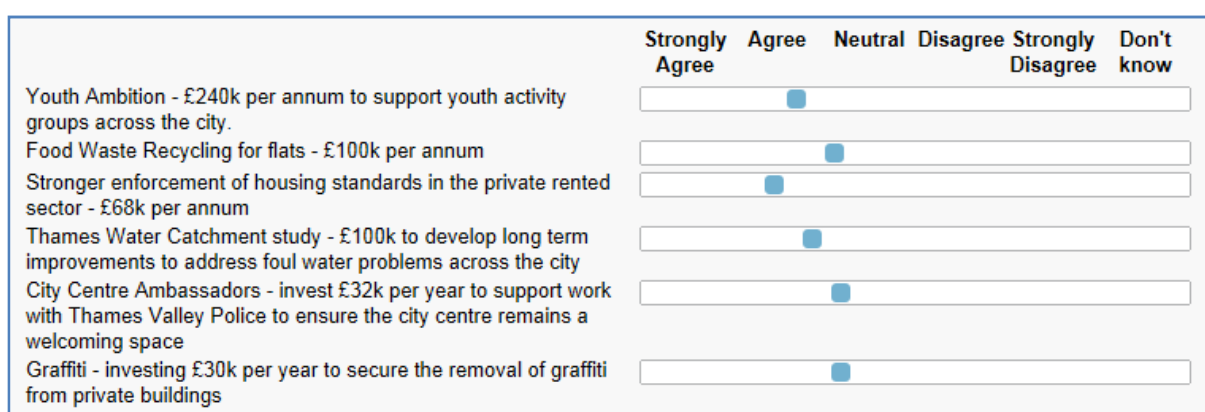
### Council Priorities

Consultees were asked to rank the Council's priorities in order of importance



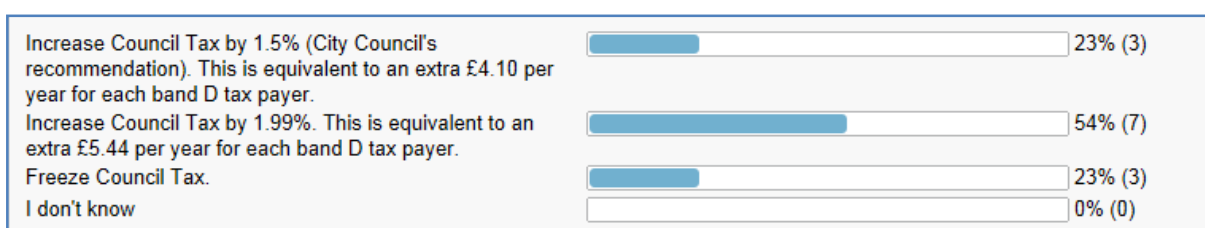
### New and Continued Investment

The City Council's Corporate Plan and Budget 2015 -19 set out its support for a number of investment proposals made in previous years, along with some new ones. For each investment proposal consultees were asked to indicate to what extent they agreed or disagreed with the areas.



### Council Tax Increase

Consultees were asked to give their opinion on the proposed level of council tax increase for 2015/16 of 1.50% together with an increase up to the referendum level of 1.99% and also a council tax freeze. The results were as follows:



## Council Tax Support

The Consultation budget assumes the Council retains the Council Tax Support scheme on the same basis as that introduced on 1<sup>st</sup> April 2013. The Council are recommended to agree to maintain the scheme at this level for 2015/16.

I agree		62% (8)
I disagree		38% (5)
I don't know		0% (0)

## Fees and Charges

While the Council proposes that most charges such as those for garden waste, building control and planning and will remain at 2014 -15 prices, its draft Medium Term Financial Strategy does propose to increase some fees and charges over the next four years. Consultees were asked to indicate whether they agreed or disagreed with the following specific proposals:

	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree	Don't know
Leisure activities, membership and use of sports facilities a proposed increases ranging from 10p to £1.20						
Annual Slice card increases range from £2 to £33 per annum (for a family)						
Pest Control increases range from 1.19%, up to 3.17%						
Cemeteries increases range from 2.38% to 3.85%						
Car Parking - increases of between 10p and 30p or 2% and 16% for the Council's off-street suburban car parks (e.g. St Clements, Summertown)						
Car Parking - freeze charges for the Council's city centre car parks						
Garages - 5% increase across the board plus an additional £2 for the most sought after sites.						
Garden Waste collection - freeze charges						

## Housing Revenue Account

The following is a list of the main proposals in Oxford City Council's Housing Revenue Account. Consultees are asked to indicate whether you agree or disagree with these proposals.

	Strongly agree	Agree	Neutral	Disagree	Strongly disagree	Don't know
Council Housing Ambition - £101m over the next four years to build new council homes and improving our existing housing stock						
Council Housing Ambition - A proposed additional £96m over the next 10 years on 485 new homes, the refurbishment of existing homes and redevelopment of city's estates						
Energy Saving Projects - £4.4m over the next four years to fund projects that will reduce fuel bills for council tenants						
Average rent increase of 3.49% from April 2015. This equates to £3.59 per week on an average rent of £105.77 per week						

## Capital Investment

Consultees were asked to give their views on the capital investment being undertaken by the Council over the next four years.

	Strongly agree	Agree	Neutral	Disagree	Strongly disagree	Don't know
Cycling and Public Realm - £500k on improvements	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Energy efficiency measures - £600k	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Environmental improvements to St Clements - £50k	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Extension to Seacourt Park and Ride - £1.6m	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Flood alleviation measures at Northway and Marston - £1.4m	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Improvements to Community and Leisure Centres - £1.3m	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Improvements to the Covered Market - £75k	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Town Hall improvements - £285k	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Purchasing property to assist homeless people - £2.5m	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Sports & Leisure Facilities - £3.4m	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resurfacing of car parks - £1.3m	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Skatepark - invest £70k in a new skate park in Northway	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

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## Summary of trading income

<b>Table 5 : Trading Income</b>				
	2015-16	2016-17	2017-18	2018-19
<b>Turnover</b>	£000's	£000's	£000's	£000's
Engineering	1,508	1,760	1,959	1,959
Building Works	1,555	2,134	2,629	2,629
Trade waste	2,643	2,697	2,797	2,797
<b>Total</b>	5,706	6,591	7,384	7,384
<b>Total Contribution</b>	3,437	3,545	3,695	3,695
<b>Additional income</b>	208	108	150	0

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## General Fund

Servhead	Servhead(T)	Account	Account(T)	Approved budget	Predicted Outturn	Spend to date
S01	Policy, Culture and Communication	D3411	Consultants Fees	139,000.00	139,000.00	96,725.28
S02	Transformation	D3411	Consultants Fees	183,731.00	183,731.00	192,444.50
S03	Business Improvement & Technology	D3411	Consultants Fees	0.00	0.00	91,260.35
S11	City Development	D3411	Consultants Fees	654,705.00	688,705.00	280,939.68
S12	Environmental Development	D3411	Consultants Fees	72,004.00	72,004.00	175,968.17
S13	Housing and Property	D3411	Consultants Fees	9,500.00	7,500.00	-1,053.05
S14	Regeneration and Major Projects Team	D3411	Consultants Fees	636,870.00	636,870.00	295,441.01
S21	Customer Services	D3411	Consultants Fees	121,926.00	121,926.00	70,408.12
S22	Leisure, Parks & Communities	D3411	Consultants Fees	9,920.00	9,920.00	33,539.68
S23	Direct Services	D3411	Consultants Fees	25,175.00	30,417.00	19,825.45
S32	Finance	D3411	Consultants Fees	150,640.00	192,640.00	144,285.50
S33	Human Resources & Facilities	D3411	Consultants Fees	105,386.00	105,386.00	73,040.84
S34	Law and Governance	D3411	Consultants Fees	3,500.00	3,500.00	15,399.32
				2,112,357.00	2,191,599.00	1,488,224.85

## HRA

Servhead	Servhead(T)	Account	Account(T)	Approved budget	Predicted Outturn	Spend to date
S24	HRA	D3411	Consultants Fees	219,793.00	179,993.00	59,805.41
				219,793.00	179,993.00	59,805.41

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Budgeted SLA Charges 2014-15

Receiving Service Area	Charging Service Area										Total SLA Charges Received 2014-15
	S01 Policy, Culture & Communication	S03 Business Improvement & Technology	S12 Environmental Development	S13 Housing & Property	S14 Regeneration & Major Projects	S21 Customer Services	S22 Leisure, Parks & Communities	S32 Finance	S33 Human Resources & Facilities	S34 Law and Governance	
Policy, Culture and Communication	11,130	70,939	0	669	45,217	0	0	33,959	55,837	17,077	234,828
Transformation	0	0	0	0	0	0	0	9,352	0	0	9,352
Business Improvement & Technology	22,261	179,129	0	0	55,759	0	0	85,542	86,239	26,440	455,370
City Development	43,781	319,181	19,000	24,581	95,175	78,916	0	73,923	156,526	147,335	958,418
Environmental Development	59,361	521,876	0	2,109	124,555	56,516	0	130,626	211,161	189,263	1,295,467
Housing and Property	55,649	368,825	0	72,697	202,263	151,540	0	90,369	182,161	104,983	1,228,487
Regeneration and Major Projects Team	10,388	77,855	0	199,861	475,087	0	0	80,577	37,770	266,923	1,148,461
Customer Services	94,978	684,302	0	100	347,379	1,151,613	0	68,775	461,292	144,354	2,952,793
Leisure, Parks & Communities	74,943	378,645	0	40,977	89,439	15,800	0	193,479	164,191	102,558	1,060,032
Direct Services	81,414	333,850	0	34,231	14,531	344,600	0	484,265	736,335	117,895	2,147,121
Finance	28,939	230,691	0	0	53,586	0	0	102,838	97,507	40,487	554,048
Human Resources & Facilities	42,294	296,923	0	12,484	107,972	0	0	63,556	158,122	145,452	826,803
Law and Governance	28,197	319,184	0	2,071	77,169	12,158	0	66,009	143,119	79,092	726,999
CDC & NDC	385,217	0	0	0	0	304,929	130,545	636,530	0	1,435,484	2,892,705
General Fund SLA Charge	553,335	3,781,400	19,000	389,780	1,688,132	1,811,143	0	1,483,270	2,490,260	1,381,859	13,598,179
HRA	23,745	831,935	251,418	635,899	82,028	703,086	73,973	263,835	206,100	251,602	3,323,621
Total SLA Charge	938,552	3,781,400	19,000	389,780	1,688,132	2,116,072	130,545	2,119,800	2,490,260	2,817,343	16,490,884

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