

Law and Governance

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To Members of the City Executive Board

29 June 2012

Our ref:

Your ref:

Dear Councillor

CITY EXECUTIVE BOARD - WEDNESDAY 4 JULY 2012

I attach the following report(s) which were/was not available when the main agenda was dispatched. Please bring these documents to the meeting

Agenda No Item

6. **Periodic Reporting - Finance - Year End 2011/12 (Pages 1 - 4)**

Report of the Value and Performance Scrutiny Committee

This report presents comments and recommendations from the Value and Performance Scrutiny Committee held on 25th June 2012.

9. **Treasury Management Annual Report 2011/12 (Pages 5 - 8)**

Report of the Value and Performance Scrutiny Committee

This report presents comments and recommendations from the Value and Performance Scrutiny Committee held on 25th June 2012.

Yours sincerely

William Reed, Democratic Services Manager
Encs



INVESTORS
IN PEOPLE



To: City Executive Board

Date: 4th. July 2012

Report of: Value and Performance Scrutiny Committee

Title of Report: Financial Out-turn for the year ending 31st. March 2012

Summary and Recommendations

Purpose of report: To present comments from the Value and Performance Scrutiny Committee on the budget out-turn for 2011/2012.

Key decision? No

Scrutiny Lead Member: Councillor Mills

Executive lead member: Councillor Turner

Policy Framework:

Recommendation(s): For the City Executive Board to say if it agrees or disagrees with the following recommendations:

Recommendation 1

All carry forward requests are supported noting the comments in paragraph 4 of the report.

Recommendation 2

To request that the £0.5m surplus is placed in reserves and its use considered during the up and coming budgetary process rather than earmarking it at this stage for capital.

Recommendation 3

To ask Board Members and Senior Officers to consider the effects of delays in recruitment on services and plans and allow for any “catch up” required within future planning.

Introduction

1. The Value and Performance Scrutiny Committee considered the delivery of the 2011/2012 budget and were supported in the debate by Nigel Kennedy. The committee would like to thank him for his time and advice.
2. This report was not received by members until the day of the meeting and many had not had time to read and consider its content. Recommendations are therefore made from a limited scrutiny perspective.

Comments and Recommendations

3. Performance overall is good and the committee would like to congratulate officers for delivering a challenging budget well.
4. The committee considered the carry forward requests and noted that in a couple of service areas had the money been spent as planned in year it would have placed them in a position of overspend. The most significant of these is the museum request from Policy Culture and Communications and brings into sharper relief the under achievement of income in the Town Hall.
5. A number of under spends are attributed to delays in recruitment to posts and members discussed the effects these delays sometimes had on the delivery of services or plans.

Recommendation 1

All carry forward requests are supported noting the comments in paragraph 4 of the report.

Recommendation 2

To request that the £0.5m surplus is placed in reserves and its use considered during the up and coming budgetary process rather than earmarking it at this stage for capital.

Recommendation 3

To ask Board Members and Senior Officers to consider the effects of delays in recruitment on services and plans and allow for any “catch up” required within future planning.

Director and Board Member Comments

Director, Finance and Efficiency

6. The £0.5m surplus is being placed in an earmarked reserve for capital financing which is consistent with the current MTFP strategy aimed at minimising debt charges and maximising base revenue funding. All reserves will be reviewed as part of the annual refresh of the MTFP. Earmarked reserves can be reallocated as part of that process if required and the strategy changes.
7. Delays in filling posts are largely a consequence of not being able to attract suitable candidates, some posts having to be advertised several times. The current economic position has had an impact, with people choosing to 'stay put' if they are already in employment.

The Council is seeking to address this issue over the longer term as part of its workforce planning arrangements

Board Member, Councillor Turner

8. Decisions on the capital programme and its financing are taken by full council, so ultimately the decision commented on will be for elected members. However, I personally think it would be wiser to spend one-off windfalls such as this on capital or time-limited revenue schemes than ongoing revenue commitments.

Name and contact details of author:-

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Principal Scrutiny Officer
Law and Governance
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List of background papers:

Version number: 1

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To: City Executive Board

Date: 4th. July 2012

Report of: Value and Performance Scrutiny Committee

Title of Report: Treasury Management Performance 2011/2012

Summary and Recommendations

Purpose of report: To present comments from the scrutiny committee on Treasury Management Performance for 2011/2012.

Key decision? No

Scrutiny Lead Member: Councillor Mills

Executive lead member: Councillor Turner

Policy Framework:

Recommendation(s): For the City Executive Board to say if it agrees or disagrees with the following recommendations:

Recommendation 1

The committee agree with the proposed changes to the Treasury Management Strategy for 2012/2013 to:

- Increase the limit invested in MMFs to £20m.
- Add Police Authorities to the counterparty list.

Recommendation 2

For the City Executive Board to keep under active review the effects of "Right to Buy" within the HRA Business plan. In particular:

- Income streams.
- Our ability to be flexible within the funding of the capital programme to allow us to use all capital receipts from sales.

Introduction

1. The Value and Performance Scrutiny Committee considered performance within the Treasury Management Strategy for 2011/2012 and were supported in the debate by Nigel Kennedy and Anna Winship. The committee would like to thank them for their time and advice.
2. This committee is the “proper scrutiny body” within the CIPFA code and comments are made within that role. For the coming year a Finance and Performance Panel has been set made up of Councillors Fry, Mills, Simmons and Rowley. Future considerations in this area will take place at this Panel.

Comments and Recommendations

3. The committee is please to see improvements in returns on investments and overall good performance within the strategy. Loans required to finance debt repayments within housing self financing have bought a considerable new dimension to the Strategy and the Panel wish to monitor this alongside the Housing Business Plan in the future.
4. The effect of “Right to Buy” on income within the Housing Business Plan and the ability of the Council to keep all capital receipts from this source within Oxford was discussed by the committee. Members expressed concern that large discounts offered are likely to produce a high number of sales and this could affect income levels significantly. The ability to keep the remainder of the capital receipt to repay debt or invest in new social housing (or maybe both) was welcome but funding arrangements within the capital programme needed to be kept flexible to get best advantage from this.

Recommendation 1

The Committee agree with the proposed changes to the Treasury Management Strategy for 2012/2013 to:

- **Increase the limit invested in MMFs to £20m.**
- **Add Police Authorities to the counterparty list.**

Recommendation 2

For the City Executive Board to keep under active review the effects of “Right to Buy” within the HRA Business Plan. In particular:

- **Income streams.**

- **Our ability to be flexible within the funding of the capital programme to allow us to use all capital receipts from sales.**

Director and Board Member Comments

Comments will be made at the meeting.

Name and contact details of author:-

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