

**To: City Executive Board**

**Date: 11<sup>th</sup>. September 2013**

**Report of: The Scrutiny Finance Panel**

**Title of Report: Quarter 1 Spending 2013 - 2014**

### **Summary and Recommendations**

**Purpose of report:** To report the comments and recommendations of the Scrutiny Finance Panel on budget spending at quarter 1 contained with the Integrated Performance Report.

**Key decision: No**

**Scrutiny Lead Member: Councillor Simmons.**

**Executive Lead Member: Councillor Turner.**

**Policy Framework: Efficient, Effective Council.**

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

#### **Recommendation 1**

**To express concern about the availability of resources to deliver the Capital Programme.**

#### **Recommendation 2**

**To reconsider the reporting of the Commercial Property rental measure using dates that align to produce a more accurate picture of performance.**

#### **Recommendation 3**

**That the City Executive Board bring forward their strategy for the provision of contingencies with the forthcoming medium Term Financial Strategy to the next meeting of the Panel in November.**

## **Introduction**

1. The Scrutiny Finance Panel considered budget spending at quarter 1. They were supported in their debate by David Watt, the Panel would like to thank him for his time and advice.
2. The Panel agreed that the Council's finances are in a robust state. The Panel pointed out a few errors in the report and officers agreed to make the appropriate changes.
3. The Panel has asked officers to provide more detailed information in some areas. This is listed below for information:
  - Model the financial affects in the HRA and GF of the proposed transfer of assets.
  - Details of contingencies and reserves for the last 5 years showing movements in and out.
  - In future reports to show variances to date as well as variances against budget.
4. A number of recommendations are presented for the City Executive Board to consider.

## **Conclusions and Recommendation**

5. Capital Programme delivery.  
The Panel discussed the difficulties outlined of delivering planned efficiencies in Corporate Property and wanted to be sure that the resources are available to deliver our significant Capital programme. Officers outlined that considerations of resources are underway.

### **Recommendation 1**

#### **To express concern about the availability of resources to deliver the Capital Programme.**

6. Reporting Commercial Property Income.  
The reported outcome against the rent arrears measure is shown as significantly off target. The explanation suggests that the date used to compare collection against the debit due is always likely to produce a "false" outcome. This is unsatisfactory.

### **Recommendation 2**

#### **To reconsider the reporting of the Commercial Property rental measure using dates that align to produce a more accurate picture of performance.**

7. The Panel discussed the large amounts in contingencies and as mentioned earlier in the report have asked for more data on the total

amounts available in contingencies and reserves and how these have moved and developed over the previous 5 years. In addition the Panel heard that the robust delivery of savings and efficiencies has meant that £800k of the contingency set aside to support non delivery in this area will no longer be needed.

8. At the last budget round the City Executive Board, in response to a scrutiny recommendation, agreed to reconsider the current strategy for the provision of contingencies and to consider a policy of pooling risks. The Panel hope that these considerations will be available to them as soon as possible.

### **Recommendation 3**

**That the City Executive Board bring forward their strategy for the provision of contingencies with the forthcoming medium Term Financial Strategy to the next meeting of the Panel in November.**

### **Comments from the Director and Board Member**

9. Comments at the meeting.

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

Name: Patricia Jones on behalf of the Scrutiny Committee  
Job title: Principal Scrutiny Officer  
Service Area: Law and Governance  
Tel: 01865 252191 e-mail: phjones@oxford.gov.uk

**List of background papers: None**

**Version number: 2**

This page is intentionally left blank