

**To: City Executive Board**

**Date: 10 September 2014**

**Report of: Scrutiny Finance Panel**

**Title of Report: Budget Monitoring 2014/15 – Quarter 1**

### **Summary and Recommendations**

**Purpose of report:** To report the conclusions and recommendations of the Scrutiny Finance Panel on the Budget Monitoring 2014/15 – Quarter 1 report.

**Key decision? No**

**Scrutiny Lead Member: Councillor Simmons**

**Executive lead member: Councillor Turner**

**Policy Framework: Improving value for money and service performance**

**Recommendations:** For the City Executive Board to say if it agrees or disagrees with the following recommendations:

#### **Recommendation 1**

**That urgent action is taken to avoid a loss of subsidy relating to the overpayment of benefits.**

#### **Recommendation 2**

**If necessary to avoid slippage, a flexible approach should be taken to spending the £2m investment in Homelessness Property Acquisitions in 2014/2015. This could include investing in social housing instead.**

#### **Recommendation 3**

**The premises for the heavy vehicle testing facility should be flexible enough that it can be used for other purposes in the event that the testing facility is not successful.**

#### **Recommendation 4**

**The capital programme should be a red risk in performance reports until the new capital gateway process proven to be effective.**

**Introduction**

1. The Scrutiny Finance panel considered the Budget Monitoring 2014/15 – Quarter 1 report. The Panel would like to thank Bill Lewis and Anna Winship for supporting this discussion. The Panel agreed the following conclusions and recommendations.

### **Conclusions and recommendations**

2. The overall financial position is general positive but a £257k overspend relating to the Local Cost of Benefits is a particular concern.

#### **Recommendation 1**

**That urgent action is taken to avoid a loss of subsidy relating to the overpayment of benefits.**

3. High staff turnover is a concern in areas where the Council is losing skilled and experienced staff and the costs of replacing them are significant.
4. The rephrasing of the investment in homelessness property acquisitions is welcome but the possibility of slippage is a concern. The £2m should be spent in the current financial year and a flexible approach should be taken in order to avoid slippage, such as by spending on social housing instead.

#### **Recommendation 2**

**If necessary to avoid slippage, a flexible approach should be taken to spending the £2m investment in Homelessness Property Acquisitions in 2014/2015. This could include investing in social housing instead.**

5. The proposal to invest £160k in a heavy goods testing facility is welcome. The premises should be flexible enough to be used for other purposes in future in the event that the testing facility is not successful.

#### **Recommendation 3**

**The premises for the heavy vehicle testing facility should be flexible enough that it can be used for other purposes in the event that the testing facility is not successful.**

6. The capital programme should be a red risk in performance reports until the new capital gateway process has been implemented and proven to be effective.

#### **Recommendation 4**

**The capital programme should be a red risk in performance reports until the new capital gateway process proven to be effective.**

### **Director and Board Member Comments**

**Recommendation 1** – Officers have put an action plan in place to address this issue and managers are reviewing performance on a weekly basis. It is worth noting however, that since the removal of Council Tax Benefit from the subsidy calculation the thresholds in cash terms for local authority error are more stringent than previously.

**Recommendation 2** – It is unlikely that the procurement of social housing could be delivered within a shorter timeline than the procurement of homelessness accommodation. However, the sentiment in terms of flexibility is noted.

**Recommendation 3** – Currently there is only one heavy vehicle testing facility within Oxfordshire at Bicester. It is extremely busy and the Council currently takes its vehicles to Newbury or Gloucestershire to be tested due to wait times. Soft market testing with local businesses indicates there is demand for a new facility within the City and the Driver and Vehicle Standards Agency are also supportive of the project. Due to current lack of provision it is unlikely the project will be unsuccessful.

**Recommendation 4** - The Council has an agreed Risk Management Framework which allocates a Red, Amber or Green status dependant on the respective impact and probability of a risk occurring. This methodology is applied to all identified risks.

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**List of background papers: None**  
**Version number: 1**

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