

City Executive Board Meeting 12th March 2015 – Agenda Item 3, Public Questions

Questions relating to City Executive Board Meeting, Agenda Item 10, Integrated Performance Report Quarter 3 2014/15:

Integrated Performance Report:

Some of the Appendices were inadvertently missed off the initial publication of this item on the Council's website. These appendices, which are now published, answer or partially answer some of the questions posed i.e. questions 1, 4, 7

1. Recommendation a –

- a. Why is there such a large underspend on budget?
- b. Why is this considered 'Favourable'?
- c. Surely there should be concern at the inaccuracy of the Council's budgeting and forecasting processes?

The principle reason for the 'underspend' is the overachievement of income and the Council's prudent approach to budget management. The key reasons for the net underspend are reported in Appendices A to D. Unless there is adverse impact to service delivery, spending under the budget means that more resources are available to spend on other Council priorities and if there is an ongoing saving, there is a potential to be able to reduce those budgets and either redirect resources or reduce the pressure on the council tax. The Council is pleased to be reporting that due to positive action on behalf of Heads of Service, the Council has over-achieved its income targets.

2. Recommendation b, Paragraph 5 –

- a. Why are you recommending a £200,000 spend on the Cowley Marsh Works, given that the site is scheduled to close over the next few years?
- b. What cash (or any) value to the community is delivered through upgrading a First Aid room and providing additional office space for performance reviews?
- c. What is the business case justification for this spend?

(a) The Cowley Marsh site will remain as a Council Depot for the foreseeable future and it is not scheduled to close over the next few years.

(b) The Council, like other employers, needs to provide proper facilities for its workforce– the Council believes that investing in its workforce and providing appropriate facilities is important and results in an improved and customer focused service.

(c) The business case is based around need, given the size of the workforce based at this site and the nature of work undertaken.

3. Recommendation c, Paragraph 7 – the Council rushed to give planning approval in order to qualify for this grant during last year, which but for the clear and obvious

evidence provided by members of the public would have resulted in the destruction of the Lye Valley SSSI. What failure in management has occurred that now prejudices £1.2m of the HCA Grant, and what specific mitigation actions are being taken?

The Council has not rushed through planning permissions for the sites that form Oxford's current affordable housing programme. Work continues to progress well to complete the 113 new council home programme, some are already finished and occupied. The remaining homes will all be completed over the next 3 months and will provide high quality housing for families in significant housing need. Developing new homes is never straight forward and has been made more challenging with the upturn in the construction market. We have worked very closely with our contractor and the Council's planning service to overcome problems that have arisen. At the same time we have been in close communication with the Homes and Communities Agency (HCA) over our progress.

The HCA have very recently confirmed their agreement to carry forward the grant into 15/16 for those homes that do not complete by 31/3/15 so there will now be no loss of grant monies to the Authority.

4. Recommendation d – that there is such a considerable surplus implies that more accurate budgeting could have enabled a better use of funds and commitment of resources this year – what has the Council done to improve its budgeting processes this year to enable more accuracy for FY15/16?

Where changes occur during the year that cannot be foreseen, such as additional commercial rent income arising from rent reviews and additional trading income etc, this is taken into account in subsequent year's budget planning processes.

5. Executive Summary Paragraph 1 – Performance – this is described as 'good'. So questions arising from this:

- a. What has led you to describe performance as 'good'?
- b. Can you please explain what other descriptors are or can be used (for example, bad, indifferent, brilliant, rubbish and so on)?
- c. What criteria are used in evaluating what descriptor is used?

There are no objective criteria currently used to determine the descriptors; these are subjective in nature and used only to supplement the actual performance attainment statistics which are also provided in the report for the public to see.

In terms of paragraph 1, it seems reasonable to describe 65% of corporate targets being on track and two others still likely to achieve target by year end as "good", particularly since many of these targets are stretching by nature.

6. Paragraph 4 – there seems to be a lot of credence put on performing below budget – for example, any forecast outturn below original (or revised) budget is shown as green on your dials. So questions arising from this:

- a. What other factors are considered when evaluating whether an underspend is appropriate?
- b. Do you calculate a value to the business (either the organisation, or, more importantly, the citizens of Oxford who ultimately pay for this cost)?
- c. If not, why not?
- d. If you do, where is this return on investment shown, and how does it vary according to the budget cost as shown (for example, you may need to invest 100% of your budget on an item to return 100% of predicted value, and if you are showing a 40% saving that may only deliver 20% of the value to the public)?

The Council will always strive to deliver service and corporate objectives within the budgets provided. Wherever there are opportunities to make efficiency savings or generate income in-year, it is incumbent on council officers to do so.

7. General – a number of appendices are referenced in the report as providing more detail. This does not appear to be the case. For example, Risks referenced at Paragraph 12 apparently have more detail in Appendix A, which does not list or discuss any of these risks?

Can you please explain why this detail has not been included? Can you please supply the details where referenced throughout the report as being in an Appendix but not supplied?

The corporate risks are reported in more detail in Appendix A2, and more detail on performance indicators is contained in Appendices B2 to D2 which are now published on the Council’s website, but which due to an oversight were not initially published.

Appendix E: GF Outturn:

8. Leisure, Parks and Communities – some questions on this line:
 - a. What comprises the £1k difference between Previous Month and Latest Budget?
 - b. There is a difference between the Approved and Latest Budget of £926k – is this due solely to the Virement shown?
 - c. If not, can you please explain how this difference has arisen?
 - d. If so, can you please explain what this Virement is for?
 - e. What approval process is there for this Virement?
 - f. Which council officer(s) approved this Virement?

The £1k budget movement for December relates to staff partnership payments which is a transfer from earmarked reserves and as such is authorised by the Head of Finance. The variance between the approved and latest budget has arisen from a number of budget adjustments which are in the main transfers from earmarked reserves. Predominantly then the £926k transfer relates to government grants which were received in a previous financial year and placed into earmarked reserves but which are now being utilised.

Appendix E2:

9. A4814 – Leisure Centre Substantive Repairs – can you please show how the Latest Budget compares to the Original Budget and explain any difference?

The original budget for 2014/15 was £66,000. £254,729 was carried forward from 2013/14 to fund outstanding works to the Barton and Ferry Swimming Pools and the Blackbird Leys Leisure Centre, making the total approved budget for 2014/15 £320,729.

10. A4814 – Leisure Centre Substantive Repairs – can you please explain the variance to Profiled Budget?

The profile was based on the assumption that costs would be evenly spread over several months. However, a payment of £120k was made in January 2015. The budget has now been fully spent.

11. A4829 – Oxford Spires Academy – the budget for this item has been variously explained over the last two years as either £200,000 or £300,000, and is shown here as an unspent £150,000 over the budget year. Can you please explain the actual budget figure originally set, what it is at present in total and how/why the figure of £150,000 shown has been arrived at?

The funding earmarked for the Oxford Spires Academy gym scheme represents a possible contribution to a larger external project which will be available for community use. A budget of £200k was originally approved in 2013/14 and this was increased by £300k, to £500k in total, in the 2014/15 budget. It is anticipated that the budget will be spent by the end of 2015/16.

12. A4829 – Oxford Spires Academy – can you please explain why there is no spend against the budget envisaged for this year, and if it is expecting to be deferred to next financial year explain what is to be spent and when?

A funding agreement is now in place between Oxford Spires Academy and the council, with the first contribution of £150k is now expected to be paid late in 2014/15

13. A4818 – Lye Valley and Chiswell (sic) Valley Walkways – can you please explain why there appears to be two lines for this entry?

Lye Valley and Chilswell Valley Walkways is a single line (2014/15 budget £64k). The budget line below relates to Parks Works.

14. A4816 – Sports Pavilions – there is a £92,000 entry for Mace Project Team Fees – can you please detail what comprises this figure?

Professional fees to external project managers

15. A4818 – Lye Valley and Chiswell (sic) Valley Walkways – can you please explain in detail what these budget amounts are for, and explain why there is a 10% overspend?

This scheme was to renew the boardwalks in the Lye Valley and Chilswell Valley nature reserves. Actual spend was approximately £5k below profile budget as at the end of quarter 3.

16. N6384 – Tower Blocks – can you please explain in detail why there is a projected overspend of 56%?

There is not a projected overspend on the scheme overall. The reason for the £157k forecast variance is explained in appendix A2 and will result in a movement of approved budgets between financial years

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