

Suggested City Executive Board response to the recommendations of the Finance Panel on the Medium Term Financial Strategy 2017-18 to 2020-21 and 2017-18 Budget

Provided by the Board Member for Finance, Asset Management and Public Health

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<i>Recommendation</i>	<i>Agreed?</i>	<i>Comment</i>
1. That future budget reports should provide current and past data alongside figures for the coming four years, and gross as well as net figures, in order to present them in context.	Y	Agreed – Happy to provide further clarity
2. That clarity is provided in future years as to which fees and charges are discretionary and which are restricted to a level based on cost recovery or set by other bodies.	Y	Agreed – Happy to provide further clarity
3. That opportunities to generate additional revenue from discretionary fees and charges within the Planning and Regulatory Service (e.g. by issuing more Street Trading Licences) should be kept under review, given that unmet income targets have been rebased.	Y	Agreed - We will continue to increase income from discretionary services
4. That consideration is given to charging a lower rate for Street Trading licences in areas outside the city centre, hence making compliance without the need for enforcement more likely and maximising income.	Y	<p>A new reduced fee of £350 was included in the 17/18 Fees & Charges Schedule and was approved by General Purposes Licensing Committee on 23rd January. The following is taken from the January 23 GPL committee report:</p> <p>A new fee of £350 is proposed to assist businesses in low footfall areas outside the city centre. This fee would apply to premises located in the existing Neighbourhood Shopping Centres (as listed in Appendix 9 of the Oxford Local Plan 2001-2016).</p> <p>The introduction of a reduced fee is recommended in the interests of encouraging increased vitality in low footfall out of town areas where small businesses may struggle to establish themselves. The level has been set to reflect the</p>

		reduced impact, size and compliance risk of street cafes in these areas, whilst balancing the need to cover costs.
5. That additional income from car parking charges should be rated high risk (and therefore have a 30% contingency) given the significant increases in rail capacity in the city.	Y	Additional income arising from increasing the park and ride charges in April 2018 is classified as high risk and mitigated by a 30% contingency. Other increased income arising from volume changes on park and ride and increases in off street parking fees is considered to be a medium risk given the changes that are expected in vehicle movements arising from the opening of the Westgate. Car parking income this financial year is already exceeding budget.
6. That consideration is given to how 'Invest to save' items are classified and presented in future budgets given that there are few invest to save revenue items but numerous capital projects that generate revenue savings (e.g. homelessness property investments).	Y	The Council has a budgeted for a significant amount of capital expenditure which will give rise to savings in the revenue budget, including waste transfer station- £2.4 million, Seacourt park and ride extension -£3.9 million, purchased of properties for homeless families - £10million, Loan to Oxwed - £4.1 million and Loans to Housing Company -£60million. We are happy to consider ways to make such schemes more prominent in the Budget report if it is the view of Scrutiny that they were not clear.
7. That officers are encouraged to submit invest to save ideas, even if the savings are likely to be high risk, given there is still a significant transformation reserve that can be drawn on to fund these (c.£750k).	Y	Officers are encouraged to consider 'invest to save' proposals through the Budget Setting process. Most of those for this year's budget setting process are capital by nature as identified in recommendation 6 above. This will continue to be a key theme during budget setting going forward as balancing the budget becomes more challenging. It is to be noted that retaining a contingency against high risk savings can serve as encouragement to put these forward.
8. That further consideration is given to the allocation of contingencies against high risk efficiency savings (which are reducing from 40% to 30%), given the council's recent record of not drawing on contingencies and the fact that unachieved efficiencies can be covered in other ways (e.g.	N	The Medium Term Financial Plan provides for around £3.5million of increased efficiencies and fees and charges by year four with contingencies relating to non-achievement of high risk areas of £340k. Whilst the Council has had a good track record of achieving all savings or

by making alternative savings), or reported as pressures the following year.		replacing them with other savings, this will become more and more challenging. It is still considered prudent to make some contingency in order to protect the revenue account, and indeed to send a clear message to officers that such savings proposals are desirable, and some non-achievement will not result in budget shortfalls.
9. That the council's Audit and Governance Committee considers the long term risks, controls and governance issues associated with the establishment of fully or partly council-owned companies and other new delivery vehicles (e.g. trust models).	Y	Agree. A review of the Governance of companies established by the Council by the Councils internal auditors, BDO, is part of the draft internal audit work programme
10. That the council's capacity and skills to support the new companies should be closely monitored, the risk being that if these efforts are under-resourced then opportunities will not be maximised.	Y	Agree – as the Council's wholly owned companies grow they will become more complex and require more resource to service. The resources required to support these companies will be closely monitored and if appropriate will be increased
11. That consideration is given to using a property agent to improve the council's capacity and agility in the property market (e.g. for homelessness property purchases), as this could enable the council to move quickly to take better opportunities and potentially save money.	Y	Agree -The Council is currently making use of its internal staff resource to manage the purchase of these properties. If it is considered that more resource is required to accelerate the process then this will be procured.
12. That the next annual review of the Council Tax Support Scheme includes an assessment of the impacts of the scheme on reducing poverty in the city to provide assurance that this is the best way of targeting resources to improve outcomes.	Y	Agree – The Council is required to annually review the scheme and consult on any subsequent changes. To date the Council has decided not to change the scheme from that originally introduced. The scheme will be considered again in September 2017 for the year 2018-19. The administration is clear that any changes will be driven by a desire to maximise our ability to prevent financial hardship, rather than achieve savings.
13. That further discussions are held with Oxfordshire Clinical Commissioning Group to explore how community facilities can be incorporated into the provision of health care services.	Y	We are confident that the space at Rose Hill will soon be taken by health users. The health authorities are interested in using community spaces to deliver some services, and we welcome this (especially since there may be synergies with other aspects of our community

		development work). The work at Rose Hill has, however, made it clear that leasing space is not a straightforward process for the health authorities, and this will need to be borne in mind when planning future occasion of our centres.
14. That a review of council spending on apprenticeships is undertaken that includes identifying how to maximise opportunities to claim back part of the levy to fund external training for apprentices.	Y	Agree -The Council is currently looking at the best way to mitigate the cost of the levy by the charging of appropriate apprenticeship training costs
15. That costs arising from uplifts in the Oxford Living Wage (OLW) should take account of the expected convergence of the OLW and the National Living Wage (which will rise to £9 per hour by 2020 for over 25s), which may release some small savings over the plan period.	Y	Agree- Whilst it is agreed that by 2020 the National Living Wage will overtake the Fusion contracted wage, the saving to the Council will be minimal in the context of the overall Council budget. We will review the position annually
16. That the following areas should be priorities for further spending if additional revenue resources become available: a) The Fraud Team, given its potential to raise revenue; b) An Occupational Therapist to work within existing governance structures, which could prevent unspent Disabled Facilities Grant funding being returned to Government; c) One-off funding to protect archived documents in the Town Hall basement from flooding (e.g. waterproof filing systems); d) An additional Streetscene operative;	Y	CEB note the above priorities suggested by the Panel and will consider these alongside other competing priorities if and when available financial resources allow.