

## 2013/14 Budget Scrutiny Outstanding Actions, Recommendations and Conclusions

### Introduction

Resources & Performance Scrutiny Board (RSPB) considered the context to the revenue and capital budgets for 2013/14. Revenue net expenditure has reduced by 31% since 2008/09 and is summarised in the table below.

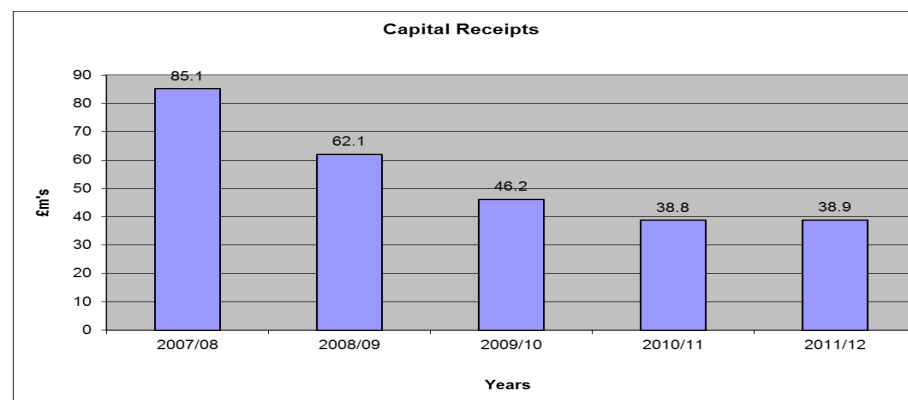
	2008-09	2009-10	2010-11	2011-12	2012-13
<b>Net Budget</b>	<b>21.1</b>	<b>19.9</b>	<b>18.5</b>	<b>15.8</b>	<b>14.6</b>
<b>Change (£)</b>	<b>-2.4</b>	<b>-1.2</b>	<b>-1.4</b>	<b>-2.7</b>	<b>-1.2</b>
<b>Change (%)</b>	<b>-10.2%</b>	<b>-5.7%</b>	<b>-7%</b>	<b>-14.5%</b>	<b>-7.5%</b>

On this basis a focus was given on discretionary budgets and the largest budget – environmental services. This budget represents some 40% of the 2012/13 net revenue budget.

The board also considered the budgetary implications of the welfare reform changes – administration subsidy issues and the implications for the homelessness budgets.

Capital spend is projected to be £18m in 2012/13. Based on the current programme and profiled expenditure capital receipts are forecasted to be at less than £20m in March 2013. On this basis the Board dedicated a large part of the budget scrutiny on the capital bids including the scoring process. The detail behind the bids and scores can be seen on the final page of Appendix 2.

If current expenditure continues and the council doesn't increase its capital pot, it will no longer be a debt free authority.



**Recommendation**

The Executive is recommended to consider the following recommendations from the Resources and Performance Scrutiny Board.

**Capital Bids 2013/14**

The budget scrutiny process for 2013/14 has involved a review of the capital bids received as part of the 2013/14 process. The bids received were reviewed at an informal budget scrutiny meeting (24 September 2012) and scored using a standard score card taking into account:

- Drivers (compulsory/legal; highly recommended; or desirable)
- Strategic Objectives (direct and significant to a strategic objective; indirect; or, not applicable)
- Consultation Priority
- Impact on performance or service deliver
- Organisation risk
- Efficiency (positive revenue with figures provided)

At the second informal budget scrutiny meeting (2 October 2012) Lead Members and Heads of Service were present to provide scrutiny members with additional information on a number of bids.

At the 16 October 2012 meeting of the Resources and Performance Scrutiny Board, Members reviewed the information from the informal meetings and agreed to submit the following recommendations for consideration by the Executive:

Recommendations	Reasons and Comments
<b>Capital Programme 2013/14</b>	
1. That the following capital bids be included in the capital programme 2013/14: <ul style="list-style-type: none"> <li>i. D &amp; PS Access Audit 2012</li> <li>ii. Vehicle Replacement 2013/14</li> </ul>	Bids i – xv: The Board was satisfied with the information and justification for each of these bids All of these bids received a score of 24 or greater during the review process and the Board determined that all bids with a score greater than 24 should be recommended for inclusion in the capital programme 2013/14.  Members noted however that there were a number of bids that related to the replacement of

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<ul style="list-style-type: none"> <li>iii. Cherwell Community Centre – Roof Covering Replacement</li> <li>iv. Microsoft Licensing</li> <li>v. Recycling Bank Replacement 2013/14</li> <li>vi. Units 6 &amp; 7 Thorpe Way – Replacement Roof Covering</li> <li>vii. Mandatory Disabled Facilities Grants</li> <li>viii. Vehicle lifting equipment</li> <li>ix. Desktop PC Replacement</li> <li>x. Visualfiles Upgrade</li> <li>xi. Server Replacement Package</li> <li>xii. 23 &amp; 24 Thorpe Place – Replacement Roof Lights</li> <li>xiii. Financial System Upgrade</li> <li>xiv. Bicester Sports Village Phase 2</li> <li>xv. Stratfield Brake Repair Works</li> <li>xvi. Wheeled Bin Replacement Scheme</li> <li>xvii. Works in Connection with Condition Survey</li> <li>xviii. Kidlington and Gosford Leisure Centre Astro Turn Replacement</li> <li>xix. North Oxfordshire Academy Track Refurbishment</li> <li>xx. Discretionary Housing Grants</li> <li>xxi. Replacement Air Conditioning Plant</li> </ul>	<p>items which would have a limited life span and therefore require repair or replacing. Members commented that the capital pot is limited and would require building up again; therefore the Board suggested that consideration should be given to services building up funds to cover future replacements and ongoing costs.</p> <p>Bid xvi (Wheeled Bin Replacement Scheme): The Board commented that it was important for the Executive to be mindful of future wheeled bin replacement schemes and that the Executive be requested to build up funds from revenue accounts for future replacement schemes. Members noted that not all bins would require replacing at the same time and therefore bin replacement should be undertaken as a rolling scheme.</p> <p>Bid xvii (Works in Connection with Condition Survey): The Board agreed that this project be recommended for inclusion in the capital programme 2013/14 as the survey would review assets and identify areas requiring replacement to inform a rolling repair and maintenance programme.</p> <p>Bid xviii (Kidlington and Gosford Leisure Centre Astro Turf Replacement) and bid xix (North Oxfordshire Academy Track Refurbishment): The Board recommended that these bids be included in the capital programme 2013/14 as recreation was one of the council's key services and third party funding could only be sought if Cherwell committed funds. Members requested that officers give consideration with partners to general maintenance and future replacement.</p> <p>Bid xx (Discretionary Housing Grants): Members noted that the level of demand for these grants varied and agreed that the grants should be retained, in particular, in light of the welfare reforms.</p> <p>Bid xxi (Replacement Air Conditioning Plant to Main Chamber, Bodicote House): Following the receipt of supplementary information regarding this bid and confirmation that it was not part of the capital bid for works associated with the findings of the condition survey, Members were satisfied that the work was essential. Additionally, there were potential cost and environmental benefits. Notwithstanding their support for the bid, Members raised concerns as to why the work had not been undertaken previously.</p> <p>Bid xxii: (Corporate – Electronic Document and Records Management System (EDRMS)): Following the receipt of supplementary information and consideration of a draft business case</p>
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<p>to Main Chamber, Bodicote House</p> <p>xxii. Corporate – Electronic Document and Records Management System (EDRMS) to include the capital bid for Planning and Building Control replacement of ICLIPSE (Northgate)</p> <p>xxiii. Highfield Depot Relocation Feasibility (resubmitted bid - Highfield Depot – Proposed Redevelopment of Office and Welfare Facilities)</p> <p>xxiv. Thorpe Lane Hard Standing Depot</p>	<p>Members agreed to note the report and recommend that the Executive earmark reserve capital receipts to a maximum of £700k for the implementation of EDRMS, subject to:</p> <ul style="list-style-type: none"><li>• A full business case being brought forward</li><li>• Site visits being made available for Members to see and hear about actual benefits realised in other councils, and the systems used</li><li>• If the subsequent business case is approved, which delivers this significant business change in stages in the way that best enables and supports delivery of strategic priorities</li><li>• South Northamptonshire Council Cabinet taking a similar decision</li></ul> <p>The Board stressed that the detailed business case should cover how the change would be managed; the migration of other systems and the arrangements to be put in place to backfill officers as required; cashable and non-cashable savings.</p> <p>The Board recommended that the capital receipts should be earmarked to ensure capital funding would be available should the detailed business case be supported and not allocated to other projects.</p> <p>As the bid was for a joint project with South Northamptonshire Council, Members requested that officers provide feedback following consideration of the bid by SNC Members.</p> <p>Bid xxiii: (Highfield Depot Relocation Feasibility – resubmitted Highfield Depot – Proposed Redevelopment of Office and Welfare Facilities bid): Following initial consideration of this bid, it had been resubmitted as a bid for capital funding to undertake a full technical redevelopment assessment and valuation of the Highfield Depot site. The Board agreed that this bid should be recommended for inclusion in the 2013/14 capital programme up to a value of £65k as it represented the only way forward as it was essential to have all relevant information to enable a plan to be developed about the future of the site. Members recognised that the procurement exercise to appoint a consultant to carry out the feasibility study could result in a lesser cost.</p> <p>Bid xxiv: Thorpe Lane Hard Standing Depot: Following consideration of supplementary information relating to this bid, Members agreed that it was essential that the bid be recommended for inclusion in the 2013/14 capital programme to address and potential health and safety issues before they arise.</p>
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<p>2. That the following capital bid be included in the capital programme 2013/14, subject to negotiation and agreement being reached with Kidlington Parish Council for the ongoing maintenance of the bollard:</p> <ul style="list-style-type: none"> <li>i. Kidlington Pedestrian Scheme – Phase 2</li> </ul>	<p>The Board recognised that this bid was the next phase of the Kidlington pedestrianisation scheme and would help enforce the new pedestrianised area in the centre of Kidlington. The Board agreed that this bid should be recommended for inclusion in the 2013/14 capital programme subject to subject to negotiation and agreement being reached with Kidlington Parish Council for the ongoing maintenance of the bollard.</p>
<p>3. That the following capital bid be included in the capital programme 2013/14, subject to an appropriate policy for the scheme being established, a requirement that any bids over £2,000 must have, as a minimum, matched funding and that the Lead Member approve grants:</p> <ul style="list-style-type: none"> <li>i. Community Facilities Grant Scheme</li> </ul>	<p>The Board noted that the Community Facilities Grant Scheme would support community groups and parishes and there were no projects earmarked for funding. The Board stressed the need for a process for the allocation of grants that would consider each application on its merits and that each grant be approved by the Lead Member. The proposed policy to be available and approved by 31 March 2013. The Board also recommended a cap of £2,000 per bid and that any bids over £2,000 must have, as a minimum, matched funding.</p>
<p>4. That the following capital bids not be included in the capital programme 2013/14:</p> <ul style="list-style-type: none"> <li>i. Bartec expansion</li> <li>ii. Replacement CCTV and Intruder Systems District Wide</li> <li>iii. CDC and SNC Customer Services Desktop as a Service (DaaS)</li> <li>iv. Town Centre Visitor Information</li> <li>v. Lighting to Main Chamber, Bodicote</li> <li>vi. Joint Intranet (CDC and SNC)</li> </ul>	<p>Bid i (Bartec Expansion): The Board recommended that this bid not be included in the capital programme 2013/14 as, whilst the benefits of the system were understood, Members felt that it was not a priority at the current time, additionally, the payback was longer than the asset life.</p> <p>Bid ii (Replacement CCTV and Intruder Systems District Wide): There was no insurance requirement to replace the system which was adequate.</p> <p>Bid iii (CDC and SNC Customer Services Desktop as a Service (DaaS)): The Board felt the time and resource efficiencies of the system presented in the bid did not warrant the capital expenditure, particular as there were no direct financial efficiencies.</p> <p>Bid iv (Town Centre Visitor Information) and Bid v (Lighting to Main Chamber, Bodicote): These were the two lowest scoring bids and Members agreed that they did not justify best use of the council's resources.</p> <p>Bid vi: Joint Intranet (CDC and SNC): Following consideration of supplementary information, the Board agreed that this bid not be included in the capital programme 2013/14 as Members felt that it was not a priority at the current time</p>

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<p>5. That the following capital bids not be included in the capital programme 2012/13:</p> <ul style="list-style-type: none"><li>i. Bradley Arcade – Promenade Deck Repairs to Shops</li><li>ii. Stable Restaurant Alterations</li><li>iii. Repairs to Lighting Protection at Bodicote House and Banbury Bus Station</li><li>iv. External / Internal Painting</li><li>v. Retained Land Backlog Maintenance</li><li>vi. Street Furniture</li><li>vii. Unit 18 Thorpe Way - clearance of unit</li><li>viii. Unit 6 &amp; 20 Thorpe Place – Improvements</li><li>ix. CDC Community Development Strategy</li><li>x. Cherwell Allocations Review and Implementation</li><li>xi. Work-in-default</li></ul>	<p>The Board agreed that these bids did not meet the capital requirements and requested that officers investigate other sources of funding,</p>
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**Environmental Services Budget**

The budget scrutiny process for 2013/14 has involved a review of the council's environmental services budget. The Board received an extensive briefing from the Head of Environmental Services during which Members were advised that Environmental Services delivered many of the front line services of the Council, including Waste Collection, Street Cleansing, Public Conveniences and Landscape Management. These services were the services that the Council was most well known for amongst residents and accounted for a significant percentage of overall Council expenditure. The overall revenue budget for Environmental Services was £5.86 million.

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The Board agreed to submit the following recommendations for consideration by the Executive:	
Recommendations	Reasons and Comments
1. That consideration be given to requesting officers to develop a business case for commercial waste collection.	The Board noted that waste collection from residents in the district was the primary function of the waste service but considered that the collection of commercial waste could generate an income for the Council. It was acknowledged that the cost of such a service could outweigh any benefits and agreed that giving consideration to the feasibility of offering such a service through a cost/benefit analysis would be the most appropriate course of action in the first instance.
2. That the Resources and Performance Scrutiny Board maintain a watching brief on the Oxfordshire Waste Partnership (OWP)	<p>The Board had undertaken a detailed review of the Council's partnership with OWP in 2010/11 and retained the item on their work programme to monitor in light of uncertainty about the financial arrangements.</p> <p>The Board had noted that there was still considerable uncertainty about the financial arrangements and, in particular, the payments to collection authorities from the county council. The issue was under discussion by Leaders and Chief Executives across the county and would also be considered by the OWP at their next meeting.</p> <p>Members agreed that this should remain on their work programme and requested that the Head of Environmental Services provide updates to the Board as appropriate.</p>
<p><b>Homelessness Budget</b></p> <p>The budget scrutiny process for 2013/14 has involved a review of the council's homelessness budget. The Head of Finance and Procurement advised the Board that the Council's homelessness budget had remained relatively stable for the previous two years and the Government had confirmed that the Council's homelessness grant would remain the same for the next two years, but this was not ring fenced.</p> <p>It was anticipated that the need for homelessness support would increase as a result of the Government's Local Government Resources Review and Welfare Reforms Resources Review and Welfare Reforms which could cause budget pressures for the Council. As a consequence, the Board agreed that they should retain a watching brief through the Finance Scrutiny Working Group.</p>	
<p><b>Concessions Policy</b></p> <p>As part of a previous budget scrutiny process, Members had identified the need for a consistent approach to concessions across the authority. As part of the 2013/14 budget scrutiny process nominated Board Members had met with Finance Officers to reviews the</p>	

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concessions currently offered by the council and third parties. It had been noted that there were discrepancies and focus should be developing overarching principles taking into consideration services CDC delivers, services externally delivered and which groups were currently in receipt of concessions.

The Board noted that the concessions review could only give guidance for services delivered by CDC and guide through Service Level Agreements for third party providers. It was further noted that an equality impact assessment would be need to be undertaken. It was agreed that work on concessions principles would be ongoing with a view to a policy being implemented with effect from April 2013.

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**NEW CAPITAL BIDS 2013/14**

<b>Bid No.</b>	<b>Capital Scheme</b>	<b>Directorate</b>	<b>Strategic Priority</b>	<b>Capital Bid Score</b>	<b>JOINT TOTAL Capital Cost</b>	<b>Total Estimated Capital Cost</b>
<b>19</b>	D & PS Access Audit 2010	DEV	<b>S&amp;H</b>	<b>39</b>		<b>£15,000</b>
<b>36</b>	Vehicle Replacement 2013/14	COM	<b>CG</b>	<b>36</b>		<b>£3,637,000</b>
<b>7</b>	Chasewell Community Centre – Roof Covering Replacement	DEV	<b>S&amp;H</b>	<b>36</b>		<b>£15,000</b>
<b>40</b>	Microsoft Licensing	RES	<b>AVFM</b>	<b>32</b>	<b>£300,000</b>	<b>£150,000</b>
<b>34</b>	Recycling Bank Replacement 2013/14	COM	<b>CG</b>	<b>31</b>		<b>£25,000</b>
<b>17</b>	Units 6 & 7 Thorpe Way – Replacement Roof Covering	DEV	<b>S&amp;H</b>	<b>31</b>		<b>£84,000</b>
<b>30</b>	Mandatory Disabled Facilities Grants	DEV	<b>DOO</b>	<b>29</b>		<b>£375,000</b>
<b>38</b>	Vehicle lifting equipment	COM	<b>CG</b>	<b>29</b>		<b>£30,000</b>
<b>41</b>	Desktop PC Replacement	RES	<b>AVFM</b>	<b>29</b>		<b>£42,000</b>
<b>44</b>	Visualfiles Upgrade	RES	<b>AVFM</b>	<b>29</b>		<b>£16,000</b>
<b>43</b>	Server replacement package	RES	<b>AVFM</b>	<b>29</b>		<b>£24,000</b>
<b>2</b>	23 & 24 Thorpe Place – Replacement Roof Lights	DEV	<b>S&amp;H</b>	<b>28</b>		<b>£27,000</b>
<b>45</b>	Financial System Upgrade	RES	<b>AVFM</b>	<b>26</b>	<b>£200,000</b>	<b>£100,000</b>
<b>23</b>	Bicester Sports Village Phase 2	COM	<b>DOO/S&amp;H</b>	<b>24</b>		<b>£450,000</b>
<b>26</b>	Stratfield Brake Repair Works	COM	<b>S&amp;H</b>	<b>24</b>		<b>£80,000</b>
<b>37</b>	Wheeled Bin replacement scheme	COM	<b>CG</b>	<b>23</b>		<b>£720,000</b>

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<b>8</b>	Works in Connection with Condition Survey	DEV	<b>S&amp;H</b>	<b>23</b>		<b>£350,000</b>
<b>24</b>	KGLC ATP Replacement	COM	<b>DOO/S&amp;H</b>	<b>20</b>		<b>£180,000</b>
<b>25</b>	NOA Track Refurbishment	COM	<b>DOO/S&amp;H</b>	<b>20</b>		<b>£165,000</b>
<b>29</b>	Discretionary Housing Grants	DEV	<b>DOO</b>	<b>18</b>		<b>£275,000</b>
<b>3</b>	Replacement Air Conditioning Plant to Main Chamber, Bodicote House	DEV	<b>S&amp;H</b>	<b>21</b>		<b>£80,000</b>
<b>10</b>	Highfield Depot – Proposed Redevelopment of Office & Welfare Facilities	DEV	<b>S&amp;H</b>	<b>21</b>		<b>£65,000</b>
<b>35</b>	Thorpe lane depot hard standing	COM	<b>CG</b>	<b>16</b>		<b>£35,000</b>
<b>21</b>	Community Facilities Grant Scheme	COM	<b>S&amp;H</b>	<b>15</b>		<b>£84,000</b>
	<b>TOTAL RECOMMENDED BIDS</b>					<b>£7,024,000</b>
<b>32</b>	Kidlington Pedestrianisation Scheme – Phase 2	DEV	<b>DOO</b>	<b>17</b>		<b>£28,825</b>
<b>39</b>	Corporate - Electronic Document and Records Management System (EDRMS)	RES	<b>AVFM</b>	<b>16</b>	<b>£1,400,000</b>	<b>£700,000</b>
	<b>TOTAL BIDS FOR 13/14</b>					<b>£7,752,825</b>