

COUNCIL – 9 FEBRUARY 2010

SERVICE AND RESOURCE PLANNING 2010/11 – 2014/15

**Commentary on the Opposition and Green Group's amendments to
the proposed budget 2010/11 – 2014/15**

by Assistant Chief Executive & Chief Finance Officer

Introduction

1. This report needs to be read in conjunction with my report to the Council on the Service and Resource Planning 2010/11 – 2014/15, which sets out my commentary on the Council's financial position overall including the adequacy of reserves and balances.
2. The Opposition (the Liberal Democrat Group) and the Green Group have produced amendments to the Cabinet's budget proposals; as such they have only produced an amendment schedule. The commentary on those amendments is set out below.

Liberal Democrat Group

Overview

3. The Liberal Democrat Group's budget proposals are based on a 2.50% increase in Council Tax in 2010/11 and the same level continuing over the medium term.

Investment Proposals and Directorate Pressures and Savings

4. The amendments to the Directorate pressures and savings proposals are included within Annex 1 to the Liberal Democrat Group's Report. They are discussed with the Directorate proposals below.

Medium Term Financial Plan

5. The Council Tax increases proposed provide £7.124m additional resources over the medium term compared to the Cabinet proposals, this is included within the identified pressures in the table below. It is offset in part by expenditure proposals totalling £2.210m giving a £4.914m reduction in overall pressures over the medium term. Additional savings totalling £0.531m over the medium term are also proposed. The proposals overall produce a

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£2.451m surplus over the medium term compared to a shortfall of £2.994m proposed by the Cabinet.

6. The table below sets out the resources available over the medium term.

Year on Year	2010/11 £m	2011/12 £m	2012/13 £m	2013/14 £m	2014/15 £m	TOTAL £m
Total Pressures Identified ¹	20.9	18.2	11.9	20.3	10.0	81.3
Liberal Democrat amendments	3.2	-0.3		-11.3	3.4	-5.0
Less : Previously agreed but unidentified savings now shown as a pressure		-1.1	-3.1	-3.3		-7.5
NEW PRESSURES	24.1	16.8	8.8	5.7	13.4	68.8
Total Savings Proposed	-27.8	-19.7	-19.4	-14.8	-1.6	-83.3
Liberal Democrat amendments	-0.8	-0.1	0.4			-0.5
Less: Savings required in existing MTFP	2.5	2.5				5.0
Less : Previously agreed but unidentified savings now shown as a pressure		1.1	3.1	3.3		7.5
NEW SAVINGS	-26.1	-16.2	-15.9	-11.5	-1.6	-71.3
NET POSITION*	-2.0	0.6	-7.1	-5.8	11.8	-2.5

* - surplus, + shortfall

One-off Funding/Efficiency Savings Reserve

7. After taking into account the Cabinet's one-off investment proposals in 2010/11 of £1.447m, the Liberal Democrats would add £0.530m to the Efficiency Savings Reserve. When added to the amount currently in the reserve, this would take the total available in 2010/11 for further one-off investments or potential redundancy costs to £2.410m. Whilst this is lower than the Cabinet's proposals of £4.809m, the Liberal Democrat proposals provide a surplus over the medium term of £2.451m which could be used in any year.

¹ Includes Tax and Grant Funding Pressures

Directorate Proposals

8. The Liberal Democrat Group is proposing a series of additional investments utilising the resources available from not reducing Council Tax increases to zero in 2011/12 and 2012/13 and some additional savings. These are set out in the following Directorate paragraphs and all constitute achievable policy changes which would not adversely impact on a budget proposal.

Children, Young People & Families

9. The Liberal Democrat amendments centre on the Youth Service, with proposals for an additional five Youth Workers (£0.155m), removing the savings of £0.350m in the Youth Service and Junior Citizen's Programme included in the Cabinet's proposals plus a one-off contribution to capital for the Youth Centre in Wantage of £0.050m. £0.250m for the expansion of Children's Centres is also proposed along with the removal of savings of £0.200m proposed by the Cabinet on respite care for children with disabilities.

Social & Community Services

10. The Liberal Democrat amendments propose some additional funding for Adult Social Care, totalling £0.800m. This includes funding for additional services to carers, an increase in respite for all care groups, support for local nursing homes and enhanced services at day centres. There is also a proposal not to cut the newspaper and periodical budget in the Library Service in 2010/11.

Community Safety

11. There are two amendments proposed for the Fire Service, both removing the savings proposed by the Cabinet. In total these amount to £0.033m.

Environment & Economy

12. For Environment & Economy, the Liberal Democrat amendments include the re-introduction of charging at evenings and weekends in Oxford from 2010/11 and the removal of the Cabinet's proposed increase in charge for Residents Parking in Oxford. An additional ongoing increase of £0.400m per year is proposed for winter maintenance. A one-off £0.300m in 2010/11 is proposed for road maintenance to deal with the effects of pot holes following the recent cold weather, this is in addition to the £0.750m proposed by the Cabinet. A further investment of £0.500m is also proposed on an on-going basis for increased road and pavement repairs including S42 payments to the City Council.
13. There are several proposals around car usage. A one-off investment of £0.020m is proposed for the training of staff in fuel efficient driving, this is expected to give rise to savings for both car mileage plus fuel and maintenance of Council owned vehicles totalling £0.025m. There is also a proposal to bid, with partners, for Plugged in Places seed funding of £0.025m to support the installation of electric vehicle charging infrastructure in locations

where it will best support electric vehicle owners, such as on-street and public and private car parks.

14. Other amendments include additional charges for skips and scaffolds (£0.050m), the one-off purchase of smart meters for public use through libraries (£0.050m), improvements to public transport information and payment to community transport providers for accepting concessionary bus passes, following the transfer of responsibility to county councils in 2011/12.

Corporate Core

15. The amendments proposed for Corporate Core reduce the staff and capacity of both the Policy Unit and the Media and Marketing Unit. In total these proposals would save £0.550m. In addition, the Liberal Democrats propose a review of the senior management of the organisation, including investigating sharing senior staff with another local authority. This proposal is expected to save £0.100m from 2011/12.

Summary

16. The Liberal Democrats have produced amendments to the Cabinet's proposals which are mostly funded from Council Tax increases of 2.5% across the medium term and not reducing Council Tax increases to zero in 2011/12 and 2012/13. Additional spending proposals focus around the Youth Service and Children's Centres, Adults Social Care and Highways with the reintroduction of charges at the evenings and weekends in Oxford. The proposals do not provide as much one-off funding in the first three years as the Cabinet to fund one-off investments required to deliver the savings and also to fund any redundancy costs. Whilst this is less prudent than the Cabinet's proposals, the position could be re-assessed if required as there is £2.451m unallocated over the medium term.

Green Group

Overview

17. The Green Group's budget proposals are based on a 2.75% increase in Council Tax in 2010/11 and the same level continuing over the medium term.

Investment Proposals and Directorate Pressures and Savings

18. The amendments to the Directorate pressures and savings proposals are included within the annex to the Green Group's Report. They are discussed with the Directorate proposals below.

Medium Term Financial Plan

19. The Council Tax increases proposed provide £11.015m additional resources over the medium term compared to the Cabinet proposals, this is included within the identified pressures in the table below. It is offset in part by

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expenditure proposals totalling £7.163m giving a £3.852m reduction in overall pressures over the medium term. Additional savings totalling £1.186m over the medium term are also proposed. The proposals overall produce a £2.044m surplus over the medium term compared to a shortfall of £2.994m proposed by the Cabinet.

20. The table below sets out the resources available over the medium term.

Year on Year	2010/11 £m	2011/12 £m	2012/13 £m	2013/14 £m	2014/15 £m	TOTAL £m
Total Pressures Identified ²	20.9	18.2	11.9	20.3	10.0	81.3
Green amendments	3.9	-0.3	-0.4	-9.5	2.5	-3.8
Less : Previously agreed but unidentified savings now shown as a pressure		-1.1	-3.1	-3.3		-7.5
NEW PRESSURES	24.8	16.8	8.4	7.5	12.5	70.0
Total Savings Proposed	-27.8	-19.7	-19.4	-14.8	-1.6	-83.3
Green amendments	-1.4	-0.1	0.3			-1.2
Less: Savings required in existing MTFP	2.5	2.5				5.0
Less : Previously agreed but unidentified savings now shown as a pressure		1.1	3.1	3.3		7.5
NEW SAVINGS	-26.7	-16.2	-16.0	-11.5	-1.6	-72.0
NET POSITION	-1.9	0.6	-7.6	-4.0	10.9	-2.0

One-off Funding/Efficiency Savings Reserve

21. After taking into account the Cabinet's one-off investment proposals in 2010/11 of £1.447m, the Green Group would add £0.468m to the Efficiency Savings Reserve. When added to the amount currently in the reserve, this would take the total available in 2010/11 for further one-off investments or potential redundancy costs to £2.348m. Whilst this is lower than the Cabinet's proposals of £4.809m, the Green proposals provide a surplus over the medium term of £2.044m which could be used in any year.

² Includes Tax and Grant Funding Pressures

Directorate Proposals

22. The Green Group is proposing a series of additional investments utilising the resources available from not reducing Council Tax increases to zero in 2011/12 and 2012/13 and some additional savings. These are set out in the following directorate paragraphs and all constitute achievable policy changes which would not adversely impact on a budget proposal.

Children, Young People & Families

23. There is additional funding being made available to support parents of children with severe disabilities (£0.400m) and to help provide benefit advice to those families (£0.260m). The Green Group are also removing the savings proposed on services for disabled Children; early years and children's centres; respite care for Children with Disabilities and the restructuring of Advisory Service for the Education of Travellers and Ethnic Minority Achievement Service. In total, these savings removed rise to £1.430m by 2013/14.

Social & Community Services

24. The proposals for this area total £3.121m ongoing in 2010/11 rising to £6.109m by 2013/14. They are a combination of removal of savings proposals and new areas of investment. The key growth areas deal with triple advice and advocacy service provision (£0.740m); support for carers (£0.300m, increasing in subsequent years); community development for adult social care (£0.400m); subsidy for community transport (£0.200m) and support for asylum seekers with mental health problems (£0.100m). The areas of savings removal are: residential and home care expenditure; re-enablement; designing service delivery with the voluntary sector; supported accommodation review and delayed admission to supported living. In addition, there are proposals to remove saving in archive services and expenditure on books.
25. The other major increased investment is in 2013/14 when £2.500m is identified to fund outstanding savings not yet identified for adult social care.

Environment & Economy

26. The amendment proposals include £2.880m for charging for parking at the Park and Ride sites from April 2010. In addition, they are proposing that on-street parking charges are re-introduced at evenings and weekends, and the charge is increased again in 2011/12.
27. The reintroduction of charges for the three Park and Rides which transferred from Oxford City Council to Oxfordshire County Council in October 2008 are subject to consultation. If the City Council does not agree to the charges they could ask to have the car parks returned to them. If that were to happen the County Council would lose the income estimated on these sites. This would amount to £1.780m per year. The County would save on running costs.

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Equivalent reductions of the net loss would have to be made in revenue expenditure.

28. The key ongoing proposal is for a new energy efficiency scheme for residential properties (£1.000m split over two years). This would provide loans for residents to install installation. There are also proposals for energy efficiency schemes for schools (£0.325m).
29. There are also new ongoing investments for a more walkable Oxfordshire (£0.100m); and two smaller schemes for a pedestrian and cycling officer (£0.08m). In addition there are one off proposals £0.300m for a combination of research on congestion charge; research on light tram line; food purchasing cooperative development; and development of a credit union.

Community Safety and Shared Services

30. The Green Group have made no amendments to the Cabinet's proposals for Community Safety and Shared Services.

Corporate Core

31. The proposals include extending the Apprenticeship scheme, by £0.100m.

Summary

32. The Green Group have produced amendments to the Cabinet's proposals which are mostly funded from Council Tax increases of 2.75% across the medium term and not reducing Council Tax increases to zero in 2011/12 and 2012/13. Additional spending proposals focus around Children with disabilities, Adult Social Care and Highways with the reintroduction of charges at the Park and Rides plus at evenings and weekends in Oxford.
33. The proposals do not provide as much one-off funding in the first three years as the Cabinet to fund one-off investments required to deliver the savings and also to fund any redundancy costs, although they do remove a number of the likely staff reductions. Whilst this provides less for investment than the Cabinet's proposals, the position could be re-assessed if required as there is £2.044m unallocated over the medium term.

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