

Law and Governance

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To Members of the City Executive Board

06 September 2012

Our ref:

Your ref:

Dear Councillor

CITY EXECUTIVE BOARD - WEDNESDAY 12 SEPTEMBER 2012

I attach the following report(s) which were/was not available when the main agenda was dispatched. Please bring these documents to the meeting

Agenda No Item

4. **Scrutiny Committee Reports (Pages 1 - 20)**

Reports on these matters may be made to the Board from the Value and Performance (Finance and Performance) Panel which met on 28th August 2012:-

- ❖ Periodic Reporting – Performance 2012/13
- ❖ Service Targets Performance
- ❖ Changes to Business Rates

A report from the Asset Management Review Panel will also be made to the Board.

Officer reports to the Board on three of these matters appear later on this agenda.

Yours sincerely

William Reed, Democratic Services Manager
Encs



INVESTORS
IN PEOPLE



To: City Executive Board

Date: 12th September 2012

Report of: Value and Performance Scrutiny Committee, Finance and Performance Panel

Title of Report: April to June 2012/13 – Quarter 1 Corporate Plan Performance Report

Summary and Recommendations

Purpose of report: To present comments from the Value and Performance Scrutiny Committee, Finance and Performance Panel on Corporate Plan Performance, Quarter 1 – April to June 2012

Key decision? No

Scrutiny Lead Member: Councillor Mike Rowley

Executive lead member: Councillor Bob Price

Policy Framework:

Recommendation(s): For the City Executive Board to say if it agrees or disagrees with the following recommendations:

Recommendation 1

To request that the indicators for a Vibrant and Sustainable economy be reviewed as the Panel felt that it was not clear if the Councils policies were sufficient enough to fully capture a vibrant and sustainable economy as it felt that only have 3 indicators were not sufficient.

Introduction

1. The Value and Performance Scrutiny Committee, Finance and Performance Panel considered the Corporate Plan Performance, Quarter 1 report and were supported in the debate by Neil Lawrence. The Panel would like to thank him for his time and advice.

Recommendations

- (1) To request that the indicators for a Vibrant and Sustainable economy be reviewed as the Panel felt that it was not clear if the Councils policies were sufficient enough to fully capture a vibrant and sustainable economy as it felt that only have 3 indicators were not sufficient.

Director and Board Member Comments

Director, Finance and Efficiency – Comments will be made at the meeting.

Board Member, Councillor Price - I welcome the observation which I am happy to accept.

Name and contact details of author:-

Mathew Metcalfe on behalf of the Value and Performance Scrutiny
Committee, Finance and Performance Panel
Democratic and Electoral Services Officer
Law and Governance
Tel: 01865 252214 e-mail: mmetcalfe@oxford.gov.uk

List of background papers:

Version number: 1

To: City Executive Board

Date: 12th September 2012

Report of: Value and Performance Scrutiny Committee

Title of Report: Performance against service targets to June 2012

Summary and Recommendations

Purpose of report: To present comments from the Value and Performance Scrutiny Committee, Finance and Performance Panel on performance against service targets to June 2012.

Key decision? No

Scrutiny Lead Member: Councillor Mike Rowley

Executive lead member: Councillor Ed Turner

Policy Framework:

Recommendation(s): For the City Executive Board to say if it agrees or disagrees with the following comment:

Comment 1

The Finance and Performance Panel of the Value and Performance Scrutiny Committee welcomed the performance of targets for Environmental Development and looked forward to seeing all targets met or exceeded over the coming year.

Introduction

1. The Value and Performance Scrutiny Committee, Finance and Performance Panel considered details of performance against service targets to June 2012 and were supported in the debate by Neil Lawrence. The Panel would like to thank him for his time and advice.

Comment

2. The Finance and Performance Panel of the Value and Performance Scrutiny Committee welcomed the performance of targets for

Environmental Development and looked forward to seeing all targets met or exceeded over the coming year.

Director and Board Member Comments

Director, Finance and Efficiency

3. Comments will be made at the meeting.

Board Member, Councillor Turner

4. I welcome Scrutiny's support.

Name and contact details of author:-

Mathew Metcalfe on behalf of the Value and Performance Scrutiny
Committee, Finance and Performance Panel
Democratic and Electoral Services Officer
Law and Governance
Tel: 01865 252214 e-mail: mmetcalfe@oxford.gov.uk

List of background papers:

Version number: 1

To: City Executive Board

Date: 12th September 2012

Report of: Value and Performance Scrutiny Committee

Title of Report: Changes to Business Rates

Summary and Recommendations

Purpose of report: To present comments from the Value and Performance Scrutiny Committee, Finance and Performance Panel on changes to Business Rates.

Key decision? No

Scrutiny Lead Member: Councillor Mike Rowley

Executive lead member: Councillor Ed Turner

Policy Framework:

Recommendation(s): For the City Executive Board to say if it agrees or disagrees with the following comment:

Comment 1

The Finance and Performance Panel of the Value and Performance Scrutiny Committee felt that the levy being 82% was too high and noted that this would form part of the City Council's response to the current Government consultation.

Introduction

1. The Value and Performance Scrutiny Committee, Finance and Performance Panel considered a briefing note on proposed changes to Business Rates and were supported in the Nigel Kennedy. The Panel would like to thank him for his time and advice.

Comment

2. The Finance and Performance Panel of the Value and Performance Scrutiny Committee felt that the levy being 82% was too high and

noted that this would form part of the City Council's response to the current Government consultation.

Director and Board Member Comments

Director, Finance and Efficiency

3. Comments will be made at the meeting.

Board Member, Councillor Turner

4. I welcome Scrutiny's support.

Name and contact details of author:-

Mathew Metcalfe on behalf of the Value and Performance Scrutiny
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Democratic and Electoral Services Officer
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List of background papers:

Version number: 1

To: City Executive Board

Date: 12th September 2012

Report of: Value and Performance Scrutiny Committee, Asset Management Plan

Title of Report: Report of the Asset Management Plan Panel following consideration of the Asset Management Plan 2011-2014

Summary and Recommendations

Purpose of report: To submit comments and recommendations from the Value and Performance Scrutiny Committee, Asset Management Panel to the City Executive Board.

Executive lead member: Councillor Turner

Recommendation(s): For the City Executive Board to say if it agrees or disagrees with the following recommendations:

- (1) A list highlighting the changes made following the end of the consultation would be beneficial;
- (2) Foreward – Page 5, final paragraph – Clarification is required on the delivery of the 112 affordable homes, how these homes will be funded and the numbers to be delivered for each of the next three years;
- (3) Section 1 – Review of 2009 Asset Management Plan, Pages 8, 9 and 10 – These are not necessary and should be removed as these relate to the previous plan;
- (4) Section 2 – Portfolio Objectives and Overview, Page 11 – Objective 2 – The wording is unclear and would read better as “We want all our property to be efficiently managed”;
- (5) Section 2, pages 11 and 12 – The tables showing Operational assets ranked by condition do not make sense and so should be removed;
- (6) Section 4 – Asset Strategy – A separate asset class is required to cover ‘countryside’ assets, including Port Meadow, the other SSSI’s and parks which should also be included. There is no mention of these assets in either class 4.1 or 4.10;

- (7) Section 4 – Asset Strategy – 4.2 Allotments – The first paragraph should be amended to include at the end '*and further details will be found in the emerging Green Space Strategy*'; the second paragraph should be deleted as the Green Space Strategy has not been agreed;
- (8) Section 4 – Asset Strategy – 4.5 Community Centres – Amend the fifth paragraph to read '*The Council will establish occupational leases with community groups to formalise responsibilities. These leases will typically be between one and three years, noting that none size will not fit all and the Council will consider granting Community Association long-leasehold interests (or asset transfers) where the following criteria are met:*'
- (9) Section 6 – Capital Programme, Page 31 – further clarification is required with regard to the paragraph titled 'Homes and Communities Agency Affordable Homes Programme' and S106 Planning Obligations requirement to contribute to affordable housing as this is in the process of being changed;
- (10) Appendix 3, point 17.2 – should be amended to read '*Where the Council implements rent reviews and lease renewals, it will seek to establish the highest market rental value supported by comparable evidence, to preserve the capital value and income flow of the portfolio subject to other relevant requirements of the Asset Management Strategy such as maintaining the agreed balance of uses of the Covered Market*';
- (11) Appendix 3, point 19, page 51 - Tenant Associations – This should be deleted in its entirety as the meaning of the section is unclear and appears to cut across the responsibilities of the Neighbourhoods and Communities Team;
- (12) The following typographical errors require correcting:
 - (i) Section 6, page 32 – last line of the second paragraph, delete 'a' and insert 'an' before the word amount and delete the full stop at the end of the final bullet point;
 - (ii) Section 7, page 33, point 7.1 – In the final line the word 'city' needs correcting to 'City';
 - (iii) Appendix 1, page 38 – too many m's in Emissions.

Introduction:

Councillors Jean Fooks and Oscar Van Nooijen met on 24th August 2012 to further consider the content of the Asset Management Plan 2011-2014

following further drafting by Officers at the end of the consultation process, prior to the Plan being submitted to the City Executive Board.

The following comments and recommendations are presented by Councillors Fooks and Van Nooijen on behalf of the Value and Performance Scrutiny Committee. Please note that the final recommendation (12) simply consists of a number of typographical points and all page references relate to the version submitted to the City Executive Board.

Comments:

The Panel in considering the latest draft:

- (1) Welcomed the inclusion of most of the recommendations highlighted to the Deputy Leader in March 2012 and that the latest version was clearer due to improved formatting. However it was felt that some sections did not require the amount of detail included;
- (2) Felt that it was not necessary to detail all of the previous achievements going back to 2009;
- (3) The design of the document allowed for improved navigation and was presented in a professional way.

Recommendations:

- (1) A list highlighting the changes made following the end of the consultation would be beneficial;
- (2) Foreward – Page 5, final paragraph – Clarification is required on the delivery of the 112 affordable homes, how these homes will be funded and the numbers to be delivered for each of the next three years;
- (3) Section 1 – Review of 2009 Asset Management Plan, Pages 8, 9 and 10 – These are not necessary and should be removed as these relate to the previous plan;
- (4) Section 2 – Portfolio Objectives and Overview, Page 11 – Objective 2 – The wording is unclear and would read better as “We want all our property to be efficiently managed”;
- (5) Section 2, pages 11 and 12 – The tables showing Operational assets ranked by condition do not make sense and so should be removed;
- (6) Section 4 – Asset Strategy – A separate asset class is required to cover ‘countryside’ assets, including Port Meadow, the other SSSI’s and parks which should also be included. There is no mention of these assets in either class 4.1 or 4.10;

- (7) Section 4 – Asset Strategy – 4.2 Allotments – The first paragraph should be amended to include at the end *‘and further details will be found in the emerging Green Space Strategy’*; the second paragraph should be deleted as the Green Space Strategy has not been agreed;
- (8) Section 4 – Asset Strategy – 4.5 Community Centres – Amend the fifth paragraph to read *‘The Council will establish occupational leases with community groups to formalise responsibilities. These leases will typically be between one and three years, noting that none size will not fit all and the Council will consider granting Community Association long-leasehold interests (or asset transfers) where the following criteria are met.’*
- (9) Section 6 – Capital Programme, Page 31 – further clarification is required with regard to the paragraph titled ‘Homes and Communities Agency Affordable Homes Programme’ and S106 Planning Obligations requirement to contribute to affordable housing as this is in the process of being changed;
- (10) Appendix 3, point 17.2 – should be amended to read *‘Where the Council implements rent reviews and lease renewals, it will seek to establish the highest market rental value supported by comparable evidence, to preserve the capital value and income flow of the portfolio subject to other relevant requirements of the Asset Management Strategy such as maintaining the agreed balance of uses of the Covered Market’*;
- (11) Appendix 3, point 19, page 51 - Tenant Associations – This should be deleted in its entirety as the meaning of the section is unclear and appears to cut across the responsibilities of the Neighbourhoods and Communities Team;
- (12) The following typographical errors require correcting:
 - (i) Section 6, page 32 – last line of the second paragraph, delete ‘a’ and insert ‘an’ before the word amount and delete the full stop at the end of the final bullet point;
 - (ii) Section 7, page 33, point 7.1 – In the final line the word ‘city’ needs correcting to ‘City’;
 - (ii) Appendix 1, page 38 – too many m’s in Emissions.

Director and Board Member Comments

A joint Board Member and Officer response is attached at appendix A.

Name and contact details of author:-

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Law and Governance
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List of background papers:

Version number: 1

Appendix A

Response to Scrutiny Comments for CEB 12th September 2012

- (1) List of changes following consultation is attached below pages 3-7 (Post Consultation changes). This includes any changes proposed here in response to Scrutiny's further comments.
- (2) The forward is not the place to cover such matters as funding and programme.

Programme is covered by a target on page 16 although does not specify a year by year programme due to the uncertainties of timing arising from in-scope sites not yet having been finalised and potential impacts of planning and other issues. No change recommended or proposed.

Funding is covered by Capital Programme on pages 31/32 but for clarity we would recommend the addition of the words 'and as allocated in the 30 year HRA Business Plan after the words 'Housing Revenue Account' on page 32

- (3) The introduction of the review of the previous plan was in response to earlier Scrutiny comments and we do believe they are of merit and assist in putting the plan into context and show the journey. Recommend retention.
- (4) We agree with the principle of simplification raised by Scrutiny but this measure was not solely about management but was a broader objective focused on the efficiency of the portfolio. Recommend change to We want all our property (General Fund and Housing Revenue Account) to be well managed and efficient.
- (5) Ranking of condition is a key CIPFA benchmark and format is clear and aligned with CIPFA guidance. Future performance is measured against these. No change recommended.
- (6) Following earlier Scrutiny comments we added additional wording paragraphs 2 and 7 under the Agricultural Asset Class (Section 4.1) to cover the Countryside Assets. We are currently undertaking a review of this whole asset class and will consider appropriateness of introducing a separate asset class as part of this review and if proposed this will form part of the further review of this plan. No further change recommended at this time.
- (7) It is acknowledged that the Green Spaces Strategy is not yet ratified and therefore propose that the second paragraph be amended as follows : 'However, subject to the agreement of the emerging Green Spaces Strategy 2012-26, vacant plots on current sites will be cleared

to reduce this waiting list, rather than investing further in allotment space, other than urgent improvement and repair works.'

- (8) Propose addition of word 'typically' before 'be between one and three years' in paragraph 4 giving some flexibility and which we think adequately captures the one size will not fit all approach. We do not recommend further wording is necessary to amplify and may be counter productive in arriving at agreements in this area.
- (9) This plan is effectively a 'snapshot' at 2011 and reflects policies, standards and strategies at that point in time and hence references to S106 policy on Affordable Housing at that time. However the reference is not necessary within the definition here and for clarity and to avoid future need to update we recommend deletion of 'which would otherwise be sold and are beneath the Section 106 Planning Obligations requirement to contribute to affordable housing (fewer than ten homes)'
- (10) We acknowledge the point scrutiny are making here but believe there is a need to have a clear commercial position stated so as not to in any way undermine or weaken our negotiating position. Believe much of what is referred to by Scrutiny is covered by Sections 3.0 and 8.0 of the protocols and so for clarity would recommend the addition of a further paragraph as follows:

'17.5 The Council will in agreeing rents and renewal terms have regard to all other relevant protocols and policies'
- (11) This relates to the commercial property portfolio and is a best practice approach in this area and covers such as the Covered Market Tenant Association. As commercially orientated it does not cut across the activities of the Neighbourhoods and Communities teams. For clarity we recommend the addition of the words 'in relation to its commercial property portfolio.'
- (12) Typographical errors agreed.

Post Consultation Changes – Prior to CEB 12th September

Contents Page 3

Word 'Foreward' changed to Forward

Forward – page 5

Heading changed from 'Foreward' to 'Forward'

Final paragraph deleted and replaced with the following:

Our new Asset Management Plan is for the period 2011-2014 and outlines the detail of a strategy which underpins the Councils corporate objectives and our aims to

- deliver better and more efficient use of our property and improvements in its condition
- bring forward major regeneration and housing schemes
- deliver improvements to our capital values, income stream and levels of return

Key measures of success will include commencement of delivery of the Barton housing scheme, promotion of the Westgate retail redevelopment and delivery of 112 affordable homes.

Page 10 Clause 1.2 Column 2 Bullet Point 2

Words ‘,Rose Hill’ removed

Page 11 Objective 2

Replaced with the following wording: ‘ We want all our property (General Fund and Housing Revenue Account) to be well managed and efficient.’

Page 11 Objective 4

Replaced with the following wording: ‘Within the next three years we only want to own and/or occupy the minimum amount of operational property that is needed to fulfil the objectives of the services we provide and the corporate plan’

Page 11 Objective 6

Replaced with the following wording: ‘We shall work in partnership with other service providers/landowners where appropriate’

Page 13 Paragraph below first table

Second sentence replaced with the following: ‘The Council’s target is to achieve 50% in category A & B by December 2013’

Page 15 Target Column Objective 2 Measure 2

Word ‘Assets’ changed to ‘Property’

Page 16 Target Column Objective 2 Measure 2

Word ‘Assets’ changed to ‘Property’

Page 16 Clause 3.2 Column 2 Bullet Point 1

Change of 3% to 5%

Page 17 Property Subsidisation final sentence

Words added to end: 'through its executive board'

Page 20 4.1 Agricultural Properties

Words added 'of agricultural land' after word 'acres' in line 1

Additional paragraph added after paragraph 1 as follows: 'In addition the Council holds circa 1000 acres of countryside property comprising meadow land, nature parks and reserves, woodland, country parks and other countryside amenity land.'

Existing paragraph two changed from 'Agricultural property' to 'Agricultural land'

Additional paragraph added to end of section before Actions

'Countryside properties are held by the Council largely as public assets for the benefit of the community alongside the protection of sites of scientific interest, conservation/ preservation of wildlife, natural habitat and flora and fauna of the area. The Council will seek to manage such sites effectively and efficiently.'

Page 20 4.2 Allotments

Final sentence amended to following: 'However, subject to the agreement of the emerging Green Spaces Strategy 2012-26,....'

Page 21 Community Centres Column 1

Change from 'Localism Bill' to 'Localism Act 2011'

Page 21 Community Centres Column 2

Addition of word 'typically' before 'be between one and three years'

Page 22 4.7 The Covered Market

First part of paragraph 2 down to 'The Council has adopted...' replaced with the following:

'The Covered Market is one of the most important assets within the Council's investment property portfolio. Despite its notional high value in property investment terms, the Council is committed to maintaining ownership of this asset in perpetuity because of its historic and future significance to the wider city community and its contribution to the offering for tourists and other visitors.'

Page 22 Column 2 Paragraph 2

March 2013 changed to March 2012

Words 'in 2012/13' deleted and replaced with 'close to the review date'

Page 23 Column 1 Paragraph 3

Reworded as follows:

'The Depot Review will be progressed further through 2012/13 with business case and options appraisal for consolidation of main depots of Cowley Marsh and Horspath Road together with further due diligence and feasibility work as necessary as matters progress.'

Page 23 Column 2 Bullet Point 1 Barton

Changed from '2013 and 2015' to '2013 and 2020'

Page 24 Clause 4.10 Paragraph 3

Replaced with the following:

'The Council intends to review the future of the existing swimming pools at Blackbird Leys and Temple Cowley which have reached the end of their useful life alongside proposals to construct a new competition standard pool adjoining Blackbird Leys Leisure Centre a project for which funding is in situ.'

Page 26 4.16 Investment properties

Rental income changed to '£6.2M' in paragraph 1

Page 28 Paragraph 1

Replaced with the following:

'The Council has recognised the need to manage its property asset base corporately and has therefore established a structured approach with clear roles and responsibilities and clarity of accountability and control.'

Page 29 Senior Manager for Asset Management

Change from 'Executive Director of City Regeneration' to Executive Director of Organisational Development and Corporate Services

Page 29 The Head of Housing

Replaced with the following:

‘Acts as the Housing Client with responsibility for housing strategy, housing capital programme, housing landlord function, neighbourhood renewal commissioning, HRA Business Plan development and implementation, commissioning housing maintenance programmes, tenant involvement and housing needs and homelessness.’

Page 29/30 Head of Corporate Property

Whole replaced with the following:

‘Responsible for large scale housing estate regeneration projects and development of affordable housing and will support the development of HRA Business Plan in conjunction with the Head of Housing and Head of Oxford Direct Services.’

Page 30 Financial Planning

Words ‘Executive Director of Organisational Development and Corporate Services’ replaced with ‘Head of Finance’

Page 30 Budget Holders for Property Work

Word ‘primary’ added before ‘budget holder’ in line 1

Words ‘and will budget for reactive maintenance’ added to the end of paragraph.

Page 31 Homes and Communities Agency Affordable Homes Programme

Deletion of ‘which would otherwise be sold and are beneath the Section 106 Planning Obligations requirement to contribute to affordable housing (fewer than ten homes)’

Page 32 Affordable Homes Programme

Addition of the words ‘and as allocated in the 30 year HRA Business Plan after the words ‘Housing Revenue Account’

Page 32 Barton Development

Words ‘to 15’ removed from line 3

Page 32 Section 6

Last line of the second paragraph, ‘a’ deleted and ‘an’ inserted before the word amount and the full stop at the end of the final bullet point deleted;

Page 33 7.1 General Fund

Paragraph 1 replaced with the following:

'Following completion of the current works within the 'Office for the Future' and leisure programmes a programme has been prepared which will address an outstanding backlog of maintenance over the coming six years alongside normal cyclical maintenance. Funding for this work is now included in the capital programme, which was approved by city Executive Board on 9th February 2011.'

Page 33 7.1 General Fund

In the final line the word 'city' amended to 'City';

Page 34 Table

Numbers changed as follows:

2012/13 - £8,395,000

2013/14 - £8,375,000

2014/15 - £8,029,000

2015/16 - £7,763,600

Page 36 Appendix 1 Heading

2010/2011 changed to 2010

Page 36 General Fund Performance 1.1

2008/09 changed to 2009

Page 38 Appendix 1

Additional 'm' removed from 'Emmissions' to read 'Emissions'.

Page 43 Appendix 2

Regeneration & development

Added to column 2011/12 - 'Commercial agreement for Barton completed'

Removed from column 2012/13 - 'Barton and'

Removed from column 2013/14 - 'Westgate commercial agreement completed'

Moved from column 2013/14 to column 2012/13 - 'Blackbird Leys regeneration strategy commissioned'

Moved from column 2013/14 to column 2012/13 - 'Oxpens supplementary planning guidance commissioned'

Investment portfolio

All three bullet points moved to 2012/13

Affordable Homes Programme

Bullet point in column 2011/12 moved to column 2012/13 as bullet point 2

Housing Revenue Account business planning

Bullet point 1 in column 2011/12 moved to column 2012/13 as bullet point 3

Appendix 3 Page 49 Clause 11.2

Paragraph replaced with the following:

‘In relation to covenants the Council has imposed, it will seek to enforce such covenants where it is rational, sensible and proportional to do so, or, where no longer required, seek reasonable payment for its release or partial release where lawful to do so.’

Appendix 3 Page 51 Section 17.0

Addition of a further paragraph as follows: ‘17.5 The Council will in agreeing rents and renewal terms have regard to all other relevant protocols and policies’

Note: Items in italics not yet updated in ‘Published Version’ Includes recommended changes in response to Scrutiny comments at CEB

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