

**To:** City Executive Board  
Council

**Date:** 11 February 2016  
17 February 2016

**Report of:** Head of Financial Services

**Title of Report:** Medium Term Financial Strategy 2016-17 to 2019-20 and  
2016-17 Budget

## Summary and Recommendations

**Purpose of report:** To present the outcome of the budget consultation and agree the Council's Medium Term Financial Strategy for 2016-20 and 2016-17 Budget for recommendation to Council

**Key decision:** Yes

**Executive lead member:** Councillor Ed Turner

**Policy Framework:** The Council's Corporate Plan

**Recommendation(s):** The City Executive Board is asked to consider the outcome of the public consultation, agree the amendments to the Consultation Budget and recommend that Council resolves to:

- a) approve the General Fund Budget Requirement of £19.784 million for 2016/17 and an increase in the Band D Council Tax of 1.99% or £5.55 per annum as set out in Table 8 and Appendices 1-4, representing a Band D Council Tax of £284.52 per annum;
- b) approve the continuance of the Council's Council Tax Support Scheme (formerly Council Tax Benefit);
- c) approve the Housing Revenue Account budget for 2016/17 of £43.460 million and a reduction of 1% (£1.06/wk) in social dwelling rents from April 2016 giving a revised weekly average social rent of £104.79 as set out in Appendix 4. (subject to the Welfare Reform and Work Bill becoming law and no exemption being granted) but that in the event that an exemption or partial exemption is granted that the rent be increased in accordance with the terms of the exemption or partial exemption subject to: 1) a further report to CEB and Council detailing the effect on the Housing Revenue Account budget and; 2) notice being given to tenants of the proposed rent increase ;

- d) approve the Capital Programme for 2016-20 as set out in Appendix 6 subject to funding availability from 2017-18 onwards;
- e) approve the Fees & Charges schedule as set out in Appendix 8; and
- f) delegate to the Section 151 Officer in consultation with the Board Member for Finance, Asset Management and Public Health the decision to apply for the four year funding settlement and determine whether it is financially advantageous for the Council to enter into a Business Rates Distribution Agreement as referred to in paragraphs 13 and 17-18 below.

#### **Appendices to the report:**

- Appendix 1 Summary of General Fund Budget by Service 2016-17 to 2019-20
- Appendix 2 General Fund Revenue Budget by Service 2016-17 to 2019-20
- Appendix 3 Detailed General Fund Service Budgets Bids and Savings Proposals 2016-17 to 2019-20
- Appendix 4 Housing Revenue Account Budget 2016-17 to 2019-20
- Appendix 5 Housing Revenue Account Rent by property type
- Appendix 6 General Fund and HRA Capital Programme 2016-17 to 2019-20
- Appendix 7 Fees and Charges
- Appendix 8 Risk Register
- Appendix 9 Equalities Impact Assessment
- Appendix 10 Budget Consultation

#### **Comment from the portfolio holder for finance, Cllr. Ed Turner**

In this proposed budget (which may need amendment depending upon the final grant settlement from government) we have attempted to take on board comments from our consultation, as well as information in our final settlement.

The government's draft settlement for the next four years represents a further round of significant budget cuts to Oxford City Council. Income from grant and estimated retained business rates is expected to fall by 16.1% next year, and by 14.1%, 9.6% and 6.0% in each of the following years. This comes on top of hefty reductions in previous years. Nonetheless, the Council remains committed to mitigating the impact of these cuts as best it can – with a clear emphasis on providing services efficiently and raising other sources of income, and a relentless focus upon reducing stark levels of inequality in our city and supporting the most vulnerable.

The Housing and Planning Bill's requirements for the "forced sale" of council properties, and other associated measures such as the forced reduction in social rents, will have a profound impact upon our ability to build new houses. In this area, too, we are looking at mitigating the damage which will be caused (notably by investigating the establishment of a local housing company), but at the same time we are lobbying government to recognise the exceptional pressures Oxford faces in its housing market and support our attempts at mitigation.

The main change in this final budget is that, with a clear indication that New Homes Bonus will continue to be paid in some form throughout the MTFs period (and announcement of indicative figures), we have reviewed our Capital Programme, deleted the "waiting list" of capital schemes, and funded most of the schemes on that list (subject to this expected

funding coming forward). This should give greater clarity for staff working on projects and, importantly, for our communities wanting to know what the Council is proposing.

These are challenging times for anyone involved in a local authority, and I want to place on record my appreciation for the work of staff in the finance section in putting together this budget report, and more broadly all staff, across our organisation, for their tireless commitment to serving Oxford's citizens.

## **INTRODUCTION**

- 1 This report reflects the outcome of the consultation on the draft budget agreed by the City Executive Board at its meeting on 17<sup>th</sup> December 2015 as well as changes which have arisen since the consultation budget was published.
- 2 The consultation on the draft budget began on 18<sup>th</sup> December 2015 and ended on 31<sup>st</sup> January 2016. The consultation document was available on the Council's website. Paper copies were also available at the Town Hall.
- 3 For ease of reading; the report is split into three sections :
  - Section A General Fund Revenue Budget
  - Section B Housing Revenue Account (HRA) Budget
  - Section C Capital Programme

## **Section A – General Fund Revenue Budget**

- 4 Since the publication of the Consultation Budget a number of key issues have arisen which affect the budget, these are summarised below:

### **Provisional Local Government Finance Settlement 2016-17**

- 5 The Government published its Provisional Finance Settlement for 2016/17 on 18<sup>th</sup> December 2015, subject to a consultation period ending on 15<sup>th</sup> January 2016.

The key points include:

- For the period 2015/16 to 2019/20, there is an overall reduction to the England Settlement Funding Assessment (SFA) of 31.8% (based on the adjusted 2015/16 figure)
- The grant distribution formula takes into account the amount of council tax revenue and business rate income that can be raised by individual authorities and seeks to ensure different types of authority experience the same percentage reduction in funding.
- In addition to SFA funding, there will be additional funding for social care authority's starting in 2017/18 from the "Improved Better Care Fund" (£1.5bn per annum by 2019/20). This complements the new 2% Social Care Council Tax precept.
- The Council Tax referendum limit remains at 2%; this applies to local authorities and fire authorities. However, local authorities with social care responsibilities will be able to increase Council Tax by up to 3.99%, providing that 2% is spent on social care.

### Settlement Funding Assessment (SFA)

- 6 The Settlement Funding Assessment comprises authorities Revenue Support Grant (RSG) and their share of locally retained business rates (the baseline funding level). The figures for Oxford City Council are as follows:

<b>Table 1 : Settlement Funding Assessment</b>				
	<b>2016/17</b>	<b>2017/18</b>	<b>2018/19</b>	<b>2019/20</b>
	<b>£000's</b>	<b>£000's</b>	<b>£000's</b>	<b>£000's</b>
<b>Total SFA</b>	<b>8,500</b>	<b>7,300</b>	<b>6,600</b>	<b>6,206</b>
of which				
Revenue Support Grant	2,790	1,460	630	0
Baseline Funding Level	5,710	5,840	5,970	6,206
<b>Reduced SFA</b>	<b>16.1%</b>	<b>14.1%</b>	<b>9.6%</b>	<b>6.0%</b>

### Council Tax Freeze Grant for 2015/16 and Impact of Referendum Level

- 7 Unlike previous years there is no Council Tax Freeze Grant on offer for 2016-17.
- 8 The referendum level for 2016/17 has been confirmed as 2% or above. The City Council's recommended Council Tax increase of 1.99% provides the optimum level of financial benefit without the expense of seeking a referendum. The Consultation Budget assumed Council Tax rises from 2017/18 of 1.5% per annum, this has been increased to 1.75% per annum, to reflect the average amount assumed by the Government over the next 4 years in calculating the authorities Revenue Support Grant.

### Revenue Support Grant

- 9 The methodology for the calculation of Revenue Support Grant has been changed to incorporate projections of future council tax increases and growth in individual authorities' Council Tax Bases.
- 10 Government grant for Homeless Prevention (£939k for 2015/16) and 2011 Council Tax Freeze Grant (£306k for 2015/16) are now subsumed into RSG and Business Rates. The element previously paid through RSG (£542k and £178k respectively), will taper away, disappearing entirely in 2019/20.
- 11 The Government has offered authorities a four year funding settlement which Councils are invited to apply for, subject to the submission of an 'Efficiency Statement'.
- 12 The Government have qualified the offer stating that future year's final grant determinations will be subject to changes including those arising from: business rates multiplier changes; transfers of function(s), mergers between authorities.

The process for making a request and the format of the Efficiency Statement have not yet been announced, but are likely to coincide with the publication of the Final Settlement for 2016/17, later this month. It is likely the Council will make such a request, in order to provide as far as possible a greater degree of stability. It is recommended that the decision to apply for the four year settlement is delegated to

the S151 Officer in consultation with the Executive Member for Finance, Asset Management and Public Health.

- 13 The changes to the Consultation Budget as a result of the Provisional Settlement are included in Table 2 below :

<b>Table 2 Change In Revenue Support Grant since Consultation Budget</b>				
	<b>2016/17</b>	<b>2017/18</b>	<b>2018/19</b>	<b>2019/20</b>
		<b>Est</b>	<b>Est</b>	<b>Est</b>
	<b>£000's</b>	<b>£000's</b>	<b>£000's</b>	<b>£000's</b>
Consultation Budget	2,974	1,488	0	0
Provisional Settlement Figures	2,790	1,460	630	0
<b>(Decrease)/ Increase</b>	<b>(184)</b>	<b>(28)</b>	<b>630</b>	<b>0</b>

- 14 Based on the Government's estimates, compared to the MTFs there is a favourable variance of £418k over the four year period primarily due to Revenue Support Grant continuing into 2019/20, one year more than previously assumed. Additionally, under the Government's methodology for the calculation of RSG the Council's Settlement is negative £295k in 2019/20 (so we are, in effect, in a position of "negative grant"). A technical adjustment has been made to the Council's Business Rate Tariff to reduce the Council's Business Rates income by an equivalent amount.

#### **Retained Business Rates**

- 15 The Government has issued authorities with their Retained Business Rates Baseline Funding Levels which for the City in 2016/17 is £5,710,000 some £553,891 higher than 2015-16. The actual amount of Retained Business Rates depends on a number of factors including the estimated amount of business rates income net of appeals and write offs, the tariff payable to the Government (which has increased from £27.480 million in 2015/16 to £27.710 million in 2016-17) and the levy paid on additional income above the Baseline, currently 50% for Oxford.
- 16 Almost certainly the Baseline Funding Level will not be the amount the authority eventually receives in Retained Business Rates. A summary of the changes is given below but it should be noted that there can be substantial volatility around these figures :

<b>Table 3 Change In Business Rates since Consultation Budget</b>				
	<b>2016/17</b>	<b>2017/18</b>	<b>2018/19</b>	<b>2019/20</b>
		<b>Est</b>	<b>Est</b>	<b>Est</b>
	<b>£000's</b>	<b>£000's</b>	<b>£000's</b>	<b>£000's</b>
<b>Consultation Budget</b>	6,246	6,659	7,085	7,932
Provisional Finance Settlement *	6,372	6,972	7,114	7,823
<b>(Decrease)/ Increase</b>	<b>126</b>	<b>133</b>	<b>29</b>	<b>(109)</b>
Tariff	27,710	28,250	29,090	30,020
Tariff adjustment (negative RSG)	0	0	0	(295)
Safety net threshold (92.5% baseline)	5,300	5,400	5,560	5,740

\* 2016/17 figure is reduced by the Collection Fund deficit of £1.802 million

- 18 Unlike Revenue Support Grant there is no four year offer from the Government for Tariffs. From 1/4/2020 there will be a re-basing of all the figures when the Government introduces its promise of 100% retained business rates. This will be coupled with new burdens on local Government but it is unclear as yet what these will be.

#### **Business Rates Distribution Group**

- 19 The chief financial officers of the Oxfordshire councils have agreed that it would be sensible for the Pool's membership to be set to maximise its income for the good of Oxfordshire. They have also agreed that councils who would benefit from being in a pool (because the levy on business rates growth would be less than if they were outside the Pool) should not be excluded from sharing in the additional income generated by the Pool just because in any year their membership of the pool would not generate the optimum retained income for the Pool. It should be noted that whilst authorities would share in the benefits they would also take on some of the risk of Pool losses not covered by the safety net.
- 20 It is recommended that the decision to join the Business Rates Distribution Group is delegated to the Section 151 Officer in consultation with the Executive Member for Finance and Asset Management and Public Health once business rates estimates for 2016-17 are known for all Districts within Oxfordshire.
- 21 The summary effect of the Provisional Finance Settlement compared to the Consultation Budget is shown in Table 4 below:

<b>Table 4 Change In External Funding since Consultation Budget</b>				
	<b>2016/17</b>	<b>2017/18</b>	<b>2018/19</b>	<b>2019/20</b>
	<b>£000's</b>	<b>£000's</b>	<b>£000's</b>	<b>£000's</b>
Increase/ (decrease) in Revenue Support Grant	(184)	(28)	630	0
Increase in Business Rates	126	133	29	(109)
<b>Net Variation</b>	<b>(58)</b>	<b>105</b>	<b>659</b>	<b>(109)</b>

### **New Homes Bonus**

- 22 New Homes Bonus is currently paid each year for 6 years. It is based on the amount of additional Council Tax revenue raised for new-build homes, conversions and long-term empty homes brought back into use. There is also an extra payment for providing affordable homes. On 17<sup>th</sup> December 2015 local authorities were issued with their provisional allocations for 2016-17 together with indicative totals for the subsequent three years. Indications of the full national level of New Homes Bonus available for local authorities were given as follows :

2016/17 £1.485 billion

2017/18 £1.493 billion

2018/19 £0.938 billion

2019/20 £0.900 billion

- 23 The amounts for Oxford City compared to the assumptions in the MTFS are shown in Table 5 below:

<b>Table 5 : New Homes Bonus Estimates</b>				
<b>New Homes Bonus</b>	<b>2016/17</b>	<b>2017/18</b>	<b>2018/19</b>	<b>2019/20</b>
	<b>£000's</b>	<b>£000's</b>	<b>£000's</b>	<b>£000's</b>
Consultation Budget	2,942	2,919	0	0
Provisional Finance Settlement	2,944	2,919	1,900	1,800
<b>Variation</b>	<b>3</b>	<b>0</b>	<b>1,900</b>	<b>1,800</b>

- 24 The Government is currently consulting on New Homes Bonus with changes due to come into effect from 2017/18. The Government is consulting on three options:
- I. Its preferred option, to top-slice £800 million for social care and pay the bonus over 4 rather than 6 years, i.e. the 2012/13 payments will only have 5 payments and the 2013/14 payment and onwards would only have 4 payments.
  - II. To reduce the scheme from 6 to 4 years in 2017/18, without paying the fifth year of the 2012/13 payment.

III. To reduce the number of years paid down to either 3 or 2 years

25 The Government are also seeking views on:

- Withholding new allocations in areas where no local plan has been produced in accordance with the Planning and Compulsory Purchase Act 2004;
- Reducing payments for homes built on appeal; and
- Only making payments for delivery above a baseline

The consultation ends on 12<sup>th</sup> March and the Council will make a response.

26 As the Government have indicated New Homes Bonus will continue, the indicative figures have been incorporated into the Council's MTFS. The Council allocates New Homes Bonus to Capital funding as it is one off expenditure and so de-risks the MTFS. This additional funding has been used to finance the list of prioritised capital schemes that were previously unfunded and included on a 'Reserve List'. However, the phasing of the schemes has been profiled to match the expected receipt of the additional New Homes Bonus i.e. 2018-19 and 2019-20.

27 New Homes Bonus figures will be adjusted in subsequent iterations of the Council's MTFS once the results of the consultation are known. In the event that the grant is lower than estimated; or ceases altogether, mitigating action such as reducing the Council's Capital Programme or funding schemes by using prudential borrowing will be required, albeit the latter would create a revenue pressure.

#### **Other Changes Arising**

28 A summary of financial implications of other issues outside of the Finance Settlement is shown reflected in Table 6.

<b>Table 6 Summary of Other Issues</b>				
	<b>2016/17</b>	<b>2017/18</b>	<b>2018/19</b>	<b>2019/20</b>
	<b>£000's</b>	<b>£000's</b>	<b>£000's</b>	<b>£000's</b>
Variations in revenue contributions to support the Capital Programme	(36)	146	2,623	1,790
Office for Low Emission Vehicles (OLEV)	16	0	0	0
OLEV grant funding	(16)	0	0	0
<b>Total</b>	<b>(36)</b>	<b>146</b>	<b>2,623</b>	<b>1,790</b>

29 The variations in revenue contributions shown above arise from the use of New Homes Bonus, Revenue Support Grant and the increase in Council Tax assumed for



future years to provide funding for new items of capital expenditure included in the Capital Programme.

### 30 **Summary of Changes to Medium Term Financial Strategy**

The Council's General Fund Medium Term Financial Strategy is shown in Appendices 1-3. A summary of the movement in the Medium Term Financial Strategy from the Consultation Budget agreed in December 2015, taking account of the changes highlighted above is shown below:

<b>Table 7 : Summary General Fund Medium Term Financial Strategy 2016/17 to 2019/20</b>				
	<b>2016/17</b>	<b>2017/18</b>	<b>2018/19</b>	<b>2019/20</b>
	<b>£000's</b>	<b>£000's</b>	<b>£000's</b>	<b>£000's</b>
<b>Net Expenditure per Consultation Budget</b>	<b>19,823</b>	<b>20,777</b>	<b>20,044</b>	<b>21,217</b>
Additional New Homes Bonus per table 5	(3)	0	(1,900)	(1,800)
Summary of other changes per table 6	(36)	146	2,623	1,790
<b>Net Budget Requirement</b>	<b>19,784</b>	<b>20,923</b>	<b>20,767</b>	<b>21,207</b>
<b>FUNDING **</b>				
Council Tax	12,424	12,671	13,023	13,383
Revenue Support Grant	2,790	1,460	630	0
Retained Business Rates	4,570	6,792	7,114	7,824
<b>Total</b>	<b>19,784</b>	<b>20,923</b>	<b>20,767</b>	<b>21,207</b>
<b>Surplus/ (Deficit)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

  

<b>GENERAL FUND WORKING BALANCE</b>				
Opening	3,621	3,621	3,621	3,621
Transferred to/(from)	0	0	0	0
<b>Closing</b>	<b>3,621</b>	<b>3,621</b>	<b>3,621</b>	<b>3,621</b>

\*\* Incorporates revised funding shown In Table 4

### 31 **Discretionary Housing Payment**

The Council has yet to receive its DHP grant allocation for 2016-17. In 2015/16 the grant allocation was £288,092 which the Council topped up with contributions from the Housing Revenue Account (£80k) and Homelessness Prevention Grant (£150k).. It is understood that the National allocation of DHP grant for 2016/17 is likely to be around £150 million, an increase of £30 million on last year's allocation. The Council

should receive increased grant but with the potential extension of Universal Credit in Autumn 2016, whether this is sufficient remains to be seen.

### **Budget Consultation Results**

- 32 The consultation concentrated on a number of key areas which are shown below. Thirty two responses were received. The results are shown in Appendix 10 with a summary shown below for each of the main areas:

- **Approach to Budget Setting**  
75% of respondents strongly agreed or agreed with the Council's approach to budget setting, which focuses Council spending on maintaining high quality frontline services, avoiding compulsory redundancies, increasing efficiency
- **Capital Investment**  
Most respondents agreed with the major capital investments undertaken by the Council. The investment scheme with the most support was external redecoration and roof repairs to the Covered Market which 81% of respondents strongly agreed or agreed with. The lowest-scoring scheme was the new sports pavilion at the Quarry recreation ground, but even in this case it was supported by 63% of respondents.
- **Revenue Investment**  
There was general agreement on all areas of major investment with 'continue to pay staff at least the Oxford Living Wage' having the most support and 'maintain the level of support that we give to local arts and culture organisations' getting the least support.
- **Fees and Charges**  
Respondents were in agreement to most increases in fees and charges with increases in leisure activities fees being the most popular and increases in car park charges being the least popular.
- **Council Tax**  
69% of respondents strongly agreed or agreed with the recommendation to increase council tax by 1.99% while 19% strongly disagreed or disagreed and 12% were neutral.
- **Council Tax Support Scheme**  
52% of respondents agreed that the Council should maintain the same Council Tax Support Scheme introduced in April 2013, with 27% disagreeing and 21% did not know.
- **Housing Revenue Account**  
In terms of prioritising the HRA Capital Programme the respondents agreed that maintaining the quality of existing homes was the top priority, although 97% of respondents were not council tenants

Detailed comments were made on a number of areas, in particular the prominence given to housing in the budget, the approach to the voluntary sector, the need for strong support for cycling, and the quality of Council services. These have been considered as part of the budget process and will also be shared with senior managers as appropriate.

- 33 There was a separate consultation included within the *Tenants In Touch* magazine about the HRA budget. Unfortunately the number of responses does not permit the

drawing of firm conclusions, but some tenants expressed concerns on the impact on services and also the introduction of the government's proposed "Pay to Stay" policy.

### **Risk Implications**

34 The main risks to the balanced position of the General Fund Consultation Budget (Appendix 8) are that:

- Significant variations in actual income and expenditure against budget occur
- Business Rates income is lower than forecast
- New Homes Bonus is lower in future years following the Consultation
- Welfare Reform impacts the authority more adversely than assumed
- Interest rates are lower than projected
- Slippage, non-delivery of savings or additional pressures arise that have an on-going financial impact on the Council
- The knock on implications of funding cuts being experienced by partner organisations

## **Section B Housing Revenue Account Budget**

### **Issues arising since the publication of the consultation budget**

35 There have been no issues arising since the publication of the Consultation Budget agreed by City Executive Board on 17<sup>th</sup> December 2015 which will affect the Housing Revenue Account Budget. The budget for the Housing Revenue Account is as detailed in Appendices 4 and 5 attached.

### **Assumptions made in preparing the HRA budget for 2016/17 – 2016/20**

36 There are no changes in any of the assumptions on the HRA budget from those made in the Consultation Budget.

### **Housing Revenue Account Budget 2016/17 to 2019/20**

37 Appendix 6 details the HRA Budget for the period 2016/17 to 2019/20 which is summarised below for the next four year period:

## **Housing Revenue Account 2016-17 to 2019-20**

	<u>2016/17</u> £000's	<u>2017/18</u> £000's	<u>2018/19</u> £000's	<u>2019/20</u> £000's
<b><u>Income</u></b>				
<b>Total Income</b>	<b>(43,460)</b>	<b>(41,039)</b>	<b>(39,974)</b>	<b>(39,657)</b>
<b>Total Expenditure</b>	<b>34,704</b>	<b>35,138</b>	<b>35,969</b>	<b>36,743</b>
<b>Net Operating Expenditure</b>	<b>(8,756)</b>	<b>(5,902)</b>	<b>(4,005)</b>	<b>(2,914)</b>
<b>Appropriations</b>				
Transfer (to)/from Major Repairs/Other Reserves	8,912	(6,070)	0	0
Revenue Contributions towards Capital	0	11,976	4,107	2,985
<b>(Surplus)/Deficit for the Year</b>	<b>157</b>	<b>4</b>	<b>102</b>	<b>71</b>
<b>(Surplus)/Deficit b/fwd</b>	<b>(3,500)</b>	<b>(3,504)</b>	<b>(3,602)</b>	<b>(3,571)</b>
Investment Income	(161)	(102)	(71)	(71)
<b>(Surplus)/Deficit c/fwd</b>	<b>(3,504)</b>	<b>(3,602)</b>	<b>(3,571)</b>	<b>(3,571)</b>

### **Risk Implications**

- 38 The main risks to the balanced position of HRA is summarised below and detailed in Appendix 8:
- Liability arising from forced sale of High Value Council Housing (HVCH) is more than estimated
  - Rent increase in year four is insufficient to sustain the HRA BP over the 30 year trajectory.
  - Increased arrears due to benefit changes arising from the roll out of universal credit
  - Non-achievement of assumed Right To Buy sales now required to fund the increased capital spend commitments.
  - Non-achievement of planned efficiencies.
  - Variations in estimates causing cash flow problems

### **Section C Capital Programme**

- 39 The Council's Draft Capital Programme for consultation amounted to over £132 million over the four year period 2016/17 to 2019/20.
- 40 Appendix 6 attached details the Council's Capital Programme for 2016/17 to 2019/20. The changes to the Consultation Budget reported in December 2015 are summarised in Table 9 below.

**Table 9 Changes to Capital Programme 2016/17 to 2019/20 compared to previously published version**

	2016/17	2017/18	2018/19	2019/20
	£000's	£000's	£000's	£000's
<b>GENERAL FUND</b>				
<b>Consultation Budget Spend</b>	<b>28,880</b>	<b>6,838</b>	<b>2,402</b>	<b>4,917</b>
Slippage in existing schemes since December 2015 <b>(7)</b>	(1,014)	5,781	0	0
<b>Additional Schemes</b>				
Stage 2 Museum of Oxford <b>(1)</b>	35	0	2,220	0
Cuttslow Splash <b>(2)</b>	200			
Renovation Grants	25	25	25	25
CCTV St Clements	25			
Allotments	61			
Leisure depots	19			
East Oxford Community Centre			500	1500
South Oxford Community Cafe	100			
Wood Farm Neighbourhood Community Facility Improvements				50
All weather area Leys Leisure Centre			228	
Biomass store Cuttslow Park			53	
Upgrade tennis courts	97			
Upgrade MUGA	37			
Parks Works	50			
Car Parks equipment	50			
Solar Compacting Bins	0	0	50	25
Community Centres			750	750
Parks and Cemeteries repairs	150			
Skate parks Northway, Bertie Place, and Rosehill		70	70	70
Re-profile of Burial Site	(750)	(200)	750	200
OLEV <b>(3)</b>	800			
Health and Safety works SAC <b>(4)</b>	370			
Invest in leisure to save <b>(5)</b>	500			
Reprofiling Property spend <b>(6)</b>	(9,712)	3,260	5,039	708
<b>Total General Fund</b>	<b>19,923</b>	<b>15,774</b>	<b>12,087</b>	<b>8,245</b>
<b>HRA</b>				
<b>Consultation Budget Spend</b>	<b>22,168</b>	<b>24,452</b>	<b>17,858</b>	<b>17,946</b>
Slippage	0	0	0	0
<b>Total HRA</b>	<b>22,168</b>	<b>24,452</b>	<b>17,858</b>	<b>17,946</b>
<b>Total Revised Programme</b>	<b>42,091</b>	<b>40,226</b>	<b>29,945</b>	<b>26,191</b>

- 41 Given the additional RSG and NHB included within the Provisional Finance Settlement, capital projects previously on the 'Reserved List' are now included within the Capital Programme. However, those in later years can only be finally confirmed when New Homes Bonus, or alternative monies, become available.
- 42 Other notes to Table 9 above include :
- (1) **Museum of Oxford** – Shortly before Christmas 2015 the Council were advised of a successful bid for Heritage Lottery Fund Grant. The scheme for the installation of museum facilities at the Town Hall will cost in the region of £2.2 million with approximately £1.5 million from grant and the balance from sponsorship, crowd funding and Council funding of around £300k. The development stage is currently being worked up with the operational stage due to take place in 18 months.
  - (2) **Cuttslow Splash Feature** - The Council has recently been awarded £50k WREN funding to undertake the installation of a splash feature in Cuttslow Park. The overall cost of the scheme is £150k with the Council funding £100k of the cost. As a result this scheme has been moved forward within the programme.
  - (3) **Office for Low Emissions Vehicles (OLEV)** - In 2014 OLEV announced the Go Ultra Low City Scheme programme to allocate funding for cities to deliver a step-change in the uptake of ultra-low emission vehicles. The council submitted a bid and was awarded £800k capital and £16k revenue funding to deliver the 'Overcoming challenges: on-street charging' work package of our bid. Further details are contained in a report elsewhere on the agenda
  - (4) **Health and Safety Works** - As part of the of the Council's office accommodation rationalisation, St Aldates Chambers is planned to accommodate the majority of our office based staff. Further essential fire safety works to improve evacuation arrangements are required. The works are planned to be carried out in the first quarter of 16/17.
  - (5) **Invest to save in Leisure** – Investment in schemes to be developed in Leisure Services which generate a return for the Council.
  - (6) **Re-profiling of property spend** - Within the Consultation Budget a provision of £10.3 million was made for investment in property. This expenditure has been re-profiled over the next 4 years to align with the spend.
  - (7) **Slippage** – Since the preparation of the Consultation Budget there have been changes in the Capital Programme where schemes have been either slipped from 2015/16 to 2016/17 or from 2016/17 to 2017/18. The detail of this will be reflected in subsequent monitoring reports.

### **Funding of the Capital Programme**

- 43 The funding of the Capital Programme is shown in Table 10 below

<b>Table 10 Capital Programme 2016/17 to 2019/20</b>				
	<b>2016/17</b>	<b>2017/18</b>	<b>2018/19</b>	<b>2019/20</b>
	<b>£000's</b>	<b>£000's</b>	<b>£000's</b>	<b>£000's</b>
<b>GENERAL FUND</b>				
Capital Receipts	4,428	5,134	0	1,330
Revenue Funding	3,771	4,331	3,697	5,306
Section 106	582	0	0	0
Community Infrastructure Levy	3,052	1,567	950	400
Grants	2,502	1,482	2,001	501
Borrowing	5,588	3,260	5,039	708
Sponsorship	0	0	400	0
<b>TOTAL GENERAL FUND</b>	<b>19,923</b>	<b>15,774</b>	<b>12,087</b>	<b>8,245</b>
<b>HRA</b>				
Major Repairs Reserve	20,105	4,760	6,157	6,194
Capital Receipts	2,063	1,977	2,113	2,121
Revenue Funding	0	11,203	3,334	2,212
Borrowing	0	6,512	6,254	7,419
<b>TOTAL HRA</b>	<b>22,168</b>	<b>24,452</b>	<b>17,858</b>	<b>17,946</b>
<b>TOTAL FUNDING</b>	<b>42,091</b>	<b>40,226</b>	<b>29,945</b>	<b>26,191</b>

44 The main risks to the Capital Programme are set out in Appendix 8 and summarised below:

- Disposals as detailed before are not secured causing a shortfall in funding of schemes
- Estimate for payment to Government in respect of HVCH is insufficient
- Slippage in Capital Programme and impact on delivery of priorities
- Robustness of estimates

#### **Financial Implications**

45 These are covered within the main body of the report

#### **Legal Implications**

46 The Council is required to set a balanced budget and agree the Council Tax and rent before the beginning of the financial year.

#### **Risk Implications**

47 These are shown in Appendix 8 of the report and highlighted within the body of the report

#### **Equalities Impact Assessment**

48 A copy of the Equalities Impact Assessment is given in Appendix 9 attached to this report

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**List of background papers: None**