

Green Group Budget Amendment – Oxford City Council – February 2016

Introduction by Cllr Craig Simmons, Leader of the Green Group, Oxford City Council

It is impossible to consider this year's City Council budget in isolation. We have a National Government (this time Tory) cutting our Revenue Support Grant and finding ever more devious ways of extracting and retaining money from our Housing Revenue Account and Business Rates. We have a devastating County Budget from a minority Tory-run Council which, at the time of writing, hangs in the balance. The level of cuts to County services for the vulnerable is already impacting on our own service delivery and will continue to do so at an increasing rate.

The irony of a Council like Oxford – whose finances are relatively sound – yet whose citizens have a proud record of not voting in a single Tory – is not lost on this Group. But we must not be complacent. Although our Revenue Budget is in good shape, the Housing Revenue Account is a car crash – due mainly to Government policy changes but also to the £7m overspend against budget on the Tower Blocks Refurbishment. Either the Council's budgeting was way out or contract management was poor. Either way, we now have £7m less than expected to put into social housing and energy efficiency than we had planned. There appears to be very little Member oversight or scrutiny of individual capital projects – something needs to change.

I am perhaps in the unique position to independently comment on the budget. As Chair of Finance Panel, I helped shape the overall budget. The Panel's 24 recommendations were almost all accepted by CEB. As Leader of the Green Group, and with assistance from my colleague Cllr David Thomas, I also helped shape the Green Budget Amendment which tries to illustrate what more we believe the Council could and should be doing. It would be inconsistent of me not to support both.

You will have seen my report as Chair of Finance. Many Councils, including the County, could learn a lot from the way in which Oxford manages its budget. It is a tribute to those Councillors and Officers involved in the process that we have ended up with a budget around which there is 99% consensus. In fact, I would go as far as to say that such a high degree of consensus is essential if we are to present a united front against this austerity-obsessed, uncaring Government.

Nonetheless the Green Group does believe that, without impacting on the integrity of the base budget, we can tweak things to provide more money for homelessness (last year we ate into £200k of our homelessness reserves), more for our open bidding grants fund, provide a recirculating fund for new affordable housing, save community facilities whilst advancing our low carbon aspirations. As a Council we can, and must, also look forward – with ideas such as crowd-funding for new housing on Council-owned land and the establishment of a Council-run letting agency included in our amendment. As a Group, we strongly believe that the Council needs to keep innovating if we are to generate the revenues and income necessary to continue to provide the services that the residents of this great City deserve. Looking back, I am proud to say that a lot of the innovative ideas that the Council has successfully adopted started out in previous Green budget amendments.

We have shown in our budget amendment how we can generate some modest additional income but we have also included a relatively small (£1.5m) amount of capital borrowing (well within the £5m Capital Budget maximum borrowing limit set out by our S151 Officer). All this borrowed money is put into capital items which will generate a return – renewable energy and affordable housing for sale.

The Green Budget amendment is practical, affordable and innovative. I commend it to Council.

REVENUE

GREEN GROUP MENDMENTS TO THE ADMINISTRATIONS CONSULTATION BUDGET

REVENUE

£1000's

	2016/17 £000'S	2017/18 £000'S	2018/19 £000'S	2019/20 £000'S
Consultation Budget Net Budget Requirement	19,823	20,777	20,044	21,216
Changes since the consultation budget				
Additional New Homes Bonus	(3)	0	(1,900)	(1,800)
OLEV spend	16			
OLEV revenue grant	(16)			
Additional Revenue Contributions to fund capital	33	201	2,645	1,790
Sub total	30	201	745	(10)
<u>Additional savings proposed</u>				
late night licence levy	(25)	(50)	(50)	(50)
reduced special responsibility allowances for Councillors	(25)	(25)	(25)	(25)
additional revenue generation from trading activities, assets, fees & charges		(75)	(100)	(125)
phase in P&R increases 6 months earlier (incl. Seacourt extn)		(290)		
phase in other off-street parking increases 6 months earlier combined with review		(50)	(50)	(50)
extended online service delivery introduced year earlier			(126)	
capitalise costs of Grenoble Road planning	(560)			
return from solar panel installation on Council buildings (see Capital bid) @ 5%	(5)	(10)	(15)	(20)
Total additional savings proposed	(615)	(500)	(366)	(270)
Cumulative additional savings	(615)	(1,115)	(1,481)	(1,751)
<u>Additional costs proposed</u>				
fund 50% of beds at LFH (see corresponding capital bid) or homelessness	150	150	150	150
council run letting agency start up costs	50			
double size of Open Bidding Grants fund (3 years)	100	100	100	0
Additional/(reductions) in revenue contributions to fund capital	(230)	(542)	25	825
Explore crowd funding model for affordable housing (similar to Low Carbon Hub funding model)	25			
Prudential borrowing costs at 6% (£1.565m)	94	94	94	94
Total additional costs proposed	189	(198)	369	1,069
Net effect on budget in-year of proposals	(426)	(698)	3	799
Cumulative effect on budget	(426)	(1,124)	(1,121)	(322)
Budget transfer to/(from) reserves	426	698	(3)	(799)
Alternative Budget Net Budget Requirement	19,853	20,978	20,789	21,206

Financed By :				
Formula Grant and specific grants	(2,974)	(1,488)	0	0
Additional revenue support grant	125	(27)	(630)	0
Council Tax	(12,424)	(12,640)	(12,959)	(13,284)
Additional council tax from 1.5% to 1.75%		(31)	(64)	(99)
Retained Business Rates	(4,444)	(6,659)	(7,085)	(7,932)
Additional business rates	(136)	(133)	(51)	109
Total	(19,853)	(20,978)	(20,789)	(21,206)
(surplus)/deficit	0	0	0	0

General Fund Working Balance				
Working Balance 1st April	3,621	4,047	4,745	4,742
Transfer to/(from) balance	426	698	(3)	(799)
Working Balance 31st March	4,047	4,745	4,742	3,943

PROPOSED AMENDMENTS TO THE ADMINISTRATIONS CONSULTATION BUDGET
CAPITAL

	2016/17 £000'S	2017/18 £000'S	2018/19 £000'S	2019/20 £000'S
CAPITAL PROGRAM AS PER CEB 17TH DECEMBER - General Fund	28,880	6,838	2,402	4,917
	22,168	24,452	17,858	17,946
Changes since the consultation budget				
Sub total of changes since consultation budget	(8,957)	8,936	9,685	3,328
CHANGES PROPOSED				
25% cut in car parks resurfacing budget	(75)	(75)	(75)	(75)
Split Westgate public realm into two phases with second phase moved to reserve list		(567)		
EOCC additional funding to avoid sell-off of East Oxford Games Hall and Film Oxford				800
renewable energy fund for council buildings	100	100	100	100
invest to save in leisure - move to reserve list	(500)			
Recirculating fund for low cost eco-housing over Park & Rides (200 homes over 10 yrs + any crowd funding income)	1,000			
refurbish Lucy Faithful House	250			
capitalisation of Grenoble Road planning costs	560			
Sub total	1,335	-542	25	825
REVISED CAPITAL PROGRAM	43,426	39,684	29,970	27,016

FINANCING				
FINANCING AS PER CEB REPORT 17TH DECEMBER	51,048	31,290	20,260	22,863
Changes since the consultation budget				
Sub Total of changes since consultation budget	(8,957)	8,936	9,685	3,328
ALTERNATIVE BUDGET PROPOSALS				
Prudential Borrowing	1,565			0
Additional/(reductions) in revenue contributions to fund capital	(230)	(542)	25	825
Sub Total	1,335	-542	25	825
Total Financing	43,426	39,684	29,970	27,016

(surplus)/deficit 0 0 0 0

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