

Briefing Note

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Council

Date: **Monday 20 February 2017**

Time: **5.00 pm**

Place: **Council Chamber, Town Hall**

For any further information please contact:

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This briefing note forms part of the Council agenda papers and should be read alongside these.

The Council meeting is available via a webcast. This means that people may choose to watch all or part of the meeting over the internet rather than attend in person. The webcast will be available to view on the City Council's website after the meeting.

PUBLIC BUSINESS

1 APOLOGIES FOR ABSENCE

2 DECLARATIONS OF INTEREST

3 ANNOUNCEMENTS RELATING TO ITEMS ON THIS AGENDA

Announcements by:

- (1) The Lord Mayor
- (2) The Sheriff
- (3) The Leader of the Council
- (4) The Chief Executive, Chief Finance Officer, Monitoring Officer

4 AGREEMENT OF PROCEDURE FOR DEBATE ON THE MEDIUM TERM FINANCIAL STRATEGY AND BUDGET

Main
agenda

The procedure for the debate on the Medium Term Financial Strategy and the Budget is set out in the Council's Constitution at 11.3.

Any amendments to the procedure must be agreed by majority vote and will only apply to this meeting.

Recommendations: Council is recommended to agree the times permitted for each stage in the procedure as detailed in the constitution and set out in in the circulated sheet:

The total time for this item is limited to 1 hour 25 minutes excluding: the debates at (b); voting; and adjournments.

All speakers have 3 minutes unless otherwise stated..

5 PUBLIC ADDRESSES AND QUESTIONS THAT RELATE TO MATTERS FOR DECISION AT THIS MEETING

11

Public addresses and questions to the Leader or other Board member received in accordance with Council Procedure Rule 11.11 and 11.12 relating to matters for decision on this agenda.

The request to speak accompanied by the full text of the address or question must be received by the Head of Law and Governance by 5.00 pm on Tuesday 14 February.

The briefing note will contain the text of addresses and questions submitted by the deadline, and written responses where available.

A total of 30 minutes is available for this item. Responses are included in this time. Up to five minutes is available for each public address and three minutes for each question.

BUDGET AND COUNCIL TAX

6 REPORT OF THE COUNCIL'S CHIEF FINANCE OFFICER ON THE ROBUSTNESS OF THE 2017/18 BUDGET

13

Report of the Head of Financial Services on the soundness of the financial proposals before Council.

The Head of Financial Services will present the report and recommendations.

Recommendations: Council is recommended to note the report and its implications.

7 SCRUTINY RESPONSE: BUDGET 2017/2018

**Main
agenda**

The Chair of the Finance Panel will present the report and the recommendations.

Recommendation: Council is asked to note the report and the City Executive Board's response set out in the attached document and in the minutes of the meeting of 9 February.

8 LICENSING AND GAMBLING ACTS AND GENERAL PURPOSES LICENSING COMMITTEES RECOMMENDATIONS ON FEES AND CHARGES

**Main
agenda**

The Committee Chairs may wish to present the recommendations.

Recommendations: Council is recommended to:

1. agree the recommendations of the Licensing and Gambling Acts Committee (Appendix 7, relevant Community Services Fees and Charges); and
2. agree the recommendations of the General Purposes Licensing Committee in respect of fees for other licensable activities (Appendix 7, relevant Community Services Fees and Charges);
3. agree the recommendations of the General Purposes Licensing Committee in respect of fees for miscellaneous activities (Appendix 7, relevant Planning and Regulatory Fees and Charges).

9 **BUDGET 2017/2018: MEDIUM TERM FINANCIAL STRATEGY 2017-18 TO 2020-21 AND 2017-18 BUDGET**

**Main
agenda:
amendment
attached**

The Deputy Leader will move the City Executive Board's recommendations.

Opposition Group amendments to the budget are circulated with the briefing note.

The procedure for this item is on the separate sheet.

Recommendations: Council is recommended to:

- a. note that the City Executive Board agreed to recommend to Council the budget published as part of the agenda for their meeting on 9 February with amendments as set out below;
- b. note the implications (contained in this budget) of the City Executive Board's decision on [15 December 2016](#) to make an investment to expand the [commercial waste fleet collection capacity](#) by adding an additional refuse collection vehicle (RCV) to the vehicle replacement programme and place an order for this vehicle now and creating two permanent posts, one driver and one loader, to crew the additional RCV;
- c. consider the recommendations of the City Executive Board including the amendments below;
- d. consider the substantive amendments proposed by the opposition groups; and published with the briefing note;
- e. consider individual amendments; and
- f. agree the recommendations from the City Executive Board to Council or with further amendments:

The City Executive Board recommends that Council:

1. **approve** the 2017-18 General Fund and Housing Revenue Account budgets and the General Fund and Housing Revenue Account Medium Term Financial Plan as set out in Appendices 1-10, noting:
 - a) the Council's General Fund Budget Requirement of £21.055 million for 2017/18 and an increase in the Band D Council Tax of 1.99% or £5.67 per annum representing a Band D Council Tax of £290.19 per annum;
 - b) the Housing Revenue Account budget for 2017/18 of £44.285 million and a reduction of 1% (£1.06/wk) in social dwelling rents from April 2017 giving a revised weekly average social rent of £105.65 as set out in Appendix 4;

- c) the General Fund and Housing Revenue Account Capital Programme as shown in Appendix 6;
2. **agree not to implement** the voluntary 'Pay to Stay' policy for Council house tenants (para 28 of the report refers);
 3. **agree** the fees and charges shown in Appendix 7 with the amendment to waive the fees for:
 - Interment of a child – who at the time of death was less than 1 month (Resident); and
 - Interment of a child - who at time of death was prior to 12th birthday (Resident).
 4. **delegate authority** to the Section 151 Officer in consultation with the Board Member for Finance, Asset Management and Public Health the decision to determine whether it is financially advantageous for the Council to enter into a Business Rates Distribution Agreement as referred to in paragraphs 16-17 of the report;
 5. **agree** an additional loan of up to £75,000 for working capital to Oxwed (Oxford West End Development Company) as highlighted in paragraph 41 of the report;
 6. **agree** provision of a loan facility to Oxford City Housing Ltd of up to £61 million (paras 39-40 of the report) an extra £48.75 million over the next four years, subject to the provision of; and agreement to a business plan by the Company; and
 7. **agree** to retain the additional £200,000 pension provision to cover potential increased liability to the Council arising from TUPE transfer of staff to a Local Authority wholly owned company for Direct Services.

A recorded vote must be taken at stage (f).

a	Alternative budget proposals - Liberal Democrat amendments Liberal Democrat Group's amendments to the revenue and capital budgets including explanation.	29
b	Alternative budget proposals - Green amendments Green Group's amendments to the revenue and capital budgets including explanation.	35
c	City Executive Board Minutes	39
d	Additional recommendation proposed by the Deputy Leader	51

The Deputy Leader will move the recommendations and the Head of Financial Services will be available to answer questions.

Recommendations: Council is asked to approve for 2017/18:

1. The City Council's precept and Council Tax requirement of £13,163,986 including Parish precepts and £12,949,098 excluding Parish precepts.
2. The average Band D Council Tax figure (excluding Parish Precepts) of £290.19, a **1.99%** increase on the 2016/17 figure of £284.52. Including Parish Precepts the figure is £295.00, a 2.06% increase (paragraphs 3 & 4 of the report).
3. A contribution of £10,000 to Old Marston Parish Council in recognition of the additional expenditure that the Parish incurs as a consequence of maintaining the cemetery (paragraphs 11 and 12 of the report).
4. The amount of £561,275 to be treated as Special Expenses (paragraph 15 of the report).
5. The Band D Council Taxes for the various areas of the City (excluding the Police and County Council's precepts) as follows:

Littlemore	£326.64
Old Marston	£320.16
Risinghurst and Sandhills	£310.16
Blackbird Leys	£288.43
Unparished Area	£292.58

These figures include the Parish Precepts and special expensing amounts as appropriate; in addition to the City-wide Council Tax of £277.61.

The Council is also asked to note:

6. Oxfordshire County Council's precept and Band D Council Tax as set out in paragraph 18 of the report.
7. The Police and Crime Commissioner for the Thames Valley's precept and Band D Council Tax as set out in paragraph 19 of the report, and
8. The overall average Band D equivalent Council Tax of £1,810.87 including Parish Precepts (subject to confirmation of the Band D figures for the County Council and Police and Crime Commissioner – as set out in paragraphs 18 and 19 of the report).

A recorded vote will be taken.

CITY EXECUTIVE BOARD RECOMMENDATIONS

11 TREASURY MANAGEMENT STRATEGY 2017/18

**Main
agenda**

The Deputy Leader will move the recommendations and the Head of Financial Services will be available to answer questions.

Recommendations: the City Executive Board recommends that Council:

1. **approve** the Treasury Management Strategy 2017/18, and adopt the Prudential Indicators for 2017/18 – 2019/20 as set out in paragraphs 7 to 37 and Appendix 2 of the report;
2. **approve** the Borrowing Strategy at paragraphs 7 to 18 of the report;
3. **approve** the Minimum Revenue Provision (MRP) Statement at paragraphs 19 to 22 of the report which sets out the Council's policy on charging borrowing to the revenue account; and
4. **approve** the Investment Strategy for 2017/18 and investment criteria as set out in paragraphs 23 to 37 and Appendix 1 of the report.

12 SALE OF PROPERTIES TO OXFORD CITY HOUSING LIMITED

**Main
agenda**

This decision relates to the 2016-17 budget.

The Board Member for Housing will present the report.

Recommendations: the City Executive Board recommends that Council:

1. **make available in 2016-17** a state aid compliant loan facility for Oxford City Housing Limited to enable the company to purchase the 5 properties identified in this report; the loan being for £742,606 which includes the purchase price and the associated costs of acquisition.
2. **include** the provision of the loan facility mentioned above as an additional expenditure item in the 2016/17 capital programme, funded by the associated capital receipt received from the disposal.

13 ANNUAL UPDATE ON THE CORPORATE PLAN 2016-2020

**Main
agenda**

The Leader will present the report.

Recommendations: Council is asked to note the annual update of the Corporate Plan 2016-20.

14 MATTERS EXEMPT FROM PUBLICATION AND EXCLUSION OF THE PUBLIC

If Council wishes to exclude the press and the public from the meeting during consideration of any aspects of the preceding agenda items it will be necessary for Council to pass a resolution in accordance with the provisions of Section 100A(4) of the Local Government Act 1972 specifying the grounds on which their presence could involve the likely disclosure of exempt information as described in specific paragraphs of Part 1 of Schedule 12A of the Act if and so long as, in all the circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information.

(The Access to Information Procedure Rules – Section 15 of the Council’s Constitution – sets out the conditions under which the public can be excluded from meetings of the Council)

(a)
(b)

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To: Council

Date: 20 February 2017

Title of Report: Public addresses and questions that relate to matters for decision – as submitted by the speaker

Introduction

1. One address made by a member of the public to the Council on the budget, registered by the deadline in the Constitution, is below.
2. This report will be republished after the Council meeting as part of the minutes pack. This will list the full text of speeches delivered as submitted, summaries of speeches delivered which differ significantly from those submitted, and any further responses.

Address by Neo - Speech regarding Green Party Budget Amendment to re-open Lucy Faithfull

Thank you for the opportunity this evening to speak to you about homelessness in Oxford and the importance of re-opening Lucy Faithfull House.

My name is Neo. I am homeless, and I speak tonight not just for myself but on behalf of all those sleeping rough who – for various reasons - are unable to access local services.

For the last few weeks myself and local volunteers have been housing and taking care of homeless people at Iffley Open House. The public support has been immense and we feel that it's time for a change.

I have a simple question for you tonight: why do the doors to Lucy Faithful house remain locked whilst people sleep in doorways?

I want to share with a few statements from residents and volunteers at Iffley Open House:

Lewis Lock says *"I have one week left as a resident of Iffley Open House. Please, please vote for the budget amendment to re-open Lucy Faithfull House. We need more homeless accommodation not less"*.

Luke Bolt says *"I'm a homeless resident of Iffley Open House. I'm asking you to vote to re-open Lucy Faithfull House. You can make a real difference to people like me with just one vote."*

Miranda Shaw – one of our volunteers says *"I believe from my experience as a local resident of Oxford that we have a serious responsibility to do everything we possibly*

can to provide safe spaces for all people to be able to live in. Whether that is refugees, local people who have hit hard times, young, old - anyone. We have a responsibility - all of us - as a community to do everything that we can to look after one another. After all, homelessness can happen to any of us."

I know that reopening Lucy Faithfull house is the right thing to do if we have the possibility of doing that. We must do everything we can collectively do to support our community in whatever ways we can.

If local people and students can house 20 homeless people for 2 months, through creative solutions then, surely the council can come up with a creative solution or just agree to use the money that has been ring-fenced for this sort of emergency for the purpose it is intended for.

After all, what do we pay our taxes for - if not to provide support structures for those who need them? We know that people want to support each other from the overwhelming amounts of donations, volunteers, money and time that people have given from Oxfordshire, London and further afield. Everyone wants you to do the right thing. You have a mandate from the public to use this money in this way. You have the money to do it. So do it!

We know that a short amount of time can make a huge difference to people to be able to change their patterns or find a different path. Having a safe place to call home, to be able to apply for work and to get a bank account could be the difference between starting a new life and staying on the streets and then surviving or not surviving.

Former city councillor Elise Benjamin – another of our volunteers says: *"I have witnessed first-hand the difference having somewhere warm and dry can have on someone's life. Simply by providing a roof over someone's head they are in a better position to move on with their lives, finding work, accommodation, and going back to full time education, as is the case with residents at Iffley Open House. I have also seen evidence that people are being made homeless on an almost daily basis in Oxford"*.

Iffley Open House will close soon and we face a race against time to ensure that no-one ends up back on the streets. This is why we need more accommodation, not less.

Oxford has a growing homelessness problem and urgent action is needed to provide some shelter in order to help people get back on their feet. By re-opening Lucy Faithfull House you will be sending out a message that Oxford cares about people over profits. Rejecting the Green budget amendment will simply confirm what many residents fear, that you would rather sell off the Lucy Faithfull site than provide vital support for people in need."

Please do the right thing and support the amendment to re-open Lucy Faithfull House.

To: Council

Date: 20 February 2017

Report of: Head of Financial Services

Title of Report: Report of the Council's Chief Finance Officer on the robustness of the 2017/18 budget

Summary and Recommendations

Purpose of report: Under Section 25 of the Local Government Act 2003 there is a requirement for the Council's Chief Financial Officer to report to Council on:

- a) the robustness of the estimates made for the purposes of the calculations of the budget; and
- b) the adequacy of the proposed financial reserves.

Council in considering its Budget should have regard to this advice.

Recommendation:

- a) That Council notes this report in setting its budget for 2017/18 and the indicative budgets for 2018/19 – 2020/21.
- b) That Council notes the budget provision for Grenoble Road and work in connection with Local Government restructure and devolution, together with associated funding as referred to in para 30, to be recommended by the Board Member for Finance, Assets and Public Health.

Appendix A : Statement of Reserves and Balances

Finance Settlement

- 1 The Final Finance Settlement for 2017/18 published on 8th February included the following key features :
 - Confirmation of the three year funding settlement for the Council which sees the removal of Revenue Support Grant by 1ST April 2019

- Indicative figures for the Councils Business Rates baseline and tariffs for the next three years
 - Indicative figures for Government's New Homes Bonus following the conclusion of the NHB Consultation carried out last Summer
- 2 In total, the changes gave rise to a reduction of £497k of resources in the Council's budget over the next four years.
 - 3 The Council's Settlement Funding Assessment (SFA) has reduced from £7.3 million to £6.4 million over the four year period.
 - 4 There are still a number of uncertainties going forward around Housing, Business Rates and New Homes Bonus but given the robust scrutiny of the Council's budget setting process, prudent financial management and significant efficiency savings together with other mitigations, including the prudent level of reserves and balances the Council's financial position over this period is manageable.

Preparation of the Medium Term Financial Plan

- 5 The Council has undertaken a prudent and robust approach in developing its Medium Term Financial Plan, as in previous years. This has reaped rewards in terms of the delivery of significant levels of savings and provides a firm foundation on which to build. To this extent the Council has agreed to reduce the level of contingencies held for unachieved efficiencies and increased income, from 40% of those identified as high risk and 30% medium risk as in previous years, to 30% for high risk. This reduces the contingency down considerably but still retains some as encouragement for Heads of Service to bring forward proposals for savings
- 6 Over the next four years the Council will generate a further £3.5 million of efficiencies, with on-going efficiencies of £1.2 million being achieved from 2020/21 onwards. They include:
 - Multi skilling in the Contact Centre - £110k
 - A reduction in the number of ICT Business Partners - £115k per annum
 - The merger of Customer Service Centres at St. Aldate's from 2018 - £141k per annum
 - Savings on ICT contracts £136 per annum
 - Staff savings in Financial Services - £168k per annum
 - Renegotiation of the leisure centre contract - £216k per annum
 - Procurement savings £150k per annum
- 7 The efficiency savings, additional income streams and service reductions have been subject to rigorous review, with Service Heads being required to review the plans they put forward in previous years and confirm delivery of the proposals. Any changes to previous proposals put forward have been reflected in the updated plan.
- 8 This year the Council reintroduced a series of Fundamental Service Reviews and will complete in depth reviews of all principle services across the Council over the next three years. These reviews challenge current working practices, look at benchmarking data for performance and cost, explore best practice and alternate delivery models elsewhere. Reviews have already been undertaken in a number of service areas as follows:

- **General Fund Housing Services** -
 - **Housing Benefit Subsidy** - £100k saving for 2 years in restructuring contracts with service providers in order to mitigate loss of housing benefit subsidy
 - **Homelessness** – A spend to save initiative delivering ongoing savings of £200k from purchasing 39 units for around £10million to house homeless families saving both temporary accommodation costs and making a small return for the Council. .
 - **Waste services** –High performing against most comparator authorities with limited ability to make more efficiencies. Additional £16k per annum income included in MTFP together with limited number of changes to charging arrangements such as increasing charges for green waste to cost recovery. Confirmed the business case to provide a local recycling transfer station.
 - **Human Resources and Organisational Development** – Ongoing savings of £80k per annum due to reorganisation of the team to ensure that it is fit for purpose in providing services to managers
 - **Procurement and Payments** – £150k per annum from frontline and back office services based on a work programme of services being subject to tendering and also contract management
- 9 Work on the Law & Governance and Leisure Services reviews is still ongoing
- 10 The 2017-18 budget indicates that Council services are funded by Government Grant (£1.5m), Business Rates(£6.6m), other grants and contributions (£3.7m) and income from fees and charges (£34.7m),including car parking, commercial rent income, planning and building control fees. Approximately £9m of this income is derived from trading services primarily provided by Oxford Direct Services. The Medium Term Financial Strategy assumes additional traded income over the next four years of £2m. To facilitate its delivery the City Executive Board will be asked to agree the set-up of a wholly owned company at its March 2017 meeting.
- 11 Scrutiny of the budget has been undertaken by
- The Finance Team
 - Directors and the Chief Executive
 - Executive Members
 - The Scrutiny Committee’s Finance Panel
- 12 Monitoring of the budget through the year is undertaken by Financial Services in conjunction with Heads of Service and Cost Centre Managers to ensure that the budget is on target or variations are reported and acted upon at an early stage. Monthly monitoring reports are considered by the Council’s Corporate Management Team and quarterly reports are presented to the City Executive Board.

General Fund Assumptions

- 13 Assumptions on which the four year Medium Term Plan are based are contained within the main budget report presented elsewhere on the agenda, however, some of the key assumptions include:
- **Council Tax increase**- The assumed Council Tax increase is 1.99% per annum for each of the four years. This is below the referendum level for 2017/18.
 - **Finance Settlement** – The settlement figures are in line with the Government’s announcement in December 2017. The authority, like 97% of all authorities opted into a four year funding settlement subject to authorities issuing an Efficiency Plan.
 - **Retained Business Rates** – The Medium Term Plan includes estimates of the amount of Retained Business rates income for the authority, based on the Government’s indication of tariffs and baseline income
 - **New Homes Bonus** – The Medium Term Financial Plan includes indicative payments for the next four based on housing projections following the Government’s Consultation
 - **Inflation** – With the exception of contractual inflation e.g. Leisure contact and ICT maintenance contracts and pay budgets all other budgets are cash limited
 - **Contingencies and Provisions** - Contingencies have been allowed for potential shortfalls in efficiency savings, additional income and planned service reductions based on 30% of the value of high risk proposals.
 - **Revenue contributions to Capital** – Direct Revenue Funding for the Capital Programme over the four years is £1.4m, £1.8m, £1.6m and £1.4m respectively.

Housing Revenue Account (HRA) Assumptions

- 14 The Scrutiny of the HRA budget and Business Plan has followed a similar process to that for the General Fund outlined above.
- 15 Prudent assumptions have been built into the HRA Business Plan although there are still a number of areas of uncertainty on which the Council are awaiting clarification from the Government including:
- **High Value Council Housing (HVCH)** – Shortly before Christmas 2016 the Government announced the levy would not be implemented in 2017-18. A provision of £7.7 million per annum has been made from 1.4.2018 to mitigate the need to dispose of dwellings to pay for the levy. The position will be reviewed when further information is known.
 - **Council Housing rent setting** - The 1% rent decrease for the four years ending 1/4/2020 introduced by the Welfare Reform and Work Bill continues. In the absence of further legislation the assumption is that the Council will adopt a rent strategy that moves rents to target rent over the period 2020/21 to 2023/24.
- 16 Other key assumptions in the HRA budget include:

- **Debt Management Strategy** - The first £20m self- financing loan is due for repayment on 31 March 2021. Last year it was agreed that this payment would be deferred which would generate an initial saving of £20m offset by the additional annual interest cost of approximately £0.658m. The overall strategy is to repay debt when possible allowing for commitments to be financed whilst maintaining a minimum HRA working balance of £4 million. Self- financing debt at the end of the 4 year planning period will stand at around £222 million.
- **Right To Buy**
Disposals of around 40 dwellings per year until 2021/22 are assumed due to the Government's re-invigorating Right to Buy initiative.
- **Inflation and pay assumptions**
All the assumptions for pay inflation are the same as for the Council's General Fund.
- **Service Charges**
Service charges such as caretaking, cleaning, CCTV, communal areas etc. have been increased in line with the convergence formula in previous years. The Council agreed to remove any associated service charge limiter (credits) over a 4 year period limited to a maximum of £1 per week

Capital

- 17 The Council has set an ambitious Capital Programme for the next four years in excess of £226 million. Loans to the Housing Company to undertake development and acquisition of new dwellings including the social housing at Barton Park are £61 million. Other significant schemes including invest to save proposals include:
- **Investment properties** – Work to existing Council held investment properties in order to maintain and increase income streams -£10 million
 - **Purchase of homes for homeless families** – Purchase of 50 properties to house homeless families, reducing the spend on temporary accommodation as well as achieving a net revenue stream - £10 million
 - **Loan to Oxwed** – A loan to enable the company in which has 50/50 ownership to purchase land for further development £4.1 million
 - **Extension to Seacourt Park and Ride** – Extending park and ride by 668 spaces - £3.8 million
 - **New Recycling Transfer Station** – Construction of a new recycling transfer station facility at Redbridge Park and Ride leading to reduced transportation costs - £2.4 million
- 18 The preparation of the on-going Programme has undergone similar scrutiny to the other areas of the Council's budget with the Capital Asset Management Group also having an oversight of all new bids. Contingencies are included within individual schemes for variations in spend with any other variations outside these amounts being subject to the normal virement and supplementary estimate approvals set out in the Council's Financial Rules.
- 19 Financing of schemes within the Programme is predominantly through revenue, borrowing and capital receipts. General Fund borrowing will increase to over £80 million over the period and require the Council to access external funding. This will add to the existing HRA self- financing debt of £198 million. There are however, sufficient resources to fund the Capital Programme together with the associated

revenue implications.

Adequacy of Reserves and Balances

- 20 The prudent level of reserves that the Council should maintain is a matter of judgement and cannot be judged merely against the current risks facing the Council as these can and will change over time.
- 21 The consequence of not keeping a prudent level of reserves can be significant. In the event of a serious problem, or a series of events; the Council could run the risk of a deficit and or be forced to cut expenditure in a damaging or arbitrary way should reserves not be available.
- 22 CIPFA (Chartered Institute of Public and Finance and Accountancy) have stated that there should be no imposed limit on the level or nature of balances required to be held by an individual Council. However, for a district council, where changes to a few areas can have a disproportionate impact, a higher percentage level of reserves to net expenditure is desirable.
- 23 The Council has maintained a reasonable level of reserves and working balances as a result of its prudent financial management. Such balances are unallocated and held specifically to cover unexpected adverse variations in the Council's financial position. Whilst the authority would be exceptionally unlucky to suffer adverse consequences from all major potential sources of risk in the course of a financial year by way of example a 10% reduction in car parking income represents around £800k and a similar percentage reduction in commercial rent income would represent around £700k reduced income. Similarly there are financial risks around increased costs of homelessness and loss of investment income, reduced external trading income and housing benefit subsidy.
- 24 For this authority the Section 151 Officer has recommended the level of working balance for the General Fund should be in the region of £3.5 million and that of the HRA £4 million. Whilst over the planning period there are transfers to and from General Fund balances, the working balance is returned to the recommended level.
- 25 In total the Council's reserves and balances are forecast to be in the region of £41 million at 31st March 2017. This is forecast to reduce to £33 million at the 31st March 2018 as the Council uses its capital reserve to finance the Capital Programme. A full schedule of reserves and balances is attached at Appendix A with an explanation as to their intended use and the anticipated position as at the end of this financial year and next. A summary is shown below:

Table 1: Earmarked Reserves and Working Balances

Reserve Description	Balance 1/4/2016	Projected Balance 31- 03-17	Projected Balance 31- 03-18
	£000's	£000's	£000's
General Fund			
Earmarked Reserves	33,975	19,683	10,312
Working Balance	3,621	3,621	4,013
Sub Total	37,596	23,304	14,325
Housing Revenue Account			
Earmarked Reserves	17,978	12,353	12,776
Working Balance	4,000	4,000	4,000
Sub Total	21,978	16,353	16,776
Insurance Funds	1,762	1,762	1,762
Total	61,336	41,419	32,863

26 Earmarked reserves include:

- ring fenced accounts funded by third parties which must be repaid if it not used for the purpose specified, e.g. Salix Fund and much of the Grants Reserve
- reserves which have a statutory limitation on their use; such as the Taxi Licensing Reserve and the HMO Licensing Reserve
- accounts which it is considered prudent to set aside for a specific purpose such as the Insurance Fund
- committed but unspent budgeted amounts carried forward at the end of the financial year to fund/complete specific projects

27 **General Fund Working Balance** - This is forecast to be around £4 million at 31st March 2017 representing 2.10% of gross General Fund expenditure and 19.10% of net expenditure.

28 **Housing Revenue Account Working Balance**– The amount as at 31st March 2017 is estimated at £4 million representing around 8% of gross rental income

Progress on the 2017/18 Budget

29 Budget monitoring for the half year ending 30th September 2016 presented to the City Executive Board in December on the General Fund indicated a forecast favourable variance of £1.68 million (8.5% of net expenditure) due largely to over achievement of income in Direct Services and underspends on contingencies in

respect of savings and increased fees and charges. It was subsequently resolved to transfer £1.5 million to the capital financing reserve. The Housing Revenue Account is expecting to be in line with original budget.

30 It has recently emerged that the Council is experiencing in year pressures which are not currently included within the revenue budget and will require financing these include:

- **Grenoble Road Planning Fees**

In 2016-17 CEB approved a budget in the order of £560k representing a third of the costs that the Council would bear together with Magdalen College and Thames Water for the submission of a planning application at Grenoble Road. The original cost was around £1.7 million and the Council's share was consequently estimated at £560k but with increases arising from archaeological and other technical studies, holding of public engagement activities and project management it now seems prudent to increase this to £600k. In addition it may be appropriate to subject a second phase of the Grenoble Road site in ownership of the Council through the Planning examination which currently resides outside of the existing planning application. The resultant negotiation with South Oxfordshire District Council, the potential cost of call in for this and other sites and promotion of the site through their local plan examination, would be in the region of £540k, with the Council's third being £180k. The total additional cost is therefore estimated at £220k which can be funded from either reserves or the current years underspend. It is appropriate to hold this as a reserve rather than place it in the base budget as a decision on whether to progress with this application will be taken in conjunction with partners at the appropriate time.

- **Devolution**

The Council is preparing to respond to the County Councils proposal in respect of local government reorganisation and work in respect of a devolution deal. It is intended to allocate funds from the transformation and special projects reserve to fund policy and communications work if needed in connection with devolution bids and propositions, such as any work towards unitary councils or a combined authority, as needed in the order of £75k.

31 At year end an assessment will be made on the council's overall financial position and recommendations made to City Executive Board on the most appropriate use of any underspends.

Conclusion

32 I have reviewed the budget preparation process for 2017-18 to 2020/21 and the level of reserves and balances. The Council still faces significant financial uncertainty; with a number of areas of clarification required from the Government.

33 On Housing, the rules around future rent rises after the next three years are uncertain and could have a material effect on the Council's HRA Business Plan going forward. The amount of levy required to pay for the High Value Council Housing Initiative is unknown and the Council has set aside an amount of £21million over the next four years in a contingency as mitigation. On the General Fund, although the Settlement Funding deal gives authorities clarity on Revenue Support Grant over the next three years there is still uncertainty around business rates income and the level of New Homes Bonus.

- 34 Despite the issues highlighted above the Council has taken a rigorous approach to its budget setting, more specifically I would conclude that:
- 35 Despite the issues highlighted above the Council has undertaken a rigorous process in its budget setting for the Medium Term and more specifically I would conclude that:
- The process for the formulation of General Fund, HRA and Capital budgets, together with the level of challenge, provides a reasonable assurance of their robustness.
 - The approach which has been taken to those funding streams which are currently uncertain is prudent and puts the Council in a positive position to manage underlying pressures going forward.
 - The level of contingencies provided for unachieved efficiency savings and income projections etc. is prudent.
 - Approximately 60% (£29 million) of the earmarked reserves relate to the funding of the Council's £43 million Capital Programme for 2016-17.
 - The level of the Council's total reserves is sufficient to provide:
 - A working balance to cushion the impact of unexpected events or uneven cash flows and
 - The setting aside of funds to meet known or anticipated liabilities (earmarked reserves).
 -

Financial Implications

- 36 Pending their use, earmarked reserves and balances provide a useful source of revenue investment income for the authority estimated at £1 million for 2017/18 as well as being available for 'internal borrowing', thereby mitigating the costs of external borrowing.

Legal Implications

- 37 These are covered within the report

Risk Implications

- 38 An analysis of 'Key Risks' is shown in the main Budget report elsewhere on the agenda and should be considered before making any decisions upon the use of reserves.

Name and contact details of author:-

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Job title: Head of Financial Services

Service Area / Department: Finance

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STATEMENT OF RESERVES AND BALANCES

APPENDIX A

Ref	Reserve Description	Balance	Projected Balance	Projected Balance
		31/03/2016	31-03-17	31-03-18
		£000's	£000's	£000's
General Fund Earmarked Reserves				
Ring fenced accounts funded by third parties				
1	SALIX Energy Projects Reserve	325	200	200
2	Barton Reserve	69	0	0
3	Oxford Strategic Partnership reserve	38	38	38
54	Blue Bin League Reserve	262	150	0
49	Bob MK	9	9	9
Other ring fenced accounts				
6	Taxi Licence Reserve	135	135	135
7	Grants Reserve	1,309	500	500
8	HMO Licensing	0	200	200
9	Reserve for Land Charges	317	300	300
10	General Licensing Reserve	48	48	48
Other earmarked reserves				
12	Town Hall Equipment Reserve	20	10	0
13	Work Of Art Reserve	5	5	5
14	Shopmobility Reserve	20	20	20
15	Severance Reserve	1,258	1,000	1,000
16	IT Infrastructure Reserve	710	200	200
18	Leisure Repairs & Maintenance	414	0	0
19	Business Transformation and Special Projects	1,188	700	500
20	City Council Elections Reserve	71	20	20
21	Chief Executive's Fund	3	3	3
23	Capital Funding Reserve	13,383	8,500	2,000
25	Agresso Improvement Reserve	365	100	50
30	Ward Members Budget	0	10	10
31	Homelessness Reserve	952	700	700
32	Loan Guarantee Reserve	115	0	0
33	Lord Mayors Deposit Scheme	52	50	50
34	Home Choice Fund for Single Persons	36	36	36
36	Community Partnership Fund	308	200	200
37	Community and Neighbourhoods Reserve	151	151	0
38	Town Team Partners	10	10	0

41	Westgate Redevelopment Reserve	737	300	0
42	Emergency Flood Reserve	357	357	357
43	Park and Ride - County Contribution to Maintenance	119	0	0
44	Organisational Development Reserve	385	200	200
48	Severe Weather Recovery Scheme	65	65	65
50	NNDR Retention Reserve	4,329	2,300	2,100
4	Economic Development Reserve	158	100	0
22	Indirect Property Fund	702	700	700
26	Museum Development Reserve	5	0	0
27	Disabled Community Transport	50	0	0
28	Jobs Club	25	25	25
29	Ox futures Reserve	300	100	100
35	Dry Recyclate Reserve	1,400	1,400	0
40	Housing Benefits	804	400	400
51	Rose Hill Demolition	339	0	0
52	Section 106 Commuted sums	707	400	100
53	External legal fees	65	0	0
55	Pear Tree Park and Ride	41	41	41
Committed unspent budgeted amounts				
45	Committed Projects Reserve	1,814	0	0
Self-Insurance Funds				
46	Self-Insurance Funds	1,762	1,762	1,762
Total General Fund Earmarked Reserves		35,737	21,445	12,074

General Fund Working Balance	3,621	3,621	4,013
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Housing Revenue Account Earmarked Reserves				
1	Committed Projects Reserve	38	0	0
4	Salix Energy Project Reserve	18	0	0
2	HRA CRM Reserve	120	120	120
3	IT Equipment Reserve	196	196	0
5	Capital Projects Reserve	16,568	11,537	12,156
6	Direct Payment Project Arrears	101	0	0
7	Eco Funding	119	0	0
8	Major Repairs Reserve	818	500	500
Total HRA Earmarked Reserves		17,978	12,353	12,776

Housing Revenue Account Working Balance	4,000	4,000	4,000
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Total Council Reserves and Balances	61,336	41,419	32,863
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General Fund Earmarked Reserves

- 1 The Salix Energy Projects reserve created from a grant made available via Salix. The fund is used to loan money to Service Areas within Oxford City Council. Services then utilise these funds to implement energy efficient schemes. Savings on energy costs are then used to repay the initial loan.
- 2 Barton – The balance of a Housing Communities Agency grant to fund set up costs in relation to the joint venture with Grosvenor for the development of housing at Barton.
- 3 Oxford Strategic Partnership – balance of Local Area Agreement / Breaking cycle of deprivation funding received.
- 4 Economic Development Reserve – remaining balance of unspent budgets relating to City Deal
- 5 Improvement Efficiency Social Enterprise Grant Reserve – remaining balance of grant allocation from the Improvement and Efficiency Social Enterprise for Oxfordshire Procurement Hub.
- 6 The Taxis A/C reserve was created to manage the ring fenced taxi licensing cost centre. Surplus / deficits associated with this cost centre are collected and the balance is used to improve and / or address pressures within the Taxi Licensing area.
- 7 A reserve established under accounting convention to accumulated all unspent balances of grants received in the year pending their spend on projects including Oxfordshire Sports Partnership, Homelessness, Community Safety and flood prevention.
- 8 Houses in Multiple Occupation Licensing Reserve – Ringfenced licensing income in respect of HMO's to fund future service area expenditure.
- 9 The Reserve for Land Charges collects the surplus / deficit associated with Land Charges. This is a ring fenced account; funds are used to improve the services/ address pressures associated with the Land Charges area.
- 10 General Licensing Reserve – net surplus on the administration of licences
- 12 The Town Hall Equipment Reserve is used to fund new / replacement or repair of Town Hall equipment. The balance represents the net surplus of this cost centre year on year.
- 13 The Work of Art Reserve - created to aid the purchase or restoration of Council works of art.
- 14 The Shopmobility Reserve - created to fund replacement or repair of Shopmobility equipment. Any under or overspend associated with the service is collected in this reserve account.
- 15 Severance Reserve - created to cover any unexpected pressures related to employee costs e.g compensation for loss of office.
- 16 The IT Infrastructure Reserve is used to fund IT Infrastructure replacement across the Council.
- 18 Leisure repairs and maintenance – established to fund repairs and refurb of leisure centres.
- 19 The Business Transformation Reserve is a transitory account. At the year end budgets associated with transformation projects not yet completed are transferred to this reserve. At the start of the following year projects are approved to continue and the funds allocated back to the projects.
- 20 The City Council Elections reserve is created from the budget surplus / deficit on the City Council Elections cost centre. City elections are held every 2 years and this reserve is used to fund additional costs in election year.

- 21 Chief Executives Fund – used for initiatives put forward by Chief Exec
- 22 Indirect Property Fund – To fund any shortfall in the value of indirect property funds
- 23 Capital Funding Reserve – created to fund capital expenditure.
- 25 Agresso Improvement Reserve – used to fund the implementation of modules on the Financial Management system
- 26 Museum Development Reserve – Funding to support the future development of the museum
- 27 Disabled Community Transport – to fund community transport for elderly persons
- 28 Jobs Club – funding to support the ongoing jobs club initiative
- 29 Oxfutures Reserve – to cover potential liabilities around the Oxfutures EU Grant
- 30 Ward members Reserve – established to carry forward unspent balances of monies allocated to ward members
- 31 Homelessness – unspent budget and grant monies associated with homelessness.
- 32 Loan Guarantee Reserve – Created to fund potential shortfalls in recovery of loans to small organisations.
- 33 Lord Mayors Deposit Scheme to help people on a low income afford to move into private rented accommodation by issuing a Deposit Guarantee Bond to landlords.
- 34 Homes Choice Funds – needed as top-up for bonds/deposits re Private Sector properties.
- 35 Dry Recyclate Reserve – Reserve to cover the cost of funding a waste transfer station included within the Councils Capital Programme
- 36 Communities Partnership Fund – Used in connection with community safety schemes
- 37 Community and Neighbourhood Reserve- includes ring-fenced project funding for Connecting Communities, Community Actions Groups and Wood Farm Community Centre.
- 38 Town Team Partners- grant to improve the High Street working with Local Businesses. Additional financial support for the City Council will be required to work up a scheme.
- 40 Housing Benefit reserve– established to cushion the revenue account from unexpected variations in housing benefit subsidy
- 41 Westgate Redevelopment Reserve – established to fund the provision of temporary car parking following the demolition of Westgate multi story car park in relation to the redevelopment of the Westgate
- 42 Emergency Flood Reserve – established to cover the costs of flooding in the city
- 43 Park and Ride maintenance – monies in respect of maintenance of park and ride car parks
- 44 Organisational Development Reserve – This fund was set up in to fund the Council’s Partnership Payment and support the Council’s organisational development aspirations.
- 45 Committed projects is a reserve relating to the carry forward unspent budgeted amounts from previous years for committed projects
- 46 The Self-Insurance Reserve is used to cover claim costs that are below the Council’s insurance policy excess limit. The fund was subject to actuarial review in 2012/13 and will be adjusted in line with any recommendations flowing from it
- 48 Severe Weather Recovery Scheme – Grant to be used in connection with costs incurred by the council arising from flooding
- 49 BOB MK – Oxford City Council hosts a Planning Forum funded by subscriptions received from Local Authorities in Berkshire, Oxfordshire, Buckinghamshire and Milton Keynes. The budget is ring-fenced and any surpluses in year need to be carried forward to future years.
- 50 NNDR Retention Reserve - Reserve created to cushion the effect on the of Business Rates appeals on the councils Retained Business Rates income

- 51 Rose Hill Demolition reserve – held to fund demolition of redundant buildings following the construction of Rose Hill Community Centre
- 52 Commuted sums – sums received from developers to fund revenue maintenance works
- 53 Legal fees – balance of budget for central legal fees fund
- 54 Blue bin league – External monies received to promote recycling
- 55 Pear Tree park and ride – to cover outstanding permit claim re Pear Tree Park and Ride

Housing Revenue Account Earmarked Reserves

- 1 The Committed projects reserve is for funding uncompleted projects at the end of the financial year
- 2 The IT Projects Reserve is to fund the HRA element of IT development projects
- 3 The IT equipment reserve is to fund future IT equipment purchased used specifically for HRA activity e.g. Housing Rents and Servitor job costing
- 4 Salix – external monies received from Salix related projects
- 5 Capital Projects Reserve – reserve created to manage variations in the HRA capital programme
- 6 Direct Payment Arrears – payment from the DWP in respect of tenant arrears arising from the direct payment project
- 7 External monies received for solar panels on council house roofs
- 8 Major Repairs Reserve – a statutory account to be held in the HRA to neutralise the impact of depreciation on the revenue account.

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Liberal Democrat Alternative Budget proposals for 2017/2021

We agree with the Labour administration that local government has been very badly treated by the national Conservative Government. There has been an attack on social housing and on the vulnerable in our society and there is continued uncertainty about future income streams for the City Council.

Nevertheless, the Liberal Democrat view of the situation has led us to slightly different conclusions on the best way forward. We see the most urgent challenges to be faced by the citizens of Oxford to be the impact of the new Westgate development, the loss of transport for some isolated communities and the loss of Children's Centres. The first two we can address with our budget proposals, the latter needs a rethink of how the county is run while help should be given now to those worst hit.

Westgate and John Lewis will attract thousands more visitors, probably millions, which will put great strain on transport and the city centre environment. We need to persuade as many as possible to use public transport, train or Park and Ride as well as service buses. Our Park and Ride sites have a lot of spare capacity at Redbridge and some at Pear Tree. The proposal to extend Seacourt into the flood plain and cause increased congestion at the junctions of the A420 and the A34 and on the Botley Road looks to us like a very poor use of £4m of city money.

We therefore propose not to expand Seacourt, not least because there will be a new P&R site at Eynsham by 2020 to take some of the Oxford-bound traffic. We will use £400k CIL money that was to be spent on Seacourt to fund instead a system of advance information signs round the city, telling drivers where there are spaces, so they can divert to Pear Tree or Redbridge in good time. As the principle of P&Rs is to make it cheaper to use them rather than drive in to the city, we are against raising the parking charge. Other cities charge less or nothing – for example, Cambridge charges £1 a day. Not expanding Seacourt saves £4m in total, £3.126m revenue – we propose to spend £2.756m of revenue funding on supporting the city budget, which leaves £370k for future use as yet unspecified.

We believe that there will be extra revenue at Redbridge in particular from people diverting there following the installation of the information signage, which will help to reduce the loss predicted from not extending Seacourt.

Air quality in the city centre is not good and likely to get worse following the removal of buses from Queen Street, leading to yet more congestion in St Aldate's. The city's refuse vehicles are fuelled by biodiesel, which is 95% diesel, which is known to be a source of very harmful particulates and NO₂. Other authorities are using gas-powered HGVs, Leeds and Reading for example. Oxford will be buying three new refuse trucks in 2018/19 and could save on fuel costs, while removing harmful emissions, by investing in new biomethane-powered vehicles instead of more diesel ones. We have allowed for the higher capital cost and noted an estimated 25% saving in fuel costs.

Trees absorb pollution and we propose increasing tree cover in the city by following Cambridge's example in offering new Oxford parents a tree from a list of suitable native species, to be planted in their garden or in a public space.

All those extra people in the city centre will inevitably generate more litter, so we support the request from Direct Services, refused by the administration, to have two extra street cleaning operatives rather than one to help keep the streets clean.

There is still £40k in the Disabled Transport Contingency. We propose releasing that to a fund to which communities can apply for support with setting up a transport initiative, similar to the Comet which we set up in Cutteslowe, but for any recognised transport need for those communities isolated following the withdrawal of subsidised services.

Oxford's population includes many people for whom English is not their first language, some who have very little or no English at all. This puts them at a huge disadvantage and we propose investing £50k a year to recognised bodies providing tuition in English.

The planning department is overloaded and not able to deal with applications as fast as it should. Too many are way behind their required date for determination. We propose employing an extra planning officer and an extra planning enforcement officer to improve the performance of the department for the public. We also propose the reinstatement of letters to neighbours which much reduce the risk of people being uninformed about applications in their immediate neighbourhood.

A grant to the Canal and River trust to improve the towpath surface north of Elizabeth Jennings Way as far as possible would be of great benefit to people with buggies and people on bicycles.

The Capital programme has Seacourt removed and the new refuse vehicles' estimated extra cost included, also a contribution of £100k each to the refurbishment of Headington Community Centre and a new centre at Five Mile Drive to serve that neighbourhood.

The loss of Children's Centres is a consequence of the straitened finances at the County Council. While communities, including mine in Cutteslowe, have worked hard to provide some open access children's services, they are not able to replace what has been lost without significantly more funding. As long as there are six local authorities with their own administrative overheads and some duplication of responsibilities, the necessary funding to support Children's Centres, subsidised buses, adult social care and homelessness, to name the most obvious casualties in the present situation, there will not be enough in the pot to replace and improve them. As Liberal Democrats we strongly support a reorganisation of local government which has the advantages of strategic management of housing site allocation, planning and transport, but which retains the essential local control of functions which are best decided locally such as housing management, waste collection and local road maintenance .

Our budget amendments respond to the needs of Oxford's population.

REVENUE

LIB DEM GROUP AMENDMENTS TO THE ADMINISTRATIONS CONSULTATION BUDGET

REVENUE

£1000's	2017/18 £000'S	2018/19 £000'S	2019/20 £000'S	2020/21 £000'S
Consultation Budget Net Budget Requirement	21,281	22,212	21,877	22,298
Changes since the consultation budget				
Sub total changes since the consultation budget	(618)	61	35	30
<u>Additional Savings proposed</u>				
1 Reduce members on CEB from 10 to 6	(29)	(29)	(29)	(29)
2 Elections every four years	(13)	(13)	(13)	(13)
3 Reduce communications team from 6 to 4	(86)	(86)	(86)	(86)
4 One off use of disabled transport reserve	(40)	0	0	0
5 Vacancy factor	(50)	(50)	(50)	(50)
6 Use of capital reserve as opposed to spending on Seacourt	(254)	(834)	(834)	(834)
7 Reduced fuel costs due to biomethane fuelled refuse vehicles	0	(5)	(5)	(5)
Total additional savings proposed	(472)	(1,017)	(1,017)	(1,017)
Cumulative additional savings	(472)	(1,489)	(2,506)	(3,523)
<u>Additional costs proposed</u>				
1 Reinstatement of issuing letters to residents on planning applications	40	50	50	50
2 Extra street cleaning operative	27	27	27	27
3 Disabled transport - use of reserve	40	0	0	0
4 Additional resource English for Speakers of Other Languages	50	50	50	50
5 Provide first year of free internment for stillborns, babies and children	5	0	0	0
6 Loss of revenue from Seacourt extension	110	270	270	270
7 Cancel increase of park and ride fees	0	500	500	500
8 Additional planning enforcement officer	40	50	50	50
9 Additional planning officer	40	50	50	50
10 Grant to Canal and River Trust for towpath repair	100	0	0	0
11 Trees for babies - a tree offered for every newborn	20	20	20	20
Total additional costs proposed	472	1,017	1,017	1,017
<u>Net effect on budget in-year of proposals</u>	0	0	0	0
<u>Cumulative effect on budget</u>	0	0	0	0
Additional Budget transfer to/(from) reserves	392	(219)	(167)	(165)
Alternative Budget Net Budget Requirement	21,055	22,054	21,745	22,163
<u>Financed By :</u>				
Revenue Support Grant - Consultation Budget	(1,515)	(630)	0	0
Changes to revenue support grant	55	0	0	0
Council Tax- Consultation Budget	(12,949)	(13,339)	(13,740)	(14,154)
Additional council tax	0	0	0	0
Retained Business Rates - Consultation Budget	(6,816)	(8,243)	(8,138)	(8,144)
Additional business rates	170	158	133	135
Total	(21,055)	(22,054)	(21,745)	(22,163)
(surplus)/deficit	0	0	0	0
<u>General Fund Working Balance</u>				
Working Balance 1st April	3,621	4,013	4,554	4,260
Consultation Budget	0	760	(127)	(635)
Transfer to/(from) balance	392	(219)	(167)	(165)
Working Balance 31st March	4,013	4,554	4,260	3,460

CAPITAL

PROPOSED AMENDMENTS TO THE ADMINISTRATIONS CONSULTATION BUDGET

CAPITAL

	2017/18 £000'S	2018/19 £000'S	2019/20 £000'S	2020/21 £000'S
CAPITAL PROGRAM AS PER CEB 17TH DECEMBER - General Fund and HRA	60,759	60,838	40,099	33,588
Changes since the consultation budget				
Sub total of changes since consultation budget	1,405	7,525	3,435	11,291
CHANGES PROPOSED				
1 Cancel Seacourt park and ride extension	(3,376)	(500)		
2 Car park messaging	400			
3 Increased cost of converting to Green vehicles		150		
4 Headington Community Centre	100			
5 Five Mile Drive Community Centre	100			
Sub total	-2,776	-350	0	0
REVISED CAPITAL PROGRAM	59,388	68,013	43,534	44,879

FINANCING				
FINANCING AS PER CEB REPORT 17TH DECEMBER	60,759	60,838	40,099	33,588
Changes since the consultation budget				
Sub Total of changes since consultation budget	1,405	7,525	3,435	11,291
ALTERNATIVE BUDGET PROPOSALS				
1 Capital Financing reserve re Seacourt -(£400k CIL)	(3,376)	(500)		
2 CIL for car park messaging- (£400k CIL)	400			
3 Increased cost of 3 refuse vehicles fuelled by biomethane		150		
4 Headington Community centre refurbishment	100			
5 Contribution to new Five Mile Drive pavilion to enable community use	100			
Sub Total	-2,776	-350	0	0
Total Financing	59,388	68,013	43,534	44,879

(surplus)/deficit

0 0 0 0

Head of Finance – Section 151 Comments on Lib Dem Group Alternative Budget for 2017-18 to 2020/21

Date 15-02-17

I have reviewed the budget submitted by the Liberal Democrat party as an alternative to the Labour Administrations budget and can conclude that it is arithmetically correct and could be implemented if voted through.

There are no changes to the Administrations HRA budget.

On the Capital Budget an additional £0.75 million of schemes have been included with £3.876 million deleted. A detailed business case would be required to substantiate the plans for the additional schemes. The deleted capital expenditure refers specifically to the Seacourt Park and Ride extension and this in turn would release resources of an equivalent value to be used to fund the additional schemes and other revenue spend.

On revenue the main features of additional cost relates to cancellation of plans to increase park and ride charges with effect from 1/4/2018 and also the loss of additional income at Seacourt Park and Ride in line with the proposal to cancel the scheme. There are a number of additional savings together with the use of £2.756 million of the resources used to finance Seacourt Park and Ride to balance the plan in each of the four years over the medium term.

Whilst the plan could be implemented there is one issue of concern

- use of one-off resources from the cancellation of Seacourt Park and Ride does give cause for concern over the sustainability of the plan in the longer term, if the additional ongoing expenditure of £1.017 million is to continue. Plans will need to be considered of how deficits could covered in future years once the one-off saving is exhausted.

Nigel Kennedy

Head of Financial Services (Section 151 Officer)

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Notes to Green Group Budget

We believe that, at a time of such uncertainty and housing need, we should be investing in our City's social infrastructure not its car parks.

Capital Budget

We would cancel the costly and environmentally damaging extension to the Seacourt Park & Ride and reverse the decision to buy-out the lease of a certain City Centre property (which for commercial reasons we are unable to name).

This frees up almost £5m of capital to invest in the refurbishment of homeless accommodation (£0.5m), avoid sell-offs of community facilities (East Oxford Community Centre north site and East Oxford Games Hall) and refurbishing the buildings on these sites (£2.0m), and increase expenditure on energy conservation and renewables (£0.6m) via our SALIX Plus fund.

Cancelling Seacourt also creates almost £1.8m surplus on the capital financing reserve. We use just over £1.5m to support additional revenue spending and return £261k EXTRA to balances providing a further cushion against future uncertainty.

Revenue Budget

- Saving & new income

We raise parking charges across-the-board, over a period of two years, by 6% to offset to loss of the revenue from the Seacourt Park & Ride expansion. Note that this fully funds the ANTICIPATED revenues from Seacourt even though CEB accepted that these projections are high risk and thus the actual revenues could well be much lower.

We recognise the revenue for our capital investment in SALIX Plus projects, savings from our re-opening of homeless accommodation as well as income from introducing a late night licensing levy and cutting down on Councillor's special responsibility allowances. We also recognise cost-neutral savings from expanding the fraud team (though we understand that this will likely generate income from new trading activity).

- New expenditure

We accept ALL the changes made since the consultation budget.

In addition, we use the additional revenue we have raised to

- Re-open Lucy Faithful House (we have allowed £500k/year – which we believe to be a 'high end' estimate of costs).
- We have doubled the support available to Children's Centres in Year 1 (from £50k to £100k) and extended the transitional support from one to two-and-a-half years.
- Extended support for small cycle schemes from two years to four years.
- Invested in the aforementioned fraud team

HRA Budget – no changes

REVENUE

GREEN GROUP MENDMENTS TO THE ADMINISTRATIONS CONSULTATION BUDGET

REVENUE

£1000's

	2017/18 £000'S	2018/19 £000'S	2019/20 £000'S	2020/21 £000'S
Consultation Budget Net Budget Requirement	21,281	22,212	21,877	22,298
Changes since the consultation budget				
Sub total	(618)	61	35	30
<u>Additional Savings proposed</u>				
1 Raise parking charges by 6% to cover income from cancelling Seacourt extension	(110)	(270)	(270)	(270)
2 Income (5%/yr) from additional SALIX PLUS funding provided in capital budget	(8)	(16)	(24)	(32)
3 Use of capital reserves by deleting Seacourt	(437)	(404)	(376)	(579)
4 late night licence levy	(25)	(50)	(50)	(50)
5 reduced special responsibility allowances for Councillors	(25)	(25)	(25)	(25)
6 savings on provision of homeless accommodation (from re-opening LFH)	(50)	(100)	(100)	(100)
7 Income from new fraud officer	(35)	(35)	0	0
Total additional savings proposed	(690)	(900)	(845)	(1,056)
Cumulative additional savings	(690)	(1,590)	(2,435)	(3,491)
<u>Additional costs proposed</u>				
1 Cancel Seacourt extension	110	270	270	270
2 Additional Children's Centres transitional funding (incl funding of stay & play sessions)	50	100	50	0
3 Small cycle schemes extension for 2 more years	0	0	25	25
4 Homeless funding for Lucy Faithful House	500	500	500	500
5 Fraud officer resource expand trading	30	30	0	0
Total additional costs proposed	690	900	845	795
<u>Net effect on budget in-year of proposals</u>	0	0	0	(261)
<u>Cumulative effect on budget</u>	0	0	0	(261)
Additional Budget transfer to/(from) reserves	392	(219)	(167)	96
Alternative Budget Net Budget Requirement	21,055	22,054	21,745	22,163
Financed By :				
Revenue Support Grant - Consultation Budget	(1,515)	(630)	0	0
Changes to revenue support grant	55			
Council Tax- Consultation Budget	(12,949)	(13,339)	(13,740)	(14,154)
Additional council tax	0	0	0	0
Retained Business Rates - Consultation Budget	(6,816)	(8,243)	(8,138)	(8,144)
Additional business rates	170	158	133	135
Total	(21,055)	(22,054)	(21,745)	(22,163)
(surplus)/deficit	0	0	0	0
General Fund Working Balance				
Working Balance 1st April	3,621	4,013	4,554	4,260
Consultation Budget		760	(127)	(635)
Transfer to/(from) balance	392	(219)	(167)	96
Working Balance 31st March	4,013	4,554	4,260	3,721

CAPITAL

PROPOSED AMENDMENTS TO THE ADMINISTRATIONS CONSULTATION BUDGET

CAPITAL

	2017/18 £000'S	2018/19 £000'S	2019/20 £000'S	2020/21 £000'S
CAPITAL PROGRAM AS PER CEB 17TH DECEMBER - General Fund and HRA	60,759	60,838	40,099	33,588
Changes since the consultation budget				
Sub total of changes since consultation budget	1,405	7,525	3,435	11,291
ALTERNATIVE BUDGET PROPOSALS				
1 Cancel Seacourt park and ride extension	(3,376)	(500)		
2 Cancel buy-out of property lease		(1,000)		
3 Additional funding for EOCC re-development to include north end of EOCC site	500			
4 Refurbishment of Lucy Faithful House	500			
5 Top-up of SALIX- PLUS carbon reduction fund (4 years)	150	150	150	150
6 Investment in East Oxford Games Hall - instead of sell-off	150			
Sub total	(2,076)	(1,350)	150	150
REVISED CAPITAL PROGRAM	60,088	67,013	43,684	45,029

FINANCING				
FINANCING AS PER CEB REPORT 17TH DECEMBER	60,759	60,838	40,099	33,588
Changes since the consultation budget				
Sub Total of changes since consultation budget	1,405	7,525	3,435	11,291
ALTERNATIVE BUDGET PROPOSALS				
1 Release Capital Financing Reserve re Seacourt	(3,376)	(500)		
2 Don't sell off East Oxford Community Centre site or East Oxford Games Hall			(1,330)	
3 Replace capital receipt from EOCC with capital financing reserve from Seacourt			1,330	
4 Release capital financing reserves re cancel purchase of leasehold property		(1,000)		
5 Additional capital financing reserve for EOCC re-development to include north end of EOCC	500			
6 Additional capital reserve for Refurbishment of Lucy Faithful House	500			
7 Additional capital reserve for Top-up of SALIX- PLUS carbon reduction fund (4 years)	150	150	150	150
8 Additional capital reserve for Investment in EOGH - instead of sell-off	150			
Sub Total	-2,076	-1,350	150	150
Total Financing	60,088	67,013	43,684	45,029

(surplus)/deficit

0 0 0 0

Head of Finance – Section 151 Comments on Green Group Alternative Budget for 2017-18 to 2020/21

Date 15-02-17

I have reviewed the budget submitted by the Green party as an alternative to the Labour Administrations budget and can conclude that it is arithmetically correct and could be implemented if voted through.

There are no changes to the Administrations HRA budget.

On the Capital Budget an additional £1.750 million of schemes have been included with £4.876 million deleted. A detailed business case would be required to substantiate the plans for the additional schemes. The deleted capital expenditure refers to the Seacourt Park and Ride extension and the purchase of the leasehold on a city centre property for use by homeless families. This in turn would release resources of an equivalent value to be used to fund the additional schemes, the loss of capital receipt from the East Oxford Community Centre scheme and other revenue spend.

On revenue the main features of additional cost relates to the increased cost operating a property for the homeless, additional support to children's centres and the loss of additional income at Seacourt Park and Ride in line with the proposal to cancel the scheme. There are a number of additional savings with the most significant being additional fees from car parks from above inflation increases, savings from the use of temporary accommodation property and the use of £1.796 million of the resources used to finance Seacourt Park and Ride to balance the plan in each of the four years over the medium term.

Whilst the plan could be implemented the use of one-off resources from the cancellation of Seacourt Park and Ride does give cause for concern over the sustainability of the plan in the longer term, if the additional ongoing expenditure of £0.795 million is to continue. Plans will need to be considered of how deficits could be covered in future years once the one-off saving is exhausted.

Nigel Kennedy

Head of Financial Services (Section 151 Officer)

Minutes of a meeting of the CITY EXECUTIVE BOARD on Thursday 9 February 2017

www.oxford.gov.uk



Committee members:

Councillor Price (Chair)

Councillor Turner (Deputy Leader)

Councillor Brown

Councillor Hollingsworth

Councillor Rowley

Councillor Simm

Councillor Sinclair

Councillor Smith

Councillor Tanner

Officers:

David Edwards, Executive Director City Regeneration and Housing

Jackie Yates, Executive Director Organisational Development and Corporate Services

Julia Tomkins, Grants & External Funding Officer

Gill Butter, Conservation and Urban Design Officer

Sarah Chesshyre, Planner Apprentice

Jo Colwell, Service Manager Environmental Sustainability

Andrew Brown, Scrutiny Officer

Lindsay Cane, Acting Head of Law and Governance

Sarah Claridge, Committee Services Officer

Also present:

Councillor Andrew Gant, Liberal Democrat Group Leader, Liberal Democrat shadow member for Corporate Strategy & Economic Development, Chair, Scrutiny Committee

Councillor Craig Simmons, Leader of the Green Group and Green Group shadow member for finance, leisure, parks and sports, Chair, Scrutiny Finance Panel

121. Apologies for Absence

Apologies for absence received from Cllr Kennedy

122. Declarations of Interest

None

123. Addresses and Questions by Members of the Public

None received

124. Councillors Addresses on any item for decision on the Board's agenda

None received.

125. Councillor Addresses on Neighbourhood Issues

None received.

126. Items raised by Board Members

None received

127. Budget 2017/2018

The Head of Financial Services submitted a report which presented the outcome of the budget consultation and the Council's Medium Term Financial Strategy for 2017-21 and 2017-18 Budget, for recommendation to Council

Cllr Turner, Board Member for Finance, Asset Management and Public Health said that the government grant will be zero by 2020. There are no frontline service cuts, we are investing in service improvements and are creating a trading company so we can increase the trading we do.

Highlights include:

- the housing company being established;
- we're investing in new properties for homeless families and building new council housing, and
- Retaining in full our homelessness prevention budget and our budget for the third sector.

Financial pressures include changes to the New Homes Bonus (NHB) which caused a grant reduction and pressure in year 4. A reduction in funding from business rates as part of the fairer funding process will give us less money than we would have wished. Additional budget items include money for low emission taxi vehicles, designer costs at Cowley Marsh pavilion and additional funding to assist children centres run stay and play for one year only.

In terms of the Housing Revenue Account, the government had delayed introducing the Right to Buy Scheme to housing associations so the Council will not be forced to sell high value empty council houses to reimburse the government in 2017/18.

Council agreed two budgetary motions at its meeting on 6 February –

- To retain the additional £200,000 pension provision, which will cover potential increased liability to the Council arising from TUPE transfer of staff to a Local Authority wholly owned company for Direct Services; and

- To waive interment fees for stillborn babies and children under 12 years old for Oxford residents. Changing the Council's fees and charges with immediate effect is estimated to reduce income by a small amount in 2016-17 and around £5100 in a full year for 2017-18. This pressure can be accommodated within the Council's overall budget in 2016-17 and 2017-18, and the budget may be rebased if appropriate in future years.

Cllr Hollingsworth asked about the gap in the budget from the loss in new homes bonus in years 3 and 4

The Director for Organisational Development and Corporate Services explained that the NHB figures are based on current information. However there is a fixed pot for NHB so it depends on the number of new homes other councils are able to generate which will determine the proportion of the NHB we receive.

Recommendations: That the City Executive Board resolves to:

1. **Agree** the amendments to the Consultation Budget, in light of the outcomes of the public consultation.
2. **Recommend that Council** approve the 2017-18 General Fund and Housing Revenue Account budgets and the General Fund and Housing Revenue Account Medium Term Financial Plan as set out in Appendices 1-10, noting:
 - a) the Council's General Fund Budget Requirement of £21.055 million for 2017/18 and an increase in the Band D Council Tax of 1.99% or £5.67 per annum representing a Band D Council Tax of £290.19 per annum
 - b) the Housing Revenue Account budget for 2017/18 of £44.285 million and a reduction of 1% (£1.06/wk) in social dwelling rents from April 2017 giving a revised weekly average social rent of £105.65 as set out in Appendix 4
 - c) the General Fund and Housing Revenue Account Capital Programme as shown in Appendix 6.
3. **Recommend that Council** agree not to implement the voluntary 'Pay to Stay' policy for Council house tenants (para 28 refers)
4. **Recommend that Council** agree the fees and charges shown in Appendix 7 with the amendment to waive the fees for:
 - Interment of a child who at the time of death was less than 1 month (Resident); and
 - Interment of a child who at time of death was prior to 12th birthday (Resident).
5. **Recommend that Council** delegate authority to the Section 151 Officer in consultation with the Board Member for Finance, Asset Management and Public Health the decision to determine whether it is financially advantageous for the Council to enter into a Business Rates Distribution Agreement as referred to in paragraphs 16-17 below.

6. **Recommend that Council** agree an additional loan of up to £75,000 for working capital to Oxwed as highlighted in paragraph 41
7. **Recommend that Council** agree provision of a loan facility to Oxford City Housing Ltd of up to £61 million (paras 39-40) an extra £48.75 million over the next four years, subject to the provision of; and agreement to a business plan by the Company.
8. **Recommend that Council** agree to retain the additional £200,000 pension provision to cover potential increased liability to the Council arising from TUPE transfer of staff to a Local Authority wholly owned company for Direct Services.

a) Scrutiny Response: Budget 2017/2018

Cllr Simmons, Chair of the Scrutiny Finance Panel presented the report. He said there was a huge amount of external uncertainties at the moment so the focus of the Finance Panel had been testing the robustness of the assumptions made.

He made the following comments:

- The Budget balances over 4 years but he was cautious about the Council's approach in year 4 to transferring £800k from the general fund to balance the budget.
- The Council is maximising revenue through trading services which the Panel support.
- We would like to see which fees and charges (rec 2) we have discretion to raise and which we do not.
- Reducing licensing fees (rec 4) might create more revenue from street trading for areas outside the city centre.
- Revenue from car parking fees may be affected by proposed new rail routes and should be labelled high risk (rec 6)
- Invest to save initiatives are happening in the capital programme but not in the revenue budget. There is £750k in the Invest to Save fund which has not been used. The Panel believe officers should be encouraged to suggest more high risk schemes.
- Given that contingencies on high risk efficiency saving projects have not been drawn on. Council could consider releasing more contingency.
- The Panel supported the Audit and Governance Committee looking at the governance of the companies and whether the council has the in-house expertise to run them.
- He queried some of the political priorities in the budget and asked whether the money allocated to the Council tax support scheme (rec 12) was the best way to get people out of poverty. Likewise the apprentices' scheme (rec 14) has a significant cost to it. What assessments are done to prove the value of such schemes?
- He mentioned the archive project and the need to fund the completion of it. As items might cost us more in the future if we don't fund them properly now.

Cllr Turner, Board Member for Finance, Asset Management and Public Health made the following comments:

- The Finance Panel report was thoughtful, useful and productive and was a good example of scrutiny working well.
- It is prudent to leave the contingencies as they are, and not spend one off contingency in service delivery. We encourage managers to suggest efficiency savings. Suggestions will not always be successful and will get harder and harder every year. So it is important we retain the contingencies in case projects don't work out.
- Invest to save – correct most are capital but we are keen for revenue suggestions as well.
- Note the big challenge in year 5, we don't know what is going to happen.
- Challenge of creating a trading company. The market is changing, and we recognise we already have a significant market share in some areas (trade waste for example). There is also the challenge of experienced officers retiring in the next few years which will have an impact.
- The Council tax support grant is not a massive expense. We will review it and see how we can we maximise its impact. Cllr Brown said that we haven't included the Council tax support grant in the budget without considering it every year. Did discuss with the Scrutiny Committee how we would review it in the future. Removing it doesn't necessary provide savings as it would be hard to collect council tax from those who currently receive support.

Cllr Turner said that in terms of the budget bids (rec 16):

- Supportive of the fraud team,
- Archive, there is a predicted underspend in Law and Governance which we will roll forward - so this work can progress.
- Streetscene: It is being reviewed whether Westgate will be cleaned by the new tenant. We could offer Westgate a contract to clean it for them.

128. Treasury Management Strategy 2017/18

The Head of Financial Services submitted a report which presented the Council's Treasury Management Strategy for 2017/18 together with the Prudential Indicators for 2017/18 to 2019/20.

Cllr Turner, Board Member for Finance, Asset Management and Public Health presented the report.

Cllr Price asked if the Council had any investments on the stock-market. The Director for Organisational Development and Corporate Services said that the Council does not invest in stocks and shares as the risk is too great. We prefer low risk investments such as bonds in building societies but also had money invested in property funds. Until the Bank of England's base rate increases, Council won't see a huge change in its investment strategy.

The City Executive Board resolves to:

1. **Recommend that Council** approve the Treasury Management Strategy 2017/18, and adopt the Prudential Indicators for 2017/18 – 2019/20 as set out in paragraphs 7 to 37, and Appendix 2;
2. **Recommend that Council** approve the Borrowing Strategy at paragraphs 7 to 18;
3. **Recommend that Council** approve the Minimum Revenue Provision (MRP) Statement at paragraphs 19 to 22 which sets out the Council's policy on charging borrowing to the revenue account; and
4. **Recommend that Council** approve the Investment Strategy for 2017/18 and investment criteria as set out in paragraphs 23 to 37 and Appendix 1.

129. Scrutiny Committee Reports

Scrutiny reports were taken alongside their corresponding Board report.

a) Scrutiny Response: Recycling rates

Cllr Gant, Chair of the Scrutiny Committee presented the report and said the committee recommended continuing the recycling incentive scheme.

Cllr Tanner, Board Member for A Clean Green Oxford agreed with the recommendation but it depends if there is money available in the forthcoming financial year to continue the incentive scheme.

b) Scrutiny Response: Safeguarding Language School Students

Cllr Gant, Chair of the Scrutiny Committee presented the report. He said it's quite widespread for under 18s attending language schools in Oxford to stay in homestays. There is no legal requirement for organisations to inform the local authority of these arrangements unless the child is staying longer than 28 days, most stay fewer than this.

Cllr Sinclair, Board Member for Community Safety gave an update on the work councillors have done to raise awareness of the issue. Cllr Coulter wrote to the chair of the District Council's Network Assembly who had formed a task and finish group to review the issue. Cllr Coulter has asked for Oxford to be included in this review.

Cllr Sinclair has emailed both Oxford MPs, there's been no response from Nicola Blackwood but Andrew Smith had asked for a Westminster debate on the issue. She suggested the City Executive Board could write to the MPs to add weight to the issue. Cllr Price agreed.

Cllr Sinclair said she had brought the issue up with the Oxfordshire Safeguarding Children Board but will do so again.

Cllr Brown suggested we contact the Local Government Association to work with similar councils ie Cambridge, Brighton.

All responses to be circulated to City Executive Board members and the Scrutiny Committee.

c) Scrutiny Response: Cycling

Cllr Gant, Chair of the Scrutiny Committee presented the report. The Committee asked for more guidance for ward members to pool CIL money to focus on cycling

Cllr Hollingsworth, Board Member for Planning and Regulatory Services said that there was an issue with members wanting to spend their CIL money on repainting specific cycle symbols. Traffic guidance regulations frequently change and if road markings aren't in the current regulations, such as markings on Cowley Road, they cannot be repainted. He recommended that members focus on schemes that can be completed quickly.

Cllr Sinclair said that repainting of road markings requires getting costly traffic regulations orders (TROs). County officers tend not to look at proposals unless there is money available to fund them.

Cllr Brown said that the County is short staffed and are not producing TROs at the moment which is holding up schemes. Cllr Tanner said the County outsources the TRO work to Buckinghamshire County Council so often waits until there are lots of TROs to do before requesting the work.

130. Sale of properties to Oxford City Housing Limited

The Heads of Housing and Property Services; and Financial Services submitted a report which updated members on the progress of the housing company, to agree the transfer of 5 properties to the company and note the initial development programme.

Cllr Rowley, Board Member for Housing presented the report. He said the Government's high value housing levy had been delayed till next year; however we don't want to lose housing – so we are recommending moving 5 properties to the housing company. This transfer won't involve a loss of social housing, as a condition of sale is that they remain social housing in perpetuity. Hence the low sale price.

The Director of City Regeneration and Housing said the report also recommends the Council loans the Housing Company the money to buy the properties. The loan is State Aid compliant, (meaning the money is lent to the Housing Company at a market rate).

The Board of Director's Business plan is a working draft and is being checked by external advisors. The plan will go to the Housing Company's shareholders (who are members of the executive board) for discussion and consideration in March.

The City Executive Board resolves to:

1. **Note** progress with the establishment of the Oxford City Housing Company.
2. **Agree** to the sale of the 5 properties detailed at section 3 for the sum of £730,000 subject to the conditions set out in this report and subject to the verification of the valuation prices.
3. **Recommend that Council** make available in 2016-17, a state aid compliant loan facility for Oxford City Housing Limited to enable the company to purchase the 5 properties identified in this report; the loan being for £742,606 which includes the purchase price and the associated costs of acquisition.
4. **Recommend that Council** include the provision of the loan facility mentioned above as an additional expenditure item in the 2016/17 capital programme, funded by the associated capital receipt received from the disposal.
5. **Delegate authority** to the Chief Executive to agree the final decision on sale and amount of loan that needs to be made available to the company, should the final valuations vary from those contained in the report.
6. **Note** the draft development programme detailed in appendix 1 and that City Executive Board will receive further reports with regard to land sales to facilitate the delivery of that programme

131. North Oxford Victorian Suburb Conservation Area Appraisal- Adoption

The Head of Planning and Regulatory submitted a report which presented the North Oxford Victorian Suburb Conservation Area Appraisal and sought approval to go out to consultation.

Cllr Hollingsworth, Board Member for Planning and Regulatory Services presented the report. He explained that the appraisal would go out for consultation.

The Apprentice Planner said the appraisal lists the heritage of the area. Adopting a character appraisal will inform future decisions in the North Oxford Area. There is potential to expand the current conservation area boundary and merge several conservation areas into one. This will be considered during the consultation process.

Cllr Price asked how Council was going to engage with conservation groups. The Team Leader for Design, Heritage & Trees said that several public meetings for conservation groups and residents have been arranged. The consultant of the report will also be attending.

The earliest the report will come back to CEB will be June 2017, however if the boundary of the conservation area changes this will delay the final report.

The City Executive Board resolves to:

1. **Endorse** the draft conservation area appraisal as the basis for public consultation (attached to this report);
2. **Approve** the carrying out of consultation upon the draft appraisal; and
3. **Approve** the seeking of views on additions and deletions to the conservation area.

132. Grant Allocations to Community and Voluntary Organisations 2017/2018

The Head of Community Services submitted a report which allocated grants to community and voluntary organisations through the Community Grants Programme.

Cllr Simm, Board member for Culture and Communities presented the report; she said that there was a growing level of need due to County Council and government cuts to grant funding. She praised officers for being proactive at understanding voluntary groups' needs and coming up with solution to improve them. The City Council has not cut its grant budget.

Cllr Brown, Board member for Customer and Corporate Services explained that a lot of the grant funding goes to assist financial inclusion groups. Advice agencies work has become more urgent due to County Council cuts and it is fantastic we can continue to support this work.

The Grants and External Funding Officer explained that there was a change in the proposed grants list in Appendix 2. The Rose Hill Junior Youth Club grant for £9,900 was no longer needed as they had been successful at securing the money elsewhere, so there was extra money to allocate. It is recommended to grant £2,500 to Oxfordshire Play Association for a play day at Blackbird Leys which leaves £7,400 unallocated. The Board might want to allocate this money tonight.

Cllr Simm recommended the money be added to the budget already allocated for Stay and Play sessions to be held in the children centres for a year. The Board agreed.

Cllr Sinclair welcomed the 3 year focus on commissioning she said that awarding only annual amount makes it difficult for 3rd sector groups to operate.

Cllr Price thanked officers for the work done, he said awarding the grants and monitoring how the organisations spend the money was a huge job.

The City Executive Board resolves to:

1. **Approve** the recommendations for the 2017/2018 commissioning programme as set out in Appendix 1
2. **Approve** the recommendations for applications received to the grants annual open bidding programme as set out in Appendix 2

3. **Delegate authority** to the Executive Director for Organisational Development and Corporate Services in consultation with the Board Members for Customer and Corporate Services and Culture and Communities to allocate the residual funding in the Advice and Money Management commissioning theme.
 4. **Agree** to grant £7,400 to the Stay and Play sessions and £2,500 to Oxfordshire Play Association
- a) **Scrutiny Response: Grant Allocations to Community and Voluntary Organisations 2017/2018**

The Scrutiny Officer presented the report. He said the Committee had sought reassurances that all the grant money would be spent in the year and had made some suggestions for making the grant allocations process more transparent, which had been agreed.

Cllr Brown, Board member for Customer and Corporate Services said the unallocated money was deliberately left to deal with any crises we might have during the year. She said she'd do her best to make sure the money was spent.

133. Annual Update on the Corporate Plan 2016- 2020

The Assistant Chief Executive submitted a report which sought approval of the 2016 annual update report on the Corporate Plan 2016-20

Cllr Price, Board member for Corporate Strategy and Economic Development presented the report.

The City Executive Board resolves to:

1. **Approve** the annual update report on the Corporate Plan 2016-20, as set out in Appendix 1.
2. **Delegate authority** to the Assistant Chief Executive to make minor textual/formatting changes to the annual update report in advance of formal publication

a) **Scrutiny Response: Update on the Corporate Plan 2016- 2020**

The Scrutiny Officer presented the report. He explained that parts of the report read that projects have been fully funded by the Council when in fact they were a joint initiative. The report needs to mention the contributions made by the partner organisations.

Cllr Price, Board Member for Corporate Strategy and Economic Development agreed and said the report would be amended to highlight the valuable contributions made by partners.

134. Report on the Community Infrastructure Levy (Neighbourhood Portion) - Agreeing the expenditure deadline for Ward funds

The Head of Planning and Regulatory submitted a report to agree a deadline of expenditure of payment of the Neighbourhood portion of CIL to Wards (non parished).

Cllr Hollingsworth, Board Member for Planning and Regulatory Services presented the report. He explained that the Council was proposing to roll forward Member's CIL reserves for one year.

The City Executive Board resolves to:

Agree an amended expenditure deadline of Neighbourhood CIL funds paid into Ward budgets (non parished)

135. Refresh of Carbon Management Plan: 2017 -2022

The Manager of Environmental Sustainability submitted a report to approve the next five year phase of the Council's Carbon Management Plan (CMP) 2017-2022. The current five year phase of the CMP concludes at the end of March 2017.

Cllr Tanner, Board Member for A Clean Green Oxford said the Council had been very successful at reducing its carbon emissions by 5% each year. This plan commits us to continue this approach; however we will need to borrow to bring forward modernising projects to continue the work.

The Service Manager for Environmental Sustainability said there are several transformation schemes planned. The Council plans to invest in renewable energy efficiency measures in leisure facilities such as installing heat pumps and installing a canopy over the car parks.

The Energy management project is a prescribed framework with set measures. It means we can compare ourselves against other organisations that use the same framework.

The City Executive Board resolved to:

1. **Adopt** the new Carbon Management Plan as detailed in Appendix 1
2. **Note** that now straight-forward and accessible carbon reduction measures have been implemented through use of the Salix and Salix Plus funds, there will be the need to make financial bids for external support for larger capital projects, additional match funding requests or innovative approaches of using community funding models with shared financial advantages;

3. **Endorse** the phased development of an Energy Management system (ISO 50001) over the next 5 years across all key significant energy use areas at the Council (e.g. Offices, Depots, Leisure Centres, Fleet fuel consumption).

a) Scrutiny Response: Carbon Management Plan: 2017 -2022

Cllr Gant, Chair of the Scrutiny Committee presented the report.

Cllr Tanner, Board Member for A Clean Green Oxford agreed with all of Scrutiny's recommendations.

136.Minutes

The City Executive Board NOTED the minutes of the meeting held on 19 January 2017 as a true and accurate record.

137.Dates of Future Meetings

The Board noted the next meeting was scheduled for 9 March 2017

The meeting started at 5.00 pm and ended at 6.35 pm

**Recommendation to Full Council on 20 February by Councillor Ed Turner
Portfolio Holder for Finance, Assets and Public Health**

Amendment: Additional recommendation on the budget proposed at Item 9.

That Council agree the allocation of reserves in respect of Grenoble Road planning fees and responding to proposals for local government reorganisation and on a devolution deal in accordance with the recommendation at paragraph 30 of the Report of the Council's Chief Finance Officer (Agenda item 6).

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