

# Briefing Note for

# Budget Council

On **Wednesday 17 February 2021** At **5.00 pm**

## Contents

<b>PART 1 - PUBLIC BUSINESS</b>	
1. <b>Apologies for absence</b>	
2. <b>Declarations of interest</b>	
3. <b>Announcements</b>	
4. <b>Procedure for debate on the medium term financial strategy and budget</b>	5 - 6
Procedure and timings for debate at Item 10 attached	
5. <b>Public addresses and questions</b>	
There are no addresses or questions	
<b>Reports to be considered before the budget debate</b>	
6. <b>Proposed changes to the Constitution 2020/21</b>	
Recommendations as set out in the report.	
7. <b>Licensing and Gambling Acts and General Purposes Licensing Committees - recommendations on fees and charges 2021/22</b>	
7a) The Licensing & Gambling Acts Committee resolved to agree the licence fees and charges for 2021/22 as set out in Appendix 1 and recommend them to Council.	
7b) The General Purposes Licensing Committee resolved to agree the licence fees and charges for 2021/22 as set out in Appendix 1 and	
	<b>Agenda Pack</b>

*View or subscribe to updates for agendas, reports and minutes at [mycouncil.oxford.gov.uk](http://mycouncil.oxford.gov.uk).  
All public papers are available from the calendar link to this meeting once published*

*Oxford City Council, Town Hall, St Aldate's Oxford OX1 1BX*

recommend them to Council.

7c) with the following changes to the appendix (*set out in this supplement at 10a*):

The Annual fee for a Street Café Licence, currently on line 152 of the main corporate F&C list, should be £815 for 21/22, not £100. However, an additional line should be added directly below it for "Pavement Licence (Temp.)" with a fee of £100

The General Purposes Licensing Committee resolved to agree the licence fees and charges for 2021/22 as set out in Appendix A, subject to the amendment noted above and recommend them to Council.

**Recommendations:** the Licensing and Gambling Acts Committee and the General Purposes Committee recommend that Council agree the relevant licence fees and charges for 2021/22 as set out in Items 7a, 7b and 7c (and repeated in the relevant sections of Item 10 Appendix 7) and in the addendum to Item 10

7a	<b>Licensing Act 2003 and Gambling Act 2005 Licence Fees and Charges for the 2021/22 financial year</b>	Agenda Pack
7b	<b>Commercial Events, Hackney Carriage and Private Hire, Road Closure Orders, Scrap Metal Dealers, Sex Establishments and Street Parties: Licence Fees and Charges for the 2021/22 financial year</b>	Agenda Pack
7c	<b>Miscellaneous Licensing: Licence Fees &amp; Charges for the 2021/22 financial year</b>	Agenda Pack

## Budget and Council Tax

8.	<b>Report of the Council's Chief Finance Officer on the robustness of the 2021/2022 budget</b>	Agenda Pack
	Recommendation: to note the report.	
9.	<b>Report of the Scrutiny Budget Review Group</b>	
	Recommendation: to note the report.	Agenda Pack
10.	<b>Budget 2021/22 and Medium Term Financial Strategy 2022/23 to 2024/25</b>	
	Cabinet agreed the recommendations as set out in the report (noting the change to Appendix 7 outlined in the paper at 10a)	Agenda Pack
10a	<b>Additional recommendations from Cabinet and corrections to published budget</b>	7 - 8
	Addendum to Appendix 7 (fees and charges) attached	

<b>10b</b>	<b>Alternative budget proposals - Liberal Democrat amendments</b> Attached	9 - 16
<b>10c</b>	<b>Alternative budget proposals - Green amendments</b> Attached	17 - 24
<b>10d</b>	<b>Individual amendments to the budget</b> These may be tabled for debate.	
<b>11.</b>	<b>Council Tax 2021/22</b> Council is asked to agree the recommendations as set out in the report.	<b>Agenda Pack</b>
<b>12.</b>	<b>Council tax reduction scheme 2021/2022</b> Cabinet agreed the recommendations as set out in the report. Council is asked to agree the recommendations from Cabinet to Council	<b>Agenda Pack</b>
<b>13.</b>	<b>Treasury Management Strategy 2021/22</b> Cabinet agreed the recommendations as set out in the report. Council is asked to agree the recommendations from Cabinet to Council	<b>Agenda Pack</b>
<b>14.</b>	<b>Capital Strategy 2021/22 to 2024/25</b> Cabinet agreed the recommendations as set out in the report. Council is asked to agree the recommendations from Cabinet to Council	<b>Agenda Pack</b>
<b>Cabinet and Committee recommendations which must be considered before the date of the next meeting</b>		
<b>15.</b>	<b>Review of the Statement of Licensing Policy</b> The Licensing and Gambling Acts Committee recommends that Council resolves to adopt the updated Statement of Licensing Policy to take effect in February 2021.	<b>Agenda Pack</b>
<b>16.</b>	<b>Programme approval and allocation for Public Sector Decarbonisation Funding</b> Cabinet agreed the recommendations as set out in the report. Council is asked to agree the recommendations from Cabinet to Council	<b>Agenda Pack</b>

17.	<b>Housing and Asset Management System Project Update and Funding Position</b>	Agenda Pack
	Cabinet agreed the recommendations as set out in the report. Council is asked to agree the recommendations from Cabinet to Council	
18.	<b>Matters exempt from publication and exclusion of the public</b>	
<b>PART 2 - Matters exempt from publication</b>		
19.	<b>Housing and Asset Management System Project Update and Funding Position - Appendix 2</b>	Confidential supplement

The agenda, reports and any additional supplements can be found together with this supplement on the [committee meeting webpage](#).

## Council 17 February 2021 Item 4:

### Procedure for debate on the medium term financial strategy and budget (Item 10 on the agenda)

The Constitution 11.4 (Council budget debate procedure) sets out the order of business for the Council meeting(s) where the Council's budget, capital programme and medium term financial strategy for the following year(s) are discussed and the Council Tax is set, and sets out the timings and order of the debate on Item 10.

The procedure and timings for the debate on Item 10 of the agenda are set out in the table below.

### Procedure for debate

Debate on the Council's budget, capital programme and medium term financial strategy as recommended by the Cabinet (to last no more than 1 hour and 25 minutes excluding the debates at (b) and (c) and the votes)

Normal rules of debate and rights of reply apply at each stage.

- The Leader or in their absence the Deputy Leader shall indicate before debate which amendments they will accept without a vote.
- Individual amendments in part h(iii) shall be presented in writing with financial information and reasons; taken as read without the requirement for the proposer to speak; and taken in order as presented to the Committee and Member Services Officer (submitted at least 15min before the start of debate on amendments).
- The Chief Finance Officer shall report on the soundness of these amendments before these are debated.

Stage	Debate Time (maximum)	Lengths of speeches: All speakers have 3 minutes unless otherwise stated.
<b>(a)</b> Proposal of the Cabinet budget	15 minutes for proposer's speech	Proposer – max 15 minutes Seconders required (may reserve right to speak) Move straight to (b 1)
<b>(b 1)</b> Proposal of Liberal Democrat budget amendments	33 minutes	Proposer – max 10 min Seconders required (may reserve right to speak)  proposer of (a) responds (3 min speech) before proposer of (b1) sums up
Vote (ordinary vote)		Liberal Democrat proposals all together
<b>(b 2)</b> Proposal of the Green Group budget amendments	33 minutes	Proposer – max 10 min Seconders required (may reserve right to speak)

		proposer of (a) responds (3 min speech) before proposer of (b 2) sums up
Vote (ordinary vote)		Green Group proposals all together
Break	30 minutes	<b>Submission of individual amendments for debate to Committee secretary no more than 15 minutes after the start of the break.</b>
<b>(c)</b> Individual amendments debate  submitted by the deadline and published in the briefing note <b>or</b> extracted from the submitted amendments and circulated in writing after the break	<b>40 minutes</b>  No limit on debate for each amendment.	Taken in order received. Those out of time fall. Taken as read: announced with proposer and seconder by Lord Mayor, displayed on screen.  Normal rules of debate, except the proposer is encouraged to speak just once at the end of the debate on their amendment.
Vote (ordinary vote)		Separate votes on each amendment or group of amendments
<b>(d)</b> Debate on Budget  (amended or unamended)	<b>30 minutes</b> + unused time from (a), (b) and (c) to take to <b>max of 2hr 30min overall</b>	Normal rules of debate.
<b>Recorded vote</b>		<b>Must be a recorded vote</b>

Followed by

- Adjournment for 10 minutes if necessary
- Report on Setting of the Council Tax for the following year (agenda item 11)
- Recorded vote on the proposed Council Tax.

## Change to Fees and Charges

Cabinet 10<sup>th</sup> February 2021 –

### Agenda Item 8 – Budget 2021-22 and Medium Term Financial Strategy 2022-23 to 2024-25

Appendix 7 of the budget reports shows the Fees and Charges to be set for 2021/22. This note refers to an error contained within the fees to be set for Regulatory & Community Safety on page 107 of the Agenda pack.

The current Appendix shows fees for Street Café licences as:

	2020/21 Charge £	2021/22 Charge £	Increase/ (Decrease) £	Increase/ (Decrease) %
<b>Street Café Licences - subject to approval by General Purposes Licensing Committee</b> Annual Fee	815.00	100.00	(715.00)	(87.73)

The charges to be recommended by Cabinet to Council should keep the street café license as unchanged in 2021/22 and a new charge of £100 for a pavement licence shown separately.

	2020/21 Charge £	2021/22 Charge £	Increase/ (Decrease) £	Increase/ (Decrease) %
<b>Street Café Licences - subject to approval by General Purposes Licensing Committee</b> Annual Fee	815.00	815.00	0	0
Pavement Licence (Temp) with a fee of £100	n/a	100.00	100.00	n/a

This page is intentionally left blank



## Council 17 February 2021 Item 10

### Liberal Democrat Group Budget Amendment 2021/25: Explanatory Notes

Liberal Democrat City Councillors are committed to working for the success of our unique cosmopolitan city for the benefit of its UK and EU residents, its universities, its industry and commerce, and in particular for the marginalised and overlooked members of our community.

On 9 February the Conservative County administration, supported by Labour, voted against an additional increase of 2% in council tax, which would specifically have been used to fund adult social care for the elderly and vulnerable.

In the City, we will not make cuts to our front-line services.

We are concerned that the following should be monitored monthly and the results made available at a mid-term high-risk financial review: ICT contract management; Fusion Leisure accounts and building repair estimates; Floyds Row – contributions from Districts; the Oxford Model companies: ODS Ltd, ODST Ltd, OCH Ltd – with revised estimates for interest and dividend payments; an unpaid revenues update – council tax, rent arrears, business rents and rates.

In our last Budget Amendment we raised concern about a significant increase in new borrowing to fund large commercial property and capital investments. We were certain that Brexit would be very challenging but at that point the Pandemic hadn't hit us. We are now in uncharted waters on both fronts and are seeking to manage a high-risk situation with many unknowables.

It would therefore be fiscally prudent to:

- Reverse the £20m on property purchase, given the uncertainty of the property market and the fact that PWLB loans are now limited to housing purchase and regeneration, and cannot be used for the purchase of investment properties, primarily for yield.
- Set up a full Budget Review in early September 2021.
- Pause the investment in East Oxford Community Centre until that Review, when the hope is that it can go ahead.
- Not proceed with the renovation of Standingford House, St Clements, despite the loss of the LEP grant, since no business case for office space has been established.

#### Revenue

We have reluctantly made savings, which will result in a healthy surplus for each of the 4 years of the MTFP. None of these will affect front line services.

This has enabled us to provide support to Experience Oxfordshire, which has already lost its Broad Street Visitor Information Centre. We need the professionalism of EO to manage the return of the 7.5 million tourists a year we welcomed pre-pandemic.

We want the first bulky waste collection to be free – this collection fee is a regressive tax and impacts most on those least able to afford it.

We would seek to employ an additional planning enforcement officer, at a time when development is proceeding apace as a result of this Government's planning rule relaxation.

#### **HRA**

With the exception of the £2.5 million retro fit funded from revenue there are no further proposed changes to the HRA.

#### **Capital**

We are proposing the removal of £20m, the sum which the administration seeks to use towards property purchase and regeneration over the MTFP. We consider an investment in property purchase to be high risk and requiring more certainty about the local and national economy than is available at this time. We intend to put the smaller sum of £7.5m towards the regeneration of unused and underused property in the ownership of the city council for social rent, financed by PWLB lending at the new low rates and in accordance with its new rules.

We will put £2.5m towards a pilot retrofit scheme for a small number of Council houses, to provide evidence in support of an application for Government retrofit funding on council property.

We will invest £15m in sustainable green investment projects which we anticipate will generate a return of 3%.

#### **Conclusion**

These Amendments take into account the issues raised by the Budget Review Group, in particular their revised recommendations 7,8 and 9, and represent our response to the various challenges posed by Brexit, Covid and Climate Change.

We commend these Amendments to the Full Council meeting on 17 February 2021

## REVENUE

Liberal Democrat Group AMENDMENTS TO THE ADMINISTRATION'S CONSULTATION BUDGET  
REVENUE

£1000's

	2021/22 £000'S	2022/23 £000'S	2023/24 £000'S	2024/25 £000'S
<b>Consultation Budget Net Budget Requirement</b>	23,403	21,067	21,752	22,562
<b>Changes since the consultation budget</b>				
<b>Sub total changes since the consultation budget</b>	<b>158</b>	<b>873</b>	<b>611</b>	<b>13</b>
<b><u>Additional Savings proposed</u></b>				
Cancel SRA to second Deputy Leader subject to Council approval	(5)	(5)	(5)	(5)
Reduce members on Cabinet from 10 to 8	(16)	(16)	(16)	(16)
Elections only every 4 years			(20)	(20)
Removal of planning lawyer	(66)	(66)	(66)	(66)
Revenue implications of removing Standingford house/ Cave Street re financing costs	(11)	(107)	(152)	(152)
Pause East Oxford for 1 year- interest and MRP saved on £4.2 million	(147)			
Reversal of £20m on property purchases	(180)	(607)	(318)	580
Increase off street parking charges by 5%	(140)	(200)	(200)	(200)
Estimated return from solar farm investments (3% net of borrowing)	(180)	(270)	(360)	(450)
Revenue implications of regeneration of empty properties for regeneration	105	158	210	38
<b>Total additional savings proposed</b>	<b>(640)</b>	<b>(1,114)</b>	<b>(927)</b>	<b>(291)</b>
<b>Cumulative additional savings</b>	<b>(640)</b>	<b>(1,753)</b>	<b>(2,680)</b>	<b>(2,972)</b>
<b><u>Additional costs proposed</u></b>				
Experience Oxford - reinstate grant	60	60	60	60
Allowing first collection of bulky waste for free - lose 70% of income	152	152	152	152
Additional planning enforcement officer	45	45	45	45
<b>Total additional costs proposed</b>	<b>257</b>	<b>257</b>	<b>257</b>	<b>257</b>
<b><u>Net effect on budget in-year of proposals</u></b>	<b>(383)</b>	<b>(857)</b>	<b>(670)</b>	<b>(35)</b>
<b><u>Cumulative effect on budget</u></b>	<b>(383)</b>	<b>(1,240)</b>	<b>(1,910)</b>	<b>(1,944)</b>
Additional Budget transfer to/(from) reserves	87	(649)	(1,432)	209
Transfer to working balance			1,045	
Additional transfers to/(from) reserves following alternative budget	384	857	670	35
<b>Alternative Budget Net Budget Requirement</b>	<b>23,649</b>	<b>21,291</b>	<b>21,976</b>	<b>22,785</b>
<b>Financed By :</b>				
Council Tax- Consultation Budget	(14,634)	(15,074)	(15,528)	(15,995)
Retained Business Rates - Consultation Budget	(8,477)	(6,111)	(6,448)	(6,789)
New Homes Bonus	(538)	(106)	0	0
<b>Total</b>	<b>(23,649)</b>	<b>(21,291)</b>	<b>(21,976)</b>	<b>(22,784)</b>
<b>(surplus)/deficit</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>General Fund Working Balance</b>				
Working Balance 1st April	(3,856)	(3,856)	(3,856)	(4,901)
Transfer (to)/from balance			(1,045)	1,042
Working Balance 31st March	(3,856)	(3,856)	(4,901)	(3,859)

## HRA

## Liberal Democrat Group AMENDMENTS TO THE ADMINISTRATION'S CONSULTATION BUDGET

## Revenue

£1000's

	2021/22 £000'S	2022/23 £000'S	2023/24 £000'S	2024/25 £000'S
<b>Consultation Budget Net (operating income)/expenditure after appropriations</b>	(390)	(522)	(369)	(2,760)
<b>Changes since the consultation budget</b>				
<b>Sub total</b>	0	0	0	0
<b><u>Additional Savings proposed</u></b>				
1				
2				
3				
4				
<b>Total additional savings proposed</b>	0	0	0	0
<b>Cumulative additional savings</b>	0	0	0	0
<b><u>Additional costs proposed</u></b>				
1 Retrofit pilot scheme for council housing		2,500		
2				
3				
<b>Total additional costs proposed</b>	0	2,500	0	0
<b><u>Net effect on budget in-year</u></b>	0	2,500	0	0
<b><u>Cumulative effect on budget</u></b>	0	2,500	2,500	2,500
Budget transfer to/(from) reserves	390	522	369	2,760
Additional transfers to/(from) reserves following alternative budget		(2,500)		
<b>Alternative Budget Net (surplus)/deficit</b>	0	0	0	0

<b>HRA Working Balance</b>				
Working Balance 1st April	(5,576)	(5,966)	(3,988)	(4,357)
Transfer (to)/from balance	(390)	1,978	(369)	(2,760)
Working Balance 31st March	(5,966)	(3,988)	(4,357)	(7,117)

**(surplus)/deficit** 0 0 0 0

**CAPITAL**

Liberal Democrat Group AMENDMENTS TO THE ADMINISTRATION'S CONSULTATION BUDGET

**CAPITAL**

£1000's

	2021/22 £000'S	2022/23 £000'S	2023/24 £000'S	2024/25 £000'S
<b>CAPITAL PROGRAM AS PER CABINET DECEMBER 2020 - General Fund</b>	149,047	184,310	149,828	125,750
<b>Changes since the consultation budget</b>				
<b>Sub total of changes since consultation budget</b>	<b>43,544</b>	<b>(25,750)</b>	<b>(10,700)</b>	<b>0</b>
<b>CHANGES PROPOSED</b>				
1 Remove Standingford House/ Cave Street	(1,408)	(2,755)	(1,277)	
2 Pause East Oxford	(4,200)	4,200		
3 Removal of property regeneration activity	(20,000)			
Renewable energy	6,000	3,000	3,000	3,000
4 Retrofit pilot scheme for council housing		2,500		
5				
6 Regeneration of unused council property and empty property	3,000	1,500	1,500	1,500
<b>Sub total</b>	<b>(16,608)</b>	<b>8,445</b>	<b>3,223</b>	<b>4,500</b>
<b>REVISED CAPITAL PROGRAM</b>	<b>175,983</b>	<b>167,005</b>	<b>142,351</b>	<b>130,250</b>

<b>FINANCING</b>				
<b>FINANCING AS PER CABINET REPORT 19TH DECEMBER</b>	<b>149,047</b>	<b>184,310</b>	<b>149,828</b>	<b>125,750</b>
<b>Sub Total of changes since consultation budget</b>	<b>43,544</b>	<b>(25,750)</b>	<b>(10,700)</b>	<b>0</b>
<b>ALTERNATIVE BUDGET PROPOSALS</b>				
1 Financing	(16,608)	8,445	3,223	4,500
2				
<b>Sub Total</b>	<b>-16,608</b>	<b>8,445</b>	<b>3,223</b>	<b>4,500</b>
<b>Total Financing</b>	<b>175,983</b>	<b>167,005</b>	<b>142,351</b>	<b>130,250</b>

**(surplus)/deficit**

0 0 0 0

This page is intentionally left blank

## **Head of Finance – Section 151 Comments on Lib Dem Group Alternative Budget for 2021-22 to 2024/25**

**Date 08-02-2021**

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. The Capital Budget makes provision for three significant additional items

- Investment in renewal energy - £15m over the 4 year period
- Pilot retro fit of council housing £2.5m
- Regeneration of empty property for accommodation - £7.5 m over the 4 year period

No projects have been separately identified and therefore it is difficult to substantiate the financial viability of such schemes. Should suitable capital schemes not be identified then any shortfall in net returns to the Council generated from such schemes would need to be covered from reserves or alternative savings and therefore this does present some risk to achieving a balanced budget although this is mitigated to some extent by an additional transfer to reserves over the 4 year period of £1.9 million.

**The revised Capital Budget** makes provision for:

- **General Fund –**
  - The removal of £20 million of spend and return on property regeneration in favour of a lessor sum of £7.5 million over the 4 years.
  - The removal of £5.4m spend in respect of Cave Street subject to full business case.
  - The inclusion of £15m over the four year period of investment in renewal energy. Spend in such areas would require significant due diligence to ensure the security of the councils cash, the collateral offered if any and the diversification of risk. Financing of the scheme is assumed to be through prudential borrowing
- **Housing –** An amount of £2.5m for pilot retrofit in council dwellings. Financing of the scheme is assumed to be through housing revenue account contributions.

**The General Fund Revenue** account provides for a number of additional costs and savings which have been costed. The statement also includes the estimated financial implications of schemes included in the capital programme based on some assumptions provided by the Group.

**HRA –** The HRA includes additional expenditure £2.5 million to fund a pilot retrofit in council dwellings from gas to electric is financed by revenue as referred to above.

**Nigel Kennedy**

**Head of Financial Services (Section 151 Officer)**

This page is intentionally left blank



## Council 17 February 2021 Item 10

### **A Green New Deal for Oxford: Green Budget Amendment – Council 17<sup>th</sup> Feb. 2021**

Firstly, all officers, staff and Councillors deserve thanks for their exceptional service over the last year. This has been an exceptionally difficult time. We have seen our voluntary sector step up magnificently to the challenge and our public sector have shown that they are able to adapt and continue to deliver first-rate services. If ever anyone was ever in any doubt of the need for, or the value of, a healthy public sector – this last year should have dispelled any doubts. The financial strain all of this has put on the Council means that this is a budget like no other.

#### **Revenue**

We have not only produced a balanced revenue budget but one which **provides a significant financial cushion of almost £2m over and above the administration's budget**. This is critical going forward with so many uncertainties and, as the S151 Officer has recognised, it also provides a healthy contingency should there be delivery challenges.

To raise money we have re-introduced, from Year 2, inflation increases in car parking charges and an uplift in P & R fees. This is not just a means of raising cash – we have also assumed a deterrent effect; fewer people using private cars as a result.

We have also cut Special Responsibility Allowances equivalent to 1.5 x the basic allowance. This is not a lot, but we think it important that Councillors share the pain.

There are also items in our Revenue budget linked to the changes made in the Capital budget discussed below.

With this money, we propose reversing those of the Administration's budget cuts that we find unacceptable. You will note that many of our proposed are similar to the recommendations made by the Budget Review Group. We propose to:

- Reverse the cut to the community grant fund – this is a time to increase it, not cut it (£200k/year from Y2)
- Reverse the cut to the Oxford Living Wage staffing and publicity budget (£20k per year)
- Reverse the reduction in the number of planning committees (£40k per year)
- Reverse cut to concessionary rate on garden waste bins (£80k per year)
- Fully fund the follow-up work to the Citizen's Assembly (meeting the £75k shortfall in requested funding)
- Reverse the cut to the blue bin recycling league awards to good causes (£19k per year)

We have also recognised that the current circumstances are depleting our homelessness reserve fund and are topping that up to the tune of £300k over the four years.

We are also concerned at the Administrations rejection of the recommendations from Scrutiny in relation to the Net Zero Carbon planning. We want this to be credible and deliverable so we have included some additional resource to ensure that the management, reporting and target-setting complies with best practice (£25k per year).

## **Housing Revenue Account**

We want to make sure all new social housing is built to proper zero carbon standards both for the benefit of the climate and for our tenants, who will benefit from lower running costs.

According to OCHL, this would cost an average of just £7,750 per home. No doubt the cost will decrease over time, but we have here included the whole cost based on the business plan assumption that an average of 95 social homes will be built each year.

Over 20 years, this investment is cost neutral as it is covered by a modest ‘comfort charge’ – less than the equivalent energy bills would have been – based on the well-proven EnergieSprong model.

## **Capital Budget**

Rather than speculatively investing in commercial property, for which the business case is unclear, we propose that the Council join the growing ranks of local authorities developing new solar farms. This meets our policy objectives and provides a modest, but secure, return (net of borrowing). The £51m we propose to invest (similar to the amount originally intended for commercial property) would fund about 70MW installed capacity, keeping us on track to deliver the additional 110MW local solar generating capacity the experts say we need to serve the City by 2025.

## REVENUE

Green Group PROPOSED AMENDMENTS TO THE ADMINISTRATION'S CONSULTATION BUDGET  
REVENUE

£1000's

	2021/22 £000'S	2022/23 £000'S	2023/24 £000'S	2024/25 £000'S
<b>Consultation Budget Net Budget Requirement</b>	23,403	21,067	21,752	22,562
<b>Changes since the consultation budget</b>				
<b>Sub total changes since the consultation budget</b>	<b>158</b>	<b>873</b>	<b>611</b>	<b>13</b>
<b><u>Additional Savings proposed</u></b>				
1 Increase all car parking fees in line with inflation (2.5% per annum). Year 1 figures assumed no revenue increase - taking into account economic recovery and existing 1% price increase already in budget for 2024/25 - 20% reduction is used assuming on-going	0	(40)	(80)	(80)
2 Increase P&R charges from £2 to £2.50 - Year 1 figures assume no revenue increase - taking into account economic recovery - 20% reduction in use assumed on-going	0	(188)	(188)	(188)
3 Reduce Special Responsibility Allowances (by 1.5 x basic allowance)	(8)	(8)	(8)	(8)
4 Reversal of £20m on property purchases	(180)	(607)	(318)	580
5 Estimated return from solar farm investments (3% net of borrowing) - assumes 18 months before revenue is generated. Full year income when all generating (in Y5) will be £1.5m.		(250)	(750)	(1,250)
<b>Total additional savings proposed</b>	<b>(188)</b>	<b>(1,093)</b>	<b>(1,344)</b>	<b>(946)</b>
<b>Cumulative additional savings</b>	<b>(188)</b>	<b>(1,281)</b>	<b>(2,625)</b>	<b>(3,571)</b>
<b><u>Additional costs proposed</u></b>				
1 Reverse community grant cut (CS - item 19)	0	200	200	200
2 Reverse cut to Oxford Living Wage (£10k staffing + £10k for publicising) (R & E - item 13)	20	20	20	20
3 Reverse cuts to planning committees (Planning - item 4)	40	40	40	40
4 Reverse cuts to garden waste bins concessionary rate (ODS - budget item 14)	80	80	80	80
5 Fully fund follow-up work to Oxford Citizen's Assembly (£75k shortfall) (ES - budget item 11)	38	38		
6 Reverse blue bin recycling league cuts; awards to good causes (ODS - budget item 4)	19	19	19	19
7 Top-up depleted homelessness reserve		100	100	100
8 Additional resource for net zero carbon measurement, management, reporting & audit	25	25	25	25
<b>Total additional costs proposed</b>	<b>222</b>	<b>522</b>	<b>484</b>	<b>359</b>
<b><u>Net effect on budget in-year of proposals</u></b>	<b>34</b>	<b>(571)</b>	<b>(860)</b>	<b>(587)</b>
<b><u>Cumulative effect on budget</u></b>	<b>34</b>	<b>(537)</b>	<b>(1,397)</b>	<b>(1,984)</b>
Additional Budget transfer to/(from) reserves	87	(649)	(1,432)	209
Transfer to working balance			1,045	
Additional transfers to/(from) reserves following alternative budget	(34)	571	860	587
<b>Alternative Budget Net Budget Requirement</b>	<b>23,648</b>	<b>21,291</b>	<b>21,976</b>	<b>22,784</b>
<b>Financed By :</b>				
Council Tax- Consultation Budget	(14,634)	(15,074)	(15,528)	(15,995)
Retained Business Rates - Consultation Budget	(8,476)	(6,111)	(6,448)	(6,789)
New Homes Bonus	(538)	(106)	0	0
<b>Total</b>	<b>(23,648)</b>	<b>(21,291)</b>	<b>(21,976)</b>	<b>(22,784)</b>
<b>(surplus)/deficit</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>General Fund Working Balance</b>				
Working Balance 1st April	(3,856)	(3,856)	(3,856)	(4,901)
Transfer (to)/from balance			(1,045)	1,042
Working Balance 31st March	(3,856)	(3,856)	(4,901)	(3,859)

## HRA

## Green Group PROPOSED AMENDMENTS TO THE ADMINISTRATION'S CONSULTATION BUDGET

## REVENUE

£1000's

	2021/22 £000'S	2022/23 £000'S	2023/24 £000'S	2024/25 £000'S
<b>Consultation Budget Net (operating income)/expenditure after appropriations</b>	<b>(390)</b>	<b>(522)</b>	<b>(369)</b>	<b>(2,760)</b>
<b>Changes since the consultation budget</b>				
<b>Sub total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b><u>Additional Savings proposed</u></b>				
1 EnergieSprong-based fixed 'Comfort payments' instead of energy bills. Set at 2 below level of typical utility bills. Repayment of capital over 20 yrs. 3 4		(37)	(74)	(110)
<b>Total additional savings proposed</b>	<b>0</b>	<b>(37)</b>	<b>(74)</b>	<b>(110)</b>
<b>Cumulative additional savings</b>	<b>0</b>	<b>(37)</b>	<b>(110)</b>	<b>(221)</b>
<b><u>Additional costs proposed</u></b>				
1 As per Citizen's Assembly, all new OCHL built social homes zero carbon. Not 2 included in Y1 as most of these properties already designed. 3		736	736	736
<b>Total additional costs proposed</b>	<b>0</b>	<b>736</b>	<b>736</b>	<b>736</b>
<b><u>Net effect on budget in-year</u></b>	<b>0</b>	<b>699</b>	<b>663</b>	<b>626</b>
<b><u>Cumulative effect on budget</u></b>	<b>0</b>	<b>699</b>	<b>1,362</b>	<b>1,988</b>
Budget transfer to/(from) reserves	390	522	369	2,760
Additional transfers to/(from) reserves following alternative budget		(699)	(663)	(626)
<b>Alternative Budget Net (surplus)/deficit</b>	<b>0</b>	<b>0</b>	<b>(0)</b>	<b>(0)</b>

<b>HRA Working Balance</b>				
Working Balance 1st April	(5,576)	(5,966)	(5,789)	(5,495)
Transfer (to)/from balance	(390)	177	294	(2,134)
Working Balance 31st March	(5,966)	(5,789)	(5,495)	(7,629)

**(surplus)/deficit** 0 0 (0) (0)

## CAPITAL

Green Group PROPOSED AMENDMENTS TO THE ADMINISTRATION'S CONSULTATION BUDGET  
CAPITAL

	2021/22 £000'S	2022/23 £000'S	2023/24 £000'S	2024/25 £000'S
<b>CAPITAL PROGRAM AS PER CABINET DECEMBER 2020 - General Fund and HRA</b>	149,647	184,310	149,828	125,750
<b>Changes since the consultation budget</b>				
<b>Sub total of changes since consultation budget</b>	<b>43,544</b>	<b>(25,750)</b>	<b>(10,700)</b>	<b>0</b>
<b>CHANGES PROPOSED</b>				
1 cancel property regeneration investment	(20,000)			0
2 invest in large scale solar projects (c.70MW @ £0.75m per MW installed). Note that report commissioned for the Citizen's Assembly states we need approximately 110MW additional local installed solar capacity by 2025. (Note in addition to Salix Financing - which will add a further c.10MW).		17,000	17,000	17,000
As per Citizen's Assembly, all new OCHL built social homes zero carbon. Not included in Y1 as most of these properties already designed. Funded from HRA revenue		736	736	736
3				
4				
<b>Sub total</b>	<b>(20,000)</b>	<b>17,736</b>	<b>17,736</b>	<b>17,736</b>
<b>REVISED CAPITAL PROGRAM</b>	<b>173,191</b>	<b>176,296</b>	<b>156,864</b>	<b>143,486</b>

<b>FINANCING</b>				
<b>FINANCING AS PER CABINET REPORT 19TH DECEMBER</b>	<b>149,647</b>	<b>184,310</b>	<b>149,828</b>	<b>125,750</b>
<b>Sub Total of changes since consultation budget</b>	<b>43,544</b>	<b>(25,750)</b>	<b>(10,700)</b>	<b>0</b>
<b>ALTERNATIVE BUDGET PROPOSALS</b>				
1 Financing	(20,000)	17,736	17,736	17,736
2				
<b>Sub Total</b>	<b>-20,000</b>	<b>17,736</b>	<b>17,736</b>	<b>17,736</b>
<b>Total Financing</b>	<b>173,191</b>	<b>176,296</b>	<b>156,864</b>	<b>143,486</b>

**(surplus)/deficit** 0 0 0 0

This page is intentionally left blank

## **Head of Finance – Section 151 Comments on Green Group Alternative Budget for 2021-22 to 2024/25**

**Date 10-02-21**

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. Within the capital budget provision has been made for £51 million of expenditure over the next 3 years on solar farms and also £2.2 million for increased carbon reduction measures in new build social housing.

No projects have been separately identified for these items of capital spend and therefore it is difficult to substantiate the financial viability of such schemes. Should suitable capital schemes not be identified then any shortfall in net returns to the Council generated from such schemes would need to be covered from reserves or alternative savings and therefore this does present some risk to achieving a balanced budget, although this is mitigated to some extent by an additional transfer to reserves over the 4 year period of £1.9 million.

**The revised Capital Budget** makes provision for:

- **General Fund** - The removal of £20 million of spend on property regeneration in favour of additional investment of £51 million over 3 years in solar farm investments. Spend in such areas would require significant due diligence to ensure the security of the councils cash, the collateral offered and the diversification risk. Financing of the scheme is assumed to be through prudential borrowing with returns based on assumptions from the Group.
- **Housing** – An amount of £2.2 million over the period to fund works on new council housing to reduce carbon over and above existing measures. These issues have not been explored therefore it is not possible to identify whether this is a viable proposition. Financing of the scheme is assumed to be through housing revenue account contributions.

**The General Fund Revenue** account provides for a number of additional costs, savings and the revenue implications of additional capital spend which have been costed based with some assumptions put forward by the Group.

**The HRA** - makes provision for financing the carbon initiatives on new build property of £736k per annum from revenue referred to above. There is an additional £1.9 million draw on the HRA working balance to fund this and other initiatives

**Nigel Kennedy**

**Head of Financial Services (Section 151 Officer)**

This page is intentionally left blank