

Budget Council



Briefing note and supplementary papers

Date: **Wednesday 16 February 2022**

Time: **5.00 pm**

Place: **Council Chamber - Oxford Town Hall**

The Council agenda, reports, this briefing note, and any other supplementary papers should be considered together.

This briefing note forms part of the papers to be considered at the Council meeting. It contains additional information; councillors' questions, public addresses; and amendments to motions.

All papers for this meeting can be accessed through the council's website.

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1 public address relating to a matter for decision (item 9). Up to 5 five minutes is available for the public address and three minutes for the response.	
Committee recommendations to be considered before the budget debate	
6 Licensing and Gambling Acts and General Purposes Licensing Committees - recommendations on fees and charges 2022/23	
Recommendations: the Licensing and Gambling Acts Committee and the General Purposes Committee recommend that Council resolves to agree the relevant licence fees and charges for 2022/23 as set out in Items 6a, 6b and 6c (and repeated in the relevant sections of Item 8 Appendix 7).	Agenda pack
6a Licensing Act 2003 and Gambling Act 2005 Licence Fees and Charges for the 2022/23 Financial Year	
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Budget and Council Tax

7	Report of the Council's Chief Finance Officer on the robustness of the 2022/23 budget	Agenda pack
8	Report of the Scrutiny Budget Review Group	13 - 18
	<p>The Scrutiny report is included in the main agenda pack. The Cabinet response is attached.</p> <p>Recommendation: That Council notes the recommendations of the Budget Review Group and Cabinet's response.</p>	Agenda pack
9	Budget 2022/23	Agenda pack
	<p>Cabinet on 09 February agreed the recommendations as set out in the report</p>	
	<p>Recommendations: Cabinet recommends that Council resolves to:</p>	
	<p>1. Approve the 2022-23 General Fund and Housing Revenue Account (HRA) budgets for consultation and the General Fund and Housing Revenue Account Medium Term Financial Strategy as set out in Appendices 1-10, noting:</p>	
	<ul style="list-style-type: none"><li data-bbox="346 1293 1279 1439">a) the Council's General Fund Budget Requirement of £22.382 million for 2022/23 and an increase in the Band D Council Tax of 1.99% or £6.37 per annum representing a Band D Council Tax of £326.54 per annum;<li data-bbox="346 1450 1279 1596">b) the Housing Revenue Account budget for 2022/23 of £47.882 million and an increase of 4.10% (£4.51 per week) in social dwelling rents from 1 April 2022 giving a revised weekly average social rent of £112.00 as set out in Appendix 5;<li data-bbox="346 1608 1279 1799">c) the increase in shared ownership rental in accordance with the lease as shown in paragraph 44 and the discretion used by the Head of Housing in setting the initial rent for the unsold share of 2% and giving delegated approval to the Head of Housing to set this for future shared ownership rents up to 2.75%;<li data-bbox="346 1810 1279 1900">d) the General Fund and Housing Revenue Account Capital Programme as shown in Appendix 6.	
	<p>2. Approve the appropriation of Alice Smith House from the HRA to the General Fund in accordance with paragraph 44 subject to any consents which are required.</p>	

9a	Additional recommendations from Cabinet and corrections to the published budget	
	There are no additional recommendations or corrections.	
9b	Alternative budget proposals - Liberal Democrat Group amendments	
	Liberal Democrat Group amendments to the revenue and capital budgets, including explanation, for debate.	19 - 26
9c	Alternative budget proposals - Green Group amendments	27 - 36
	Green Group amendments to the revenue and capital budgets, including explanation, for debate.	
9d	Alternative budget proposals - Independent Group amendments	
	There are no alternative budget proposals from the Independent Group.	
9e	Individual amendments to the budget	
	Individual amendments to the revenue and capital budgets may be tabled at the appropriate point in the debate.	
10	Council Tax 2022/23	
	Recommendations: That Council resolves to approve for the financial year 2022/23 recommendations 1 to 5 and to note points 6 to 8 below:	Agenda pack
	<ol style="list-style-type: none"> 1. The City Council's precept and Council Tax requirement of £15,028,571 including Parish precepts and £14,757,529 excluding Parish precepts. 2. The average Band D Council Tax figure (excluding Parish Precepts) of £326.54 a 1.99% increase on the 2021/2022 figure of £320.17. Including Parish Precepts the figure is £332.54, a 1.9% increase (see paragraphs 2 to 6). 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 (see paragraphs 9 and 10). 4. The amount of £638,036 to be treated as Special Expenses (see paragraph 13). 5. The Band D Council Taxes for the various areas of the City 	

(excluding the Police and County Council's precepts) as follows:

Littlemore	£366.94
Old Marston	£360.32
Risinghurst and Sandhills	£349.98
Blackbird Leys	£331.59
Unparished Area	£329.30

These figures include Parish Precepts and special expensing amounts as appropriate; in addition to the City-wide Council Tax of £312.43.

Council is also asked to note:

6. Oxfordshire County Council's precept and Band D Council Tax as set out in paragraph 17
7. The Police and Crime Commissioner for the Thames Valley's precept and Band D Council Tax as set out in paragraph 18, and
8. The overall average Band D equivalent Council Tax of £2,225.43 including Parish Precepts (subject to confirmation of the Band D figures for the County Council and Police and Crime Commissioner).

Cabinet recommendations relating to the Council's budget

11 Council Tax Reduction Scheme for 2022/23

Recommendation: Cabinet recommends that Council resolves to adopt the new Local Council Tax Reduction Scheme for 2022/23 taking into account the following:

- To increase the Income Bands in line with paragraph 8 Table 1 using CPI for the Benefit Cap uprating;
- To continue to support a 100% CTR entitlement;
- To continue with a Banded Scheme based on Income rather than family composition;
- To leave non dependant deductions as they are currently.

Agenda pack

12 Treasury Management Strategy 2022/23

Cabinet on 09 February 2022 agreed the recommendations as set out in the report.

Agenda pack

Recommendations: Cabinet recommends that Council resolves to approve:

1. The Treasury Management Strategy 2022/23 as set out in paragraphs 22 to 63 of this report and the Prudential Indicators for 2022/23 – 2025/26 as set out in Appendix 2;
2. The Borrowing Strategy 2022/23 at paragraphs 38 to 40 of this report;
3. The Minimum Revenue Provision (MRP) Statement at paragraphs 41 to 43 which sets out the Council's policy on charging borrowing to the revenue account; and
4. The Investment Strategy for 2022/23 and the investment criteria as set out in paragraphs 44 to 62 of this report and in Appendix 1.

13 Capital Strategy 2022/23

Cabinet on 09 February 2022 agreed the recommendation as set out in the report

Recommendation: Cabinet recommends subject to decisions taken at the Cabinet meeting on 09 February that Council resolves to approve the Capital Strategy 2022/23 – 2025/26.

Agenda pack

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)

Part 2 – Matters exempt from publication

15 Report of the Scrutiny Budget Review Group - exempt Appendix 1

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The Cabinet response to the exempt recommendations from Scrutiny is attached.

Agenda Item 4

Council 16 February 2022 Item 4:

Procedure for debate on the medium term financial strategy and budget (Item 9 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 approved and the Council Tax is set, and sets out the timings and order of the debate on Item 9.

The procedure and timings for the debate on Item 9 of the agenda are set out in the table below.

Before the meeting

- Amendments submitted by opposition groups must be received by Committee and Member Services by 1.00pm one working day before the meeting. The Chief Finance Officer shall report on the soundness of these amendments before these are debated.
- All principal speakers for the budget debate and amendments should be nominated in advance to Committee and Member Services (democraticservices@oxford.gov.uk) by 9.00am one working day before the meeting. The Lord Mayor will decide the order speakers are taken subject to advice from Group Leaders. Additional speakers will be taken by the Lord Mayor should time allow.

Before or at the meeting

- 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 15 min before the start of debate on amendments).
- The Chief Finance Officer shall report on the soundness of these amendments before these are debated.

Procedure for debate on item 9: Budget 2022/23

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.

Stage	Debate Time (maximum)	Lengths of speeches: All speakers have 3 minutes unless otherwise stated.
(a) Proposal of the Cabinet budget	15 minutes for proposer's speech	Proposer – max 15 minutes Seconder required (may reserve right to speak) Move straight to (b 1)
(b 1) Proposal of Liberal Democrat Group budget amendments	33 minutes	Proposer – max 10 min Seconder required (may reserve right to speak) proposer of (a) responds (3 min speech) before proposer of (b1) sums up
Vote (ordinary vote)		Liberal Democrat Group proposals all together
(b 2) Proposal of the Green Group budget amendments	33 minutes	Proposer – max 10 min Seconder 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	Submission of individual amendments for debate to Committee secretary no more than 15 minutes after the start of the break.
(c) Individual amendments debate submitted by the deadline and published in the briefing note or extracted from the submitted amendments and circulated in writing after the break	40 minutes 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
(d) Debate on Budget (amended or unamended)	30 minutes + unused time from (a), (b) and (c) to take to max of 2hr 30min overall	Normal rules of debate.
Recorded vote		Must be a recorded vote

Followed by

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

To: Council
Date: 16 February 2022
Report of: Head of Law and Governance
Title of Report: Public addresses and questions that relate to matters for decision at this meeting

Introduction

1. Addresses made by members of the public to the Council about matters for decision at this meeting, are below. Any available written responses provided by Cabinet Members are also included.
2. The text reproduces that sent in by the speakers and represents the views of the speakers. Their addresses are not to be taken as statements by or on behalf of the Council.
3. 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.

Addresses and questions to be taken in Part 1 of the agenda

1. Address by Adam Powell-Davies, Oxford Trade Unionist and Socialist Coalition (TUSC) – Council Budget

Addresses and questions to be taken in Part 1 of the agenda

1. **Address by Adam Powell-Davies, Oxford Trade Unionist and Socialist Coalition (TUSC) – Council Budget**

My name is Adam Powell-Davies, and I'm a hospitality worker currently living in Headington. I'm also the branch secretary for the Oxford branch of the Trade Unionist and Socialist Coalition (or TUSC), and it is in this capacity – as a young, working-class socialist – that I am speaking this evening.

Later in this meeting, we'll hear alternative budget proposals from the Liberal Democrat, Green, and Independent council groups. Given that TUSC has no councillors in Oxford, I would like to use this address as an opportunity to formally present some of our alternative budget proposals, as outlined in our 'People's Budget' document, which we submitted as part of the budget consultation last month.

Oxford TUSC understands that government financial support has only partially compensated the cost of keeping our city running during the COVID-19 pandemic, and we recognise that the Council has suffered from a similar lack of government funding in the years prior to the pandemic. We condemn the austerity-driven attacks to council budgets seen over the past decade, which have been implemented by consecutive Conservative governments. But we also reject the idea that Labour-led councils like Oxford have no option but to accept these vicious funding cuts, which are aimed at making the working-class majority pay for the economic crises of a Capitalist system that defends the interests of a super-rich minority.

Concerning this year's proposed budget, Oxford TUSC welcomes proposals to use Council reserves to maintain the provision of services despite the funding shortfall. We also welcome the Council's emphasis on building sustainable, green council housing.

Nonetheless, the proposed budget does not go far enough in providing what our city desperately needs. For example, plans to build 1,114 council homes over the next decade go nowhere near meeting actual housing need. We also oppose proposals to raise social housing rents by 4.1%, as well as plans to again raise council tax by the maximum rate of 1.99%. These rises are attempts by the Council to make local residents pay for the ongoing crisis in local authority funding – in effect passing on Tory austerity to those who can least afford it. We also ask why £200k is being cut from the community funding grant, when the Council still has over £10 million in reserves.

Oxford TUSC demands that the Council's not insignificant reserves be used now to first prevent all cuts; and that they then be used, together with the Council's borrowing powers, to meet the needs of local people.

Adopting this tactic, we would make the following proposals:

- Begin a mass building programme – one that actually meets housing demand – of eco-friendly affordable council homes, while ensuring the local community is consulted throughout.
- Upgrade the Landlord Accreditation Scheme into a compulsory housing register for private landlords and set up council-run lettings agencies, as the means to tackle repair standards, high rents, over-occupancy, extortionate letting fees, and unfair evictions for private homes.
- Use empty business space to tackle homelessness.
- End rises to council tax and council housing rents; demand the Government provides the funding Oxford needs, instead of passing the bill onto those who can least afford it.
- Publicly oppose academisation and demand the County Council bring schools under local authority control.
- Launch a public campaign encouraging the city's vast body of students to get active in the movement for free education.
- Publicly back council unions' campaigns for a 10% pay rise from Local Government Employers, as a first step to winning back the 25% decrease in pay suffered by council workers over the last decade.
- Set a lead in tackling the cost-of-living crisis by paying all workers employed by the Council a £15-an-hour minimum wage. Launch a campaign encouraging

workers in Oxford to join their trade union and fight for a £15-an-hour minimum wage in their own workplace.

- Bring all council services under council control, restoring them to an even better standard of service than before.
- Reverse the planned cuts to the community fund grant.
- Ensure full democratic community involvement in council budgeting and all aspects of decision-making; for communities to be empowered, not merely informed.

By implementing these kinds of policies in its budget – policies which would radically improve the lives of local people – Oxford Council could buy time to launch a mass campaign that unites local trade union branches, student groups, community campaigns, and others – including other councils nationally – to resist austerity and win adequate, long-term funding from the Government.

Should Oxford win the funding it actually needs, the Council would no longer have to rely on its ‘Oxford Model’, which we view as a ‘clever’ work-around to avoid the need for genuine mass struggle. We can have no trust in council-owned companies and commercial premises to deliver the funding Oxford needs, and this much has been shown by dwindling council revenues over the pandemic.

To finish: TUSC seeks to provide a fighting, political alternative to the pro-big business, anti-working-class policies of the Tories and Starmer’s New Labour. We will be standing as widely as possible in the May elections, both in Oxford and nationally. Oxford TUSC warmly invites any councillors who agree with our approach to join us in building an anti-austerity, working-class, community fightback in Oxford. But to any councillors who will not stand up to win the funding our communities need, we say: step aside for someone who will.

Thank you.

Written Response from the Deputy Leader and Cabinet Member for Finance and Asset Management, Councillor Ed Turner

Thank you for taking the time to address us. Obviously you mention that you represent a political party without any councillors in Oxford – it is your good right to stand in elections and make whatever points you wish in your manifesto for voters. Nonetheless, I would like to address a few points of principle that you raise.

First, our Council has been clear that Government funding for local government was inadequate before the pandemic and has got substantially worse since. We lose no opportunity to raise this with Ministers – as both Elected Members and officers – and while we sometimes make progress, this has been insufficient. It is my view that under-funding of local authorities represents a conscious choice, underpinned by ideology, from the current Government, and the only long-term solution is for there to be a different Government. I am happy to be campaigning every week for there to be that different Government, and believe the best way to achieve it is with support for the Labour Party, not splinter groups on the far left.

Secondly, it seems quite wrong for our Oxford Model to be criticised. It works like this: rather than cutting services, instead we try to raise income by in-sourcing work which would otherwise be done by others. That way profits from the work can be retained and

reinvested in front-line Council services (rather than paying a profit to private shareholders), we can be confident that the Oxford Living Wage applies, and that workers are fairly treated. We are proud of what this model – with excellent support from our two staff trade unions, Unison and Unite, has achieved.

On some of the points of detail: the address refers to remaining reserves. To be clear, these are reserves earmarked for a purpose, and I would encourage you to read the report of our Chief Financial Officer on the adequacy of our reserves. What you are encouraging us to do is run down reserves further, in order to meet ongoing costs. I think you can be clear from the report of the Section 151 Officer that such a move would put us at serious risk of seeing a statutory notice issued stopping discretionary spending, and take us close to having commissioners put in by Government to run our services. That is where the road of spending money in local government that you don't have takes you.

You urge a Council Tax and council rent freeze. In the case of Council Tax, we are one of relatively few local authorities to continue to provide full Council Tax relief to those on the lowest incomes, and the effect of such a freeze would simply be less money for the Council each and every year to provide services. In the case of council house rents (which are supported by housing benefit when they cannot be afforded), it would mean we would need to scale back our council house building programme. These are choices we have to make, and I think we owe it to people who rely on our services, on those who need our support, on those who will benefit from new council housing, not to run away from them.

We appreciate your comments about our new council house building programme. I am happy to reassure you we do not think that this represents the full scale of genuinely affordable housing that is needed: other affordable housing will be delivered through routes such as contributions from the planning system.

You imply that there are lots of services that we have outsourced that should be brought back in-house. I am puzzled by this, because at Oxford City Council we are not in the business of outsourcing services, instead we choose to retain services in-house and deliver them ourselves. I am surprised this approach is not being acknowledged and praised in the address.

It strikes me that what is being said here is really that we ought to avoid taking any difficult decisions in our budget. We ought to rip up our successful Oxford Model (which would have the effect of passing more work to private, for-profit companies). We ought to hammer our sources of income that enable us to fund our front-line services and build new council houses. We ought to make our budget balance by speculating that continued lobbying of Government will lead the Conservatives suddenly to release millions of pounds to us to fund services properly. If – or more likely when – that does not happen, then we would have no reserves left, we would be barred from discretionary spending, we'd be laying staff off left, right and centre, and we'd be letting down precisely the people we were elected to serve. I, for one, have no interest in being part of such an atrocious betrayal of my community.

Budget Review Group Recommendations and Responses

No	Recommendation	Agree?	Comments
1	That the Council provides clarity around how it intends to avoid double counting in the Change savings, e.g., in the procurement savings already in the Budget proposals.	Yes	Change programme is integrated with the budget setting process and MTFP. It has taken an evidence led approach using volumetric data where available. The change programme team have worked directly with service managers and teams to identify savings over and above their existing MTFP contributions and avoid double counting. Service managers have signed off the savings. Confidence ratings have been applied to savings across the years to allow for any delay/slippage in the programme delivery. The CMT Steering Group will be accountable for benefit realisation and tracking of the savings contribution of the change programme.
2 13	That the Council provides details of relevant comparator IT savings in recent budgets, comparing the forecast savings with those which have been delivered.	yes and provided herewith	<p>There was £140k staff saving in ICT identified in the 2020/21 budget which was achieved.</p> <p>Within this year's budget setting process £300k to cover the increasing costs of data storage offsite by an external supplier is set to be saved over the next 2 year period commencing 2022-23</p> <p>There is £95k per annum in respect of Servitor and other licences to be saved in 2022-23 from decommissioning legacy systems and implementing QL. As you know this has been delayed but is now set to be removed as per the MTFP and we are on track to deliver that.</p> <p>The revs and bens system implementation which went live in September 2021 delivered around £100k of staff savings which have been removed from the budget in 2022-23.</p>
3	That the Council uses audit fees from the past few years as a basis for estimating full audit fees.	Yes	For the coming year the budget for external audit fees is estimated at £86,400. Last year the actual fee was £23k more than this. The overspend was financed from reserves and balances and should this occur this year then a similar process will be followed. For the next round of budget setting since the indications are that increased fees are highly likely we will propose to increase the fees to accommodate. In terms of internal audit fees the

Budget Review Group Recommendations and Responses

			budget is £57k per annum and whilst this occasionally overspends we do try to adjust the days in the internal audit programme to align with the budget
4	That the Council reinitiates discussions with the County and Cherwell District Council about potential reprovision of Investigations Team services.	Yes	It was disappointing that the County Council and Cherwell District Council terminated their contracts for the provision of Investigation Service with the City Council in preference to undertaking the work in house. With the recent news of the dissolution of the management arrangements between the 2 authorities the council will indeed look to approach the 2 authorities to explore the potential for providing Investigation services to either or both Councils.
5	That the Council presents how much of its fee generation by lawyers in respect of s.106 and conveyancing is secure (i.e., that it originates from OCC, ODS or OCHL) and how much is non-secure (is generated from external sources)	N/A	All of the s106 and conveyancing income is from external sources. Income from OCHL and ODS is recorded separately. But the Legal Services team have significantly over achieved on their conveyancing and s106 income for at least the last two years and consider there is minimal risk of this income significantly decreasing.
6	That the Council reduces its spend on external biodiversity consultants by investing in its own in-house expertise instead.	No	The Council has already increased investment in in-house biodiversity expertise, with the officer resource having moved from 0.4FTE to 1FTE. However, changes being introduced as a result of the Environment Act 2021 mean we will need to retain the ability to use external consultants when necessary, depending on the type of work and the volume of work at any one time and the capacity we have available at the time. The resources for this type of work will always be kept under review, given workloads.
7	That the Council undertakes a review at 3 and 6 months of car park revenue to check if income is on track, and if not that this is escalated for consideration of in-year adjustment of car park fees	Yes	The Council undertakes monthly monitoring of income and expenditure and with quarterly reports to Cabinet. Car park income is a key risk area for the council which will be subject to more in depth scrutiny. Variations will be reported to Senior Management and Members with any recommendations for any in year budget adjustments that may be required to bring the budget back on target
8	That the Council works with the County Council to model the expected impact on car park and Park and Ride revenues of the city	Partially	The Council already monitors the usage of the park and ride and other car parks and liaises with the County Council on this. There are currently a range of factors affecting the Park and Rides stemming from the pandemic due to changes in behaviours. We are working with the County Council to

Budget Review Group Recommendations and Responses

	centre Zero Emissions Zone		<p>encourage use of the park and rides, bus services and active travel as we move forward.</p> <p>We do not consider it possible to attribute changes directly to a single measure like the ZEZ. Our pricing strategy across our car parks is aimed at encouraging alternatives to driving into the city centre where possible and city centre charges have been increased as part of the budget setting process, while Park and Ride has been frozen. The County Council has introduced significant increases in the charges for on street parking in the city centre, with the stated intention of disincentivising usage.</p>
9 →	That the Council proposes in its discussions with County and the Westgate ways to improve the convenience of the Park and Rides to shoppers, such as arranging delivery of city centre purchases to collection points.	Yes	The County Council and City Council are engaging with the Westgate and other employers, as well as Experience Oxfordshire, to identify options for improving the usage of the Park and Rides. We are happy to raise this point.
10	Restricted recommendation.		
11	Restricted recommendation		
12	That the Council provides a baseline figure of the carbon savings generated by ensuring that 95% of its properties achieve the lowest level of 'C' EPC ratings.	Yes	It is not yet possible to model the carbon savings given the significant variety in property types and different types of measures that might be applied. However, the data gathered from the LAD1b retrofit programme already under way should enable us to start developing such a model.
13	That so far as practically possible the Council ensures that energy inefficient homes are prioritised for retrofitting, notwithstanding the complexity of the task.	Yes	It is typically a requirement of the Government grant-funded schemes that those buildings which would qualify must be rated EPC D or below. This has informed our approach to retrofitting which is targeting the energy inefficient homes first. However, it should be noted that in some cases across the Council's housing stock it would not be realistically viable to achieve an rating of EPC C or above, and it may be more appropriate to demolish and build new homes.
14	Restricted recommendation		
15	Restricted recommendation		
16	In view of the greater tenant		

Budget Review Group Recommendations and Responses

	engagement needed arising from the Social Housing white paper, that Council's decisions over how best to respond to that include the work of existing teams, particularly the Tenant Involvement Team.	Yes	Officers are considering how best to incorporate the additional resources within the budget into the organisation to respond to the new legislative requirements. An integrated approach with existing teams will be adopted
17	That the Council provides an estimate of the implications for the City Council of both the capital costs of a reconfiguration of Floyd's Row away from its current triage service back towards something closer to the original design and the associated operating costs as part of the transition to life after Covid.	Yes	Officers are continuing to pursue options for minor alterations to the building to allow maximum usage whilst uncertainty continues with regard to the application of covid restrictions to communal settings such as that planned at Floyds Row but without prejudicing the use of the building as envisaged by the original project. The current estimate of costs is £70k for which budget provision already exists.
18 ⑥	That the Council makes it a priority to publicise the Noise app, particularly in areas with known noise problems.	Yes	The Noise App is already promoted on the landing page for Report a Noise Problem and by officers discussing noise problems with members of the public, but we will also update our other noise webpages to publicise it further.
19	That a fuller justification of for phasing out of the £500,000 leisure contingency is provided in the post-consultation budget proposals.	N/A	<p>The proposal is a gradual reduction of the leisure contingency of £500k (increased cost or reduced income) originally forecast in 2022-23 to reduce the risk between 2022-23 and 2024-25.</p> <p>We have seen usage levels increase to c70% pre pandemic levels and Fusion believe usage levels will be closer to pre pandemic levels towards the end of 2022 justifying the gradual removal of this contingency</p> <p>While there are a number of uncertainties, these factors do provide useful insight to help our financial modelling.</p>
20	Restricted recommendation		
21	That the Council reverses its proposals to make £25k cuts to	Yes	The administration's budget proposes reversing the £25,000 saving

Budget Review Group Recommendations and Responses

	advice centre base budgets.		
22	That the Council provides clarity over the actual cash cost of Green Flag accreditation, that it reviews the cost-benefit of making this efficiency against this figure, and that it investigates (and includes in its deliberations if appropriate) the possibility of accessing CIL monies to cover these costs.	N/A	The CIL money received to date by the council has been fully allocated through the budget setting process (this excludes that received in Parish and Neighbourhood Plan areas as this is not allocated by the City Council). The cost of re-instating the accreditation is estimated at around £18k per annum. CIL money is for the provision and improvement of a wide range of infrastructure in the city to support development. The accreditation does not fulfil that criteria.

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Budget Council: 16 February 2022

Liberal Democrat Group Budget Amendment 2022/2026 – Explanatory Notes (Draft 3)

Background

- We are committed to securing a sustainable future for our unique city – as a great place for all our residents to grow up and flourish and be able to find homes and employment. We commit ourselves to the support of the homeless, the marginalised and the 29% of our children who currently live below the poverty level.
- We are committed to working with the Fair Deal Alliance (Liberal Democrats, Labour and Greens) to ensure that the policies of Oxfordshire County Council and Oxford City Council are aligned.
- We are aware that the City Council is still suffering heavy losses from COVID, including an expected £3.7m reduction in the £12m commercial rent income pre-COVID. Similarly, business rates payments are substantially down. The administration budget seeks to draw on 50% of its £22m earmarked reserves in the 22/23 financial year but could not prudently reduce its reserves any further.
- The Housing Revenue Account is in a stronger position than the General Fund but, from 25/26, no big schemes are planned. This recognises the risks of needing to service loans for the purchase of council homes, which is moving towards a peak debt figure of £600m.
- We are therefore exercising extreme prudence in the spending proposals we are putting forward. In particular we note that much available funding arising since the budget for consultation has been allocated towards transformation: we accept that this allocation is necessary in the expectation that this investment will result in substantial savings over the four years of the Mid Term Financial Plan.

Concerns and Recommended Monitoring

- We are concerned that the following should be monitored monthly and the results made available at a mid-term high-risk financial review:
 - Fusion Leisure: accounts and building repairs estimates.
 - Provision for Homelessness: contributions from County and districts.
 - Floyds Row building: cost of reconfiguring for homeless accommodation post-covid
 - The Oxford Model companies (ODSL, ODSTL, OCHL): revised estimates for interest and dividend payments.
 - Unpaid Revenues update: council tax, rent arrears, business rents and rates.
- OCHL has proposed payment of dividends to the Council of £12m over the MTFP, but this is not expected to commence until 2023/24.
- ODS has proposed secure dividends of £4.805m and potential dividends of £12.388m over the MTFP, but no dividend has been paid by ODS since 2018/19.
- Reliance on income streams puts us at risk and is a strategy which has left us ineligible for government support. The level of risk will not disappear post-COVID, as similar risk could arise from recessions and other events causing a significant downturn in economic activity.

Proposed Savings

- To raise money we have introduced a 20p increase in car parking charges in the city centre. This builds on an increase in the Administration’s Budget and is in line with the City’s ambition to move towards a city centre zero emission zone.
- We have also cut the special responsibility allowance for a second deputy leader. There is no similar post at many other comparable councils, or at our own Oxfordshire County Council.
- We propose that council elections be held only every four years, providing a substantial saving to the City.
- We will not proceed with the appointment of two additional officers in the Law & Governance and Communications teams: while we recognise that extra staff would be desirable, COVID and post-COVID effects will continue to deplete our income streams and it is vital we put this money to work in directly public-facing roles wherever possible.

Proposed New Expenditure

Given these savings, we propose to:

- Restore the Advice Centre Development fund. We recognise and applaud the administration’s correct decision to partly walk back their planned cut to advice service funding, and here seek to fully restore the remainder of that cut. In a time of severe financial difficulty for our residents, we believe a cogent case has been made by the City’s advice centres as to their civic value.
- Appoint an additional Community Response officer, supporting communities by providing early intervention in antisocial behaviour issues.
- Reinstate a grant to Experience Oxfordshire at a time when the City urgently needs a revival of its tourism industry.
- Restore the Green Flag Scheme for the City’s parks: this holds our green spaces to the highest standards of environmental management, supports the professionalism of the ODS Parks Dept and facilitates other external funding.

These Amendments take into account the issues raised by the Budget Review Group and represent our prudent response to the challenges posed by Brexit, Covid, Climate Change and the Government’s choice of trajectory.

REVENUE

LIB DEM GROUP AMENDMENTS TO THE ADMINISTRATIONS CONSULTATION BUDGET

REVENUE

£1000's

	2022/23 £000's	2023/24 £000's	2024/25 £000's	2025/26 £000's
Consultation Budget Net Budget Requirement	22,334	20,407	21,105	21,824
Changes since the consultation budget				
Sub total changes since the consultation budget	48	(326)	(336)	(346)
<u>Additional Savings proposed</u>				
Elections only every 4 years	0	0	(35)	(35)
Eliminate Second Deputy Leader allowance	(5)	(5)	(5)	(5)
Eliminate proposed new Law & Governance Executive Assistant	(43)	(43)	(43)	(43)
Eliminate proposed new Communications Officer	(47)	(47)	(47)	(47)
Additional 70p on city centre car parks rather than 50p proposed in Budget	(76)	(76)	(76)	(76)
Total additional savings proposed	(171)	(171)	(206)	(206)
Cumulative additional savings	(171)	(342)	(548)	(754)
<u>Additional costs proposed</u>				
Restore Advice Development Fund	45	45	45	45
Additional Community Response Officer	42	42	42	42
Reinstate grant to Experience Oxfordshire	80	80	80	80
Reinstate Green Flag accreditation	18	18	18	18
Total additional costs proposed	185	185	185	185
Net effect on budget in-year of proposals	14	14	(21)	(21)
Cumulative effect on budget	14	28	7	(14)
Additional Budget transfer to/(from) reserves				
Transfer to/(from) working balance	(14)	(14)	21	21
Alternative Budget Net Budget Requirement	22,382	20,081	20,769	21,478

Financed By :				
Council Tax- Consultation Budget	(14,758)	(15,202)	(15,659)	(16,131)
Retained Business Rates - Consultation Budget	(7,154)	(4,879)	(5,110)	(5,347)
New Homes Bonus	(470)		0	0
Total	(22,382)	(20,081)	(20,769)	(21,478)
(surplus)/deficit	0	0	0	0

General Fund Working Balance				
Working Balance 1st April	(3,856)	(3,870)	(3,884)	(3,863)
Transfer (to)/from balance	(14)	(14)	21	21
Working Balance 31st March	(3,870)	(3,884)	(3,863)	(3,842)

HRA

PROPOSED AMENDMENTS TO THE ADMINISTRATIONS CONSULTATION BUDGET

REVENUE

£1000's

	2021/22 £000'S	2022/23 £000'S	2023/24 £000'S	2024/25 £000'S
Consultation Budget Net (operating income)/expenditure after appropriations	(64)	(91)	2,235	225
Changes since the consultation budget				
Sub total	0	0	0	0
<u>Additional Savings proposed</u>				
1				
2				
3				
4				
Total additional savings proposed	0	0	0	0
Cumulative additional savings	0	0	0	0
<u>Additional costs proposed</u>				
1				
2				
3				
Total additional costs proposed	0	0	0	0
<u>Net effect on budget in-year</u>	0	0	0	0
Cumulative effect on budget	0	0	0	0
Budget transfer to/(from) reserves	64	91	(2,235)	(225)
Alternative Budget Net (surplus)/deficit	0	0	0	0

HRA Working Balance				
Working Balance 1st April	(5,576)	(5,640)	(5,731)	(3,496)
Transfer (to)/from balance	(64)	(91)	2,235	225
Working Balance 31st March	(5,640)	(5,731)	(3,496)	(3,271)

(surplus)/deficit

0 0 0 0

PROPOSED AMENDMENTS TO THE ADMINISTRATIONS CONSULTATION BUDGET
CAPITAL

CAPITAL

	2021/22 £000'S	2022/23 £000'S	2023/24 £000'S	2024/25 £000'S
CAPITAL PROGRAM AS PER CABINET DECEMBER 2021 - General Fund and HRA	190,215	191,765	142,782	52,580
Changes since the consultation budget				
Sub total of changes since consultation budget	20,766	1,174	2,079	164
CHANGES PROPOSED				
1				
2				
3				
4				
5				
6				
Sub total	0	0	0	0
REVISED CAPITAL PROGRAM	210,981	192,939	144,861	52,744

	190,215	191,765	142,782	52,580
FINANCING AS PER CABINET REPORT 19TH DECEMBER				
Sub Total of changes since consultation budget	20,766	1,174	2,079	164
ALTERNATIVE BUDGET PROPOSALS				
1 Financing		0	0	0
2				
Sub Total	0	0	0	0
Total Financing	210,981	192,939	144,861	52,744

(surplus)/deficit 0 0 0 0

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Head of Finance – Section 151 Comments on Lib Dem Group Alternative Budget for 2022-23 to 2025/26

Date 08-02-2022

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 it was voted through.

General Fund Revenue Budget – There are a number of additional proposals to the revenue budget which have been balanced by savings. Overall there is a small additional amount added to reserves.

Capital Budget – There are no changes proposed on the Administrations Capital Budget

HRA – There are no changes proposed on the Administrations HRA Budget

Nigel Kennedy

Head of Financial Services (Section 151 Officer)

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Agenda Item 9c

The Green group wants to extend our thanks to the finance team and all officers involved in the budgeting process this year – in what has been another challenging year for the Council. The pandemic has presented significant pressures, all of which have been exacerbated by the failure of Westminster to properly fund local government.

We'd also like to thank the other members of the Budget Review Group which has made a series of important recommendations, which we are pleased to see the Cabinet accept many of.

Our budget amendment seeks to ensure those recommendations that have been accepted are implemented effectively and reinstates those recommendations which have been rejected by the Cabinet.

It also seeks to ensure we have a robust financial plan for the medium term, while harnessing the power of this Council to improve the lives of our residents, go further on tackling the climate emergency, and mitigate against the impact of the pandemic and cost of living crisis.

Revenue

On revenue, the Green amendment would deliver a balanced budget over the mid-term financial plan through a range of savings against the administration's budget, while enabling spending in areas where it is needed most and ensuring that savings aren't made where the financial gain is small, but the impact on residents is large.

Our proposed savings would scale back slightly recruitment of additional officer posts in Corporate Property and in law and government. This allows for a modest increase in capacity for capital works and major projects, but provide savings for reallocation elsewhere.

A small additional saving of £2,500 per year is proposed to the miscellaneous "leaders budget" which it has been acknowledged is rarely utilised.

Additional savings are being proposed through increases in park and ride fees in line with an assumed inflationary rate of 3%, and increases in off-street parking charges at a rate of 1.5% in years 2, 3 and 4 of the mid-term financial plan.

Our amendments to the capital budget (discussed below) also relate to items in our proposed revenue budget.

We would use these additional savings and increased revenue to fund the following additional spending:

- Creating a substantial, front-loaded hardship relief fund – a centrally held, discretionary fund which can be distributed to service areas as needed to alleviate the impacts of the ongoing pandemic and cost of living crisis.
- Reversing the proposed cuts to the out of hours noise service
- Reversing the reduction to the vacant Commercial Noise EHO post
- Additional resource for measuring, managing, reporting and auditing carbon reduction, without which we will not have the confidence of knowing that our emissions reduction policies are effective
- The introduction of a biodiversity officer to work with applicants to ensure that new planning requirements for 'net biodiversity gain' are satisfied and effective
- The introduction of a solar projects manager in years 2, 3 and 4 of the mid term financial plan to manage the capital programme discussed below

- Reversing the increase to the garden waste bins concessionary rate

Capital budget

The Green group has long criticised the administration's decision to seek to invest speculatively in commercial property, for which we believe both the business case and the social benefits are unclear. However, we accept that in the near-term the Council is committed to this approach and is close to securing an initial investment of this type. As such are not seeking to remove the £20m worth of investment in 'regeneration' in the first year of the MTFP.

That notwithstanding, we believe that a more sensible investment – financially, ecologically and socially - is in renewable energy. As such, our amendment seeks to replace the £13m 'regeneration' investment in year 3 of the MTFP like-for-like with £13m of investment in solar energy spread across years 3 and 4. This would be a significant contribution to the renewable needs of this city, while providing a modest financial return net of borrowing.

REVENUE

GROUP AMENDMENTS TO THE ADMINISTRATIONS CONSULTATION BUDGET

REVENUE

£1000's	2022/23 £000's	2023/24 £000's	2024/25 £000's	2025/26 £000's
Consultation Budget Net Budget Requirement	22,334	20,407	21,105	21,824
Changes since the consultation budget				
Sub total changes since the consultation budget	48	(326)	(336)	(346)
<u>Additional Savings proposed</u>				
Recruit only 1 additional post for capital works (Corporate Property - item 2) -reduced capital impact on revenue account	(65)	(65)	(65)	(65)
Recruit only 1 major project lawyer (Law and governance - item 14)- reduced capital impact on revenue account	(80)	(80)	0	0
Reduce leaders budget by a further £2.5k (Law and governance - item 16)	(3)	(3)	(3)	(3)
Increase park and ride charges in line with inflation (3%)	(47)	(94)	(141)	(188)
Estimated return from solar farm investments (2% net of borrowing) - assumes 2 years before revenue is generated.			(130)	(260)
Cancel £13million regeneration in 2024-25			130	260
Increase off street parking charges by 1.5% in years 2, 3 and 4 (ODS Client - item 10)	0	(38)	(77)	(116)
Total additional savings proposed	(195)	(280)	(286)	(372)
Cumulative additional savings	(195)	(475)	(760)	(1,132)
<u>Additional costs proposed</u>				
Hardship relief fund	250	150	50	0
Reversal of cut to out of hours noise service (Regulatory and Community Safety - item 11)	16	16	16	16
Reversal of reduction to vacant Commercial Noise EHO post (Regulatory and Community Safety - Item 7)	22	22	22	22
Additional resource for net zero carbon measurement, management, reporting & audit	25	25	25	25
Addition of biodiversity officer for planning (assumed grade 8)	50	51	53	54
Addition of solar projects manager (assumed grade 8)		51	53	54
Reverse increase in garden waste bins concessionary rate	10	10	10	10
Total additional costs proposed	373	325	229	181
Net effect on budget in-year of proposals	179	45	(57)	(191)
Cumulative effect on budget	179	224	167	(24)
Additional Budget transfer to/(from) reserves				
Transfer from/(to) working balance	(179)	(45)	57	191
Alternative Budget Net Budget Requirement	22,382	20,081	20,769	21,478
Financed By :				
Council Tax- Consultation Budget	(14,758)	(15,202)	(15,659)	(16,131)
Retained Business Rates - Consultation Budget	(7,154)	(4,879)	(5,110)	(5,347)
New Homes Bonus	(470)	0	0	0
Total	(22,382)	(20,081)	(20,769)	(21,478)
(surplus)/deficit	0	0	0	0

General Fund Working Balance				
Working Balance 1st April	(3,856)	(3,677)	(3,632)	(3,689)
Transfer (to)/from balance	179	45	(57)	(191)
Working Balance 31st March	(3,677)	(3,632)	(3,689)	(3,880)

HRA

PROPOSED AMENDMENTS TO THE ADMINISTRATIONS CONSULTATION BUDGET

REVENUE

£1000's

	2021/22 £000'S	2022/23 £000'S	2023/24 £000'S	2024/25 £000'S
Consultation Budget Net (operating income)/expenditure after appropriations	(64)	(91)	2,235	225
Changes since the consultation budget				
Sub total	0	0	0	0
<u>Additional Savings proposed</u>				
1				
2				
3				
4				
Total additional savings proposed	0	0	0	0
Cumulative additional savings	0	0	0	0
<u>Additional costs proposed</u>				
1				
2				
3				
Total additional costs proposed	0	0	0	0
Net effect on budget in-year	0	0	0	0
Cumulative effect on budget	0	0	0	0
Budget transfer to/(from) reserves	64	91	(2,235)	(225)
Alternative Budget Net (surplus)/deficit	0	0	0	0

HRA Working Balance				
Working Balance 1st April				
Transfer (to)/from balance	(5,576)	(5,640)	(5,731)	(3,496)
Working Balance 31st March	(64)	(91)	2,235	225
	(5,640)	(5,731)	(3,496)	(3,271)

(surplus)/deficit

0 0 0 0

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CAPITAL

PROPOSED AMENDMENTS TO THE ADMINISTRATIONS CONSULTATION BUDGET
CAPITAL

	2022/3 £000'S	2023/4 £000'S	2024/5 £000'S	2025/6 £000'S
CAPITAL PROGRAM AS PER CABINET DECEMBER 2021 - General Fund and HRA	190,215	191,765	142,782	52,580
Changes since the consultation budget				
Sub total of changes since consultation budget	20,766	1,174	2,079	164
CHANGES PROPOSED				
1 Cancel commercial property investment Investment solar projects (c.70MW @ £0.75m per MW installed).			(13,000)	
2			6,500	6,500
3 Recruit only 1 additional post for capital works (Corporate Property - item 2) -reduced capital impact on revenue account	(65)	(65)	(65)	(65)
4 Recruit only 1 major project lawyer (Law and governance - item 14)- reduced capital impact on revenue account	(80)	(80)	0	0
5				
6 Sub total	(145)	(145)	(6,565)	6,435
REVISED CAPITAL PROGRAM	210,836	192,794	138,296	59,179

	2022/3 £000'S	2023/4 £000'S	2024/5 £000'S	2025/6 £000'S
FINANCING				
FINANCING AS PER CABINET REPORT 19TH DECEMBER	190,215	191,765	142,782	52,580
Sub Total of changes since consultation budget	20,766	1,174	2,079	164
ALTERNATIVE BUDGET PROPOSALS				
1 Financing	(145)	(145)	(6,565)	6,435
2				
Sub Total	-145	-145	-6,565	6,435
Total Financing	210,836	192,794	138,296	59,179

(surplus)/deficit 0 0 0 0

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**Head of Finance – Section 151 Comments on Green Group Alternative Budget
for 2022-23 to 2025/26**

Date 10-02-22

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.

Capital Budget - Within the capital budget provision has been made for £13 million of investment over years 3 and 4 on solar farms. This replaces the additional £13 million investment in regeneration in year 3 of the MTFP.

No projects have been separately identified for these solar farm investments 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. The extent of this impact however is mitigated, to some extent, similar to regeneration additional spend, by including a prudent financial return and including these items in the back end of the MTFP.

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 accordingly.

The HRA – There are no proposed changes to the Administrations HRA Budget

Nigel Kennedy

Head of Financial Services (Section 151 Officer)

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Agenda Item 15

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A
of the Local Government Act 1972.

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