

# Agenda

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## City Executive Board

Date: **Wednesday 5 December 2012**

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Time: **5.00 pm**

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Place: **The Old Fire Station, George Street, Oxford**

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For any further information please contact:

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If you would like help to understand this document please call William Reed, Democratic Services Manager or in advance of the meeting.

# City Executive Board

## Membership

### Chair

<b>Councillor Bob Price</b>	Corporate Governance and Strategic Partnerships
<b>Councillor Ed Turner</b>	Finance and Efficiency
<b>Councillor Colin Cook</b>	City Development
<b>Councillor Van Coulter</b>	Leisure Services
<b>Councillor Steven Curran</b>	Young People, Education and Community Development
<b>Councillor Mark Lygo</b>	Parks and Sports
<b>Councillor Scott Seamons</b>	Housing
<b>Councillor Dee Sinclair</b>	Crime and Community Safety
<b>Councillor Val Smith</b>	Customer Services and Regeneration
<b>Councillor John Tanner</b>	Cleaner, Greener Oxford

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# AGENDA

## PART ONE PUBLIC BUSINESS

Pages

### 1 APOLOGIES FOR ABSENCE

### 2 DECLARATIONS OF INTEREST

Board Members are asked to declare any disclosable pecuniary interests they may have in any of the following agenda items. Guidance on this is set out at the end of these agenda pages

### 3 PUBLIC QUESTIONS

When the chair agrees, questions from the public for up to 15 minutes – these must be about the items for decision at the meeting (excluding the minutes) and must have been given to the Head of Law and Governance by 9.30am on a day so that there are at least two clear working days before the meeting (email [executiveboard@oxford.gov.uk](mailto:executiveboard@oxford.gov.uk) or telephone the person named as staff contact). No supplementary questions or questioning will be permitted. Questions by the public will be taken as read and, when the Chair agrees, be responded to at the meeting.

### 4 SCRUTINY COMMITTEE REPORTS

The following scrutiny committee reports will or may be submitted to this meeting:-

1. Homelessness Strategy Review (minute 29, Board Minutes of 12<sup>th</sup> September 2012 refer);
2. Parking in parking areas adjacent to Parks – call in outcome (minute 35, Board Minutes of 12<sup>th</sup> September 2012 refer);
3. Local Council Tax Support Scheme – comments (minute 51, Board Minutes of 23<sup>rd</sup> November 2012 refer);
4. Covered Market Review;
5. Area Forums Review;
6. Housing Strategy Action Plan review (agenda item 8 refers);
7. Periodic Reporting – Finance, Performance and Risk (agenda item 11 refers);
8. Treasury Management – Mid Year review (agenda item 12 refers)

### 5 ORGANISATIONAL DEVELOPMENT STRATEGY

1-10

Lead Member: Councillor Price

Report of the Chief Executive (attached)

The report presents for approval and adoption a new Organisational Development Strategy.

Recommendation

The Board is recommended to approve and formally adopt the Organisational Development Strategy attached at Appendix 1.

**6      PROCUREMENT STRATEGY 2013-2016      11-34**

Lead Member: Councillor Turner

Report of the Head of Business Improvement and Technology (attached)

The report seeks approval from City Executive Board to adopt the Council's new Procurement Strategy 2013 to 2016.

Recommendation

The Board is recommended to approve the new Procurement Strategy for 2013 to 2016 as set out at Appendix 1.

**7      TENANCY STRATEGY AND POLICY - APPROVAL      35-52**

Lead Member: Councillor Seamons

Report of the Head of Housing (attached)

The report seeks approval of a Tenancy Strategy and Policy following consultation with partners, stakeholders, tenants and the public.

Recommendations:

The Board is recommended to recommend Council to adopt a Tenancy Strategy for Oxford City and a Tenancy Policy for Council homes.

**8      HOUSING STRATEGY ACTION PLAN PRIORITIES, APRIL TO SEPTEMBER 2012/2013 - REVIEW OF PROGRESS      53-82**

Lead Member: Councillor Seamons

Report of the Head of Housing (attached)

The report provides the Board with an update on the Council's progress against the Housing Strategy Action Plan priorities for the period April to September 2012.

Recommendation

The Board is asked to note and comment upon the progress made from April to September 2012 against the tasks identified in the Housing Strategy.



**9 TRADING STRATEGY (EXTERNAL INCOME GENERATION) - UPDATE REPORT 83-89**

Lead Member: Councillor Price.

Report of the Executive Director, Community Services (attached)

The report provides an update on the progress of charging for discretionary services following the approval of the approach in a report to the Board on 21<sup>st</sup> September 2011.

Recommendations

The Board is recommended to:-

- (1) Note the report;
- (2) Continue to support the recommendations agreed in the report of 21<sup>st</sup> September 2011.

**10 DOMESTIC WASTE AND RECYCLING COLLECTION - POLICY CHANGE FOR SITES WITH COMMUNAL BIN STORAGE AND HOUSES IN MULTIPLE OCCUPATION 89-98**

Lead Member: Councillor Tanner

Report of the Head of Direct Services (attached).

The report suggests a policy change to domestic waste and recycling collections for sites with communal bin storage, and also for Houses in Multiple Occupation. The aim is to reduce waste and increase recycling

Recommendation

The Board is asked to approve the following proposed change to the Council's waste and recycling collection policy:-

*"At all relevant sites, the Council shall seek to collect no greater quantity of waste from domestic refuse bins than from domestic recycling bins."*

**11 PERIODIC REPORTING - FINANCE, PERFORMANCE AND RISK 2012/13, INTEGRATED REPORT 2ND QUARTER 2012/2013 99-144**

Lead Member: Councillor Turner

Report of the Head of Finance and the Head of Business Improvement and Technology (attached).

The report provides an update on Finance, Risk and Performance at the end of Quarter 2 – 1<sup>st</sup> July - 30<sup>th</sup> September 2012.

Recommendation

The Board is asked to note the contents of the report.

**12      TREASURY MANAGEMENT - MID YEAR REVIEW      145-162**

Lead Member: Councillor Turner

Report of the Head of Finance (attached)

This report concerns the performance of the treasury management function for the period April to September 2012, and outlines the investment strategy for the remainder of the financial year.

Recommendations

The Board is asked to:-

- (1) Note the performance of the treasury management function for the first six months of 2012/13, and;
- (2) Agree the Investment Strategy for the remainder of 2012/13 and the continuation of the operational strategy as highlighted in paragraph 37.

**13      PLANNING ANNUAL MONITORING REPORT 2011/12      163-232**

Lead Member: Councillor Cook

Report of the Head of City Development (attached)

The report seeks approval of the Annual Planning Monitoring Report for publication.

Recommendations

The Board is asked to:-

- (1) Approve the Annual Planning Monitoring Report for publication;
- (2) Authorise the Head of City Development to make any necessary editorial corrections to the document prior to publication.

**14      INSURANCE SERVICES SUPPLY - AWARD OF CONTRACT      233-240**

Lead Member: Councillor Turner

Report of the Head of Finance (attached).

The purpose of the report is to recommend project approval and award of the contract to Tenderer B for the supply of insurance services to the Council.

### Recommendations

The Board is asked to:-

- (1) Grant project approval for the supply of insurance services to Oxford City Council and award the contract to Tenderer B from 1<sup>st</sup> January 2013 for a period of 3 years, with an option to extend for 1 year plus 1 year;
- (2) Agree the changes to excesses outlined in paragraphs 4.4 to 4.5 of the report.

## **15 URBAN BROADBAND FUND (PHASE TWO) - OXFORD SUPER CONNECTED CITIES BID**

**241-300**

Lead Member: Councillor Price

Report of the Executive Director, Housing and Regeneration (attached)

The report provides information about the bid to the Government for £5m from the Urban Broadband Fund (Phase Two) Super Connected Cities Programme, and recommends that the Council agrees the £300,000 capital commitment and £25,000 start up cost if the bid is successful.

### Recommendations

The Board is asked to:-

- (1) Note the bid;
- (2) Recommend to Council £300,000 capital commitment and £25,000 start up cost if the bid is successful;
- (3) Delegate authority to the Executive Director, City Regeneration to lead on negotiations with Government on the bid as required;
- (4) Receive a further report if the bid is successful.

## **16 OXFORD HERITAGE ASSETS REGISTER - CRITERIA AND PROCESS**

**301-318**

Lead Member: Councillor Cook

Report of the Head of City Development (attached)

The report provides information on considerations for the Oxford Heritage assets criteria, nomination process and character statements formats arising from East and West Area Planning Committees.

### Recommendations

The Board is recommended to:-

- (1) Endorse the proposal for a Heritage Assets Register for Oxford and adopt the proposed criteria and selection process including clarifications recommended by Area Planning Committees;
- (2) Recommend Full Council endorse the proposal for a Heritage Assets Register and adopt the proposed criteria and selection process.

## **17 FUTURE ITEMS**

This item is included on the agenda to give members the opportunity to raise issues on the Executive Work Programme or update the Board about future agenda items.

## **18 MINUTES**

**319-334**

Minutes of the meetings (attached) held on

- 12<sup>th</sup> September 2012;
- 20<sup>th</sup> September 2012;
- 23<sup>rd</sup> November 2012

## **19 MATTERS EXEMPT FROM PUBLICATION**

If the Board wishes to exclude the press and the public from the meeting during consideration of any of the items on the exempt from publication part of the agenda, it will be necessary for the Board to pass a resolution in accordance with the provisions of Paragraph 4(2)(b) of the Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012 on the grounds that their presence could involve the likely disclosure of exempt information as described in specific paragraphs of Schedule 12A of the Local Government Act 1972.

The Board may maintain the exemption 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.

### **PART TWO** **MATTERS EXEMPT FROM PUBLICATION**

## **DECLARING INTERESTS**

### **General duty**

You must declare any disclosable pecuniary interests when the meeting reaches the item on the agenda headed "Declarations of Interest" or as soon as it becomes apparent to you.

### **What is a disclosable pecuniary interest?**

Disclosable pecuniary interests relate to your\* employment; sponsorship (ie payment for expenses incurred by you in carrying out your duties as a councillor or towards your election expenses); contracts; land in the Council's area; licences for land in the Council's area; corporate tenancies; and securities. These declarations must be recorded in each councillor's Register of Interests which is publicly available on the Council's website.

### **Declaring an interest**

Where any matter disclosed in your Register of Interests is being considered at a meeting, you must declare that you have an interest. You should also disclose the nature as well as the existence of the interest.

If you have a disclosable pecuniary interest, after having declared it at the meeting you must not participate in discussion or voting on the item and must withdraw from the meeting whilst the matter is discussed.

### **Members' Code of Conduct and public perception**

Even if you do not have a disclosable pecuniary interest in a matter, the Members' Code of Conduct says that a member "must serve only the public interest and must never improperly confer an advantage or disadvantage on any person including yourself" and that "you must not place yourself in situations where your honesty and integrity may be questioned". What this means is that the matter of interests must be viewed within the context of the Code as a whole and regard should continue to be paid to the perception of the public.

\*Disclosable pecuniary interests that must be declared are not only those of the member her or himself but also those of the member's spouse, civil partner or person they are living with as husband or wife or as if they were civil partners.

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**To: City Executive Board**

**Date: 5 December 2012**

**Report of: Chief Executive**

**Title of Report: Organisational Development Strategy**

**Summary and Recommendations**

**Purpose of report:** To present for approval and adoption a new Organisational Development Strategy

**Key decision?** No

**Executive lead member:** Cllr Bob Price

**Policy Framework:** Efficient & effective Council

**Recommendation(s):**

1) That the Organisational Development Strategy attached at Appendix 1 is approved and formally adopted.

**Introduction – the ‘Council 2012’ change programme**

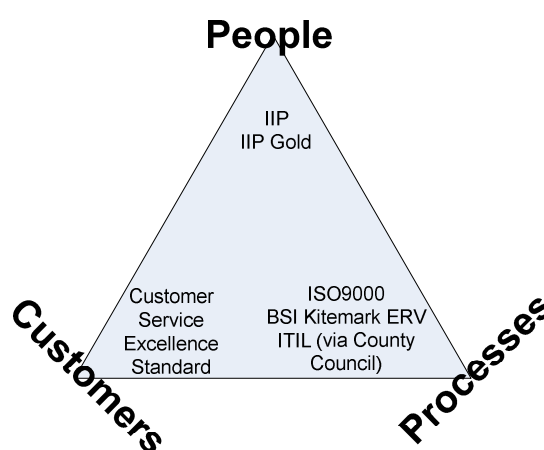
1. The Council has achieved much in the last few years. We have met the efficiency challenge - £4m savings per year delivered. We have met the effectiveness challenge – improved performance across more than 90% of our indicators. We have protected jobs – with no compulsory redundancies, achieved Investor in People status both in terms of accreditation and our approach to people management and introduced the partnership payment recognising the significant contribution of staff towards the Council’s achievements.
2. Our most recent staff survey showed improved satisfaction. Sickness absence is down more than 30% compared with 2008/09. Implementation of Offices for the Future and the refurbishment of St Aldates Chambers has saved £1m in running costs and seen the opening of a new Service Centre for customers. There's a £15m investment on assets such as leisure centres, play areas and community centres and a £2m upgrade in ICT.
3. Organisational Development has been at the heart of these achievements, with initiatives like the drive to improve attendance and our Investors in People programme being key enablers contributing to our wider successes and working towards our vision of building a world class city for everyone.

## From 'Good' to 'Great'

4. We aimed high with 'Council 2012' and delivered - but with an uncertain future in terms of government funding, increasing demands from the public and the additional challenges that changes in legislation are likely to bring for our residents, it is imperative that we build on this firm foundation and ensure all of our assets; including our people; continue to deliver best value, as it is only through them we can move from good, to great. There is a great opportunity for the Council to look more outwardly in providing services, consolidate changes and also invest in things which affect the city more broadly such as the local economy, educational attainment, youth ambition and developing communities.

## The New Organisational Development Strategy

5. The attached Organisational Development Strategy (Appendix 1) has been developed for a purpose – to make the Council fit to deliver objectives in the context of the fiscal challenge, drive out savings, make further investment and to take a leap forward. It sets out our aspirations and high level plan for the Council in moving from 'Good to Great'. The objectives include a need to move away from traditional service design and adopt a more customer orientated approach as well as one which is more commercially based. This is beginning to gather momentum particularly in Direct Services and Leisure & Parks.
6. The Strategy also builds on the Council's Performance Improvement Framework (adopted in December 2011) and the (quote) 'aspiration to provide services that deliver excellent value for money and recognising that to deliver our vision we need to constantly reflect on what and why we do what we do, rethink how we go about it and ensure our staff are clear about expectations and equipped to deliver them'. The Framework introduced the following in terms of focus for performance improvement





7. Central to the Organisational Development Strategy are a set of values adopted by the Corporate Management Team as that which underpin what the Council believes in, developed in consultation with staff. We feel these best reflect us as an organisation and where our focus should be going forward (see appendix 1).
8. From these values flow a series of behaviours which will be encouraged and a coherent theme in all our people management processes. We will use this framework to redesign how we attract, hire, induct, develop, manage, promote and reward staff.
9. As such, the Council will have a strategic and best practice approach in the management of people which will appropriately equip its workforce for the future.

### **What will success look like? What is 'Great'**

10. Great for the City means continuing to invest, improved educational attainment and improved life chances, an improved retail offer, more affordable housing, reduced waste and stronger and healthier communities.
11. Great for Customers means our services ranking in the top quartile of all Councils in terms of performance and cost, services that focus on greatest need and designed around and with input from our customers and that are more easily accessible via a personalised "My Council Account" through the web.
12. Great for employees means reward for effort and effectiveness - rather than just time served, individual learning plans, improved access to health & wellbeing services, and all endorsed through Investor in People 'Gold' accreditation.
13. In summary, perhaps the next two years of the 'Good to Great' journey can be summed up as work for **Greater Outcomes, Leaner Delivery (G.O.L.D.** – reflected in staff appraisals and operational plans). Our staff will be more business like & entrepreneurial, our reputation will grow in the local market place for delivering quality services whilst maintaining our commitment to public service.

### **Governance**

14. Delivery of the project objectives are being overseen by the Organisational Improvement and Efficiency Board

### **Consultation**

15. The strategy is gathering momentum with numerous briefings covering the aspirations and staff are buying into the vision. Trade unions have been consulted on the strategy and will continue to be involved as key partners in the redesign of people management activity.
16. 'Good to Great' is gathering momentum as a strap line and is becoming part of everyday language.

## **Assessment of Risk**

17. A risk management framework is attached at Appendix 2

## **Climate change / environmental impact**

18. It is expected that the 'personal responsibility' and 'innovation' values will have positive impacts on carbon reduction with staff engaging more on initiatives such as these.

## **Equalities impact**

19. Each people management theme review will include an assessment of equalities impact.

## **Financial implications**

20. Developing the programme will require investment in various components, although it is expected that much of the activity will be undertaken in house or where additional resource / service is required, this will be met from the Council's learning & development budget. Any proposals requiring additional investment will be presented in a business case for approval by the Organisational Improvement and Efficiency Board

## **Legal Implications**

21. There are no legal implications

## **Name and contact details of author:**

Simon Howick, Head of HR & Facilities

## **List of background papers:**

None

## **Version number: 1.0**

# ORGANISATIONAL DEVELOPMENT STRATEGY – FROM GOOD TO GREAT

## Introduction

- 1 Organisational Development (OD) addresses the workforce dimensions which can transform organisations and help them deliver citizen-focused value for money services.
- 2 The purpose of an OD strategy is to set out a plan designed to ensure the Council has a flexible, fit for purpose workforce able to deliver its future priorities, challenges and aspirations.
- 3 An effective OD Strategy will help to ensure the Council: has strong leaders who energise and inspire the workforce and drive the Council forward; has employees demonstrating the 'right' skills and behaviours to deliver flexible, innovative services which meet the challenges of the City; makes best use of all of its resources to deliver added value and excellent customer service.
- 4 This strategy has built on the Council's existing People Strategy & Workforce Plan (which it seeks to replace); research from the Local Government Improvement & Development Agency and the themes of the McKinsey 7 S model, thereby ensuring a cohesive approach to the Strategy and ensuring that it reflects the 7 core elements of organisational design: structure, strategy, systems, skills, style, staff and shared values.

## Key Objectives

- 5 The overall aim of the OD Strategy is to help the Council achieve its vision of building a world class city for everyone.
- 6 Our ambition is to take the Council from Good to Great – through GOLD – Greater Outcomes, Leaner Delivery. This will form the overarching principle of everything we do.
- 7 Together we have achieved much in the last few years. However, the context within which the Council and local government generally has operated, is set to change radically: self financing, both of the Housing Revenue Account and arguably the General Fund (with the re-localisation of business rates), the community right to challenge service delivery, as well as increased demand for services as a consequence of the recession and deficit reduction initiatives are; over the next decade; likely to put an increasingly sharp focus on performance, customer satisfaction and ultimately local accountability.
- 8 Traditional service design; albeit incrementally improved, delivered within a cost envelope largely prescribed by central government will no longer be an option. We will have to develop services to deliver new and increased income streams to ease the pressure of finding ongoing savings and that requires a more commercial approach both corporately and from employees. We need to make the best use of the resources we have available, find new ways of engaging with our customers to improve outcomes and drive productivity improvements.
- 9 As a consequence, the skills and competencies we require from our employees, as well as the means by which we continue to drive service improvement and best value needs to change.

Effective people management skills, sound project and programme management methodologies and business improvement tools will continue to have an important role to play. However, if we are to rise to the challenge of delivering our vision; leadership, coaching and team building skills, business acumen including the ability to interpret and respond to customer intelligence and a sound evidence base, plus the ability to 'think outside the box' will be critical.

10 The Council's OD Strategy will underpin delivery of all the Council's priorities, but in particular 'An Efficient & Effective Council' In developing our OD Strategy we have identified 3 overarching objectives:

- To attract, retain and develop a high performing and motivated workforce, where excellence in people management and development helps cement the Council as an employer of choice
- To ensure staff values are aligned closely with corporate objectives and that staff are clear about how they contribute to the delivery of the Council's vision
- To champion innovative thinking and proactively engage staff in service redesign to deliver more cost effective, efficient and customer focused services by rationalising & streamlining existing processes, systems & structures.

### **Council Values**

11 Pivotal to organisational development are four values developed with staff which underpin the approach to people management and delivery of 'Good to Great'. These are

- Take personal responsibility for our actions
- Put communities' and customers' first
- Embrace innovation
- Value diversity

### **What will success look like?**

12 From an organisational perspective, moving from Good to Great will see the Council:

- Nationally recognised for its service delivery in a wide range of areas
- Nationally recognised as a great place to work
- With high customer satisfaction levels
- With high staff satisfaction levels
- As high performing
- Seek and embrace internal and external challenge
- With a highly engaged; flexible workforce - right people, with the right skills deployed in the right jobs – and where future leaders are grown
- As a place where diversity & learning are valued and staff take responsibility for their own development

13 From an operational perspective, Good to Great means:

- Corporate priorities driven by Boards
- More cross service, project and partnership working
- A continued focus on performance and people management skills across all levels of management
- Clear Leadership and more time spent coaching and developing staff as well as delivering

- Less time policing, processing inefficiently, meeting unnecessarily
- A continual focus on business improvement and automation of transactional activity
- Innovation, new ways of working and measured risk-taking encouraged and rewarded
- Recognition of how our services differ; balanced with an embedded one council approach.
- Robust knowledge management and shared learning when things do not go according to plan.

## **Organisational Development Themes**

14 The OD strategy will further develop a 'One Council' approach featuring the importance of excellent customer service, leadership, innovation, managed risk-taking, continuous improvement, a can do high performance culture

15 It will deliver outcomes in the following areas (which link together under a number of work streams shown in the diagram overleaf)

### ***Individual & Organisational Performance***

- refine and publish our Values and develop standards for behaviours that reflect these values and deliver excellence, recognising & rewarding those individuals & teams who regularly exceed expectations
- improve the performance appraisal process to further encourage and reward good performance and challenge poor performance
- develop a reward framework linked to high performance

### ***Leadership & Management***

- develop our talent – from apprentices to leaders of today & tomorrow
- develop our Leaders – to energise, inspire and motivate people including provision of 360 degree feedback to ensure holistic development plans for Leaders and potentially managers
- develop our managers – to apply great people management practice on the ground every day

### ***Organisation Culture:***

- how we recruit and retain the 'right' people who can best deliver the outcomes we seek and demonstrate the behaviours we value
- well being – looking after our people and supporting them in excellent attendance and health

16 Associated projects supporting delivery of the strategy include developing and delivery a comprehensive learning & development programme and a focus on customer service excellence driven by the Customer First Board.

## **Strategy Implementation**

17 The OD Strategy will be driven and delivered by:

- The Organisational Improvement & Efficiency Board (OIEB) which will drive the implementation of the Strategy through an agreed action plan, and utilise the Council's Programme and Project Management Framework to report and track progress.
- The Human Resources Team who will provide professional and strategic resource as well as support service managers in

implementing required activity within their areas, either directly or via commissioned services.

- The action plan and the OD Strategy itself are living documents which will evolve over time, gaining insight from employees and experience.

**Chief Executive**

Peter Sloman

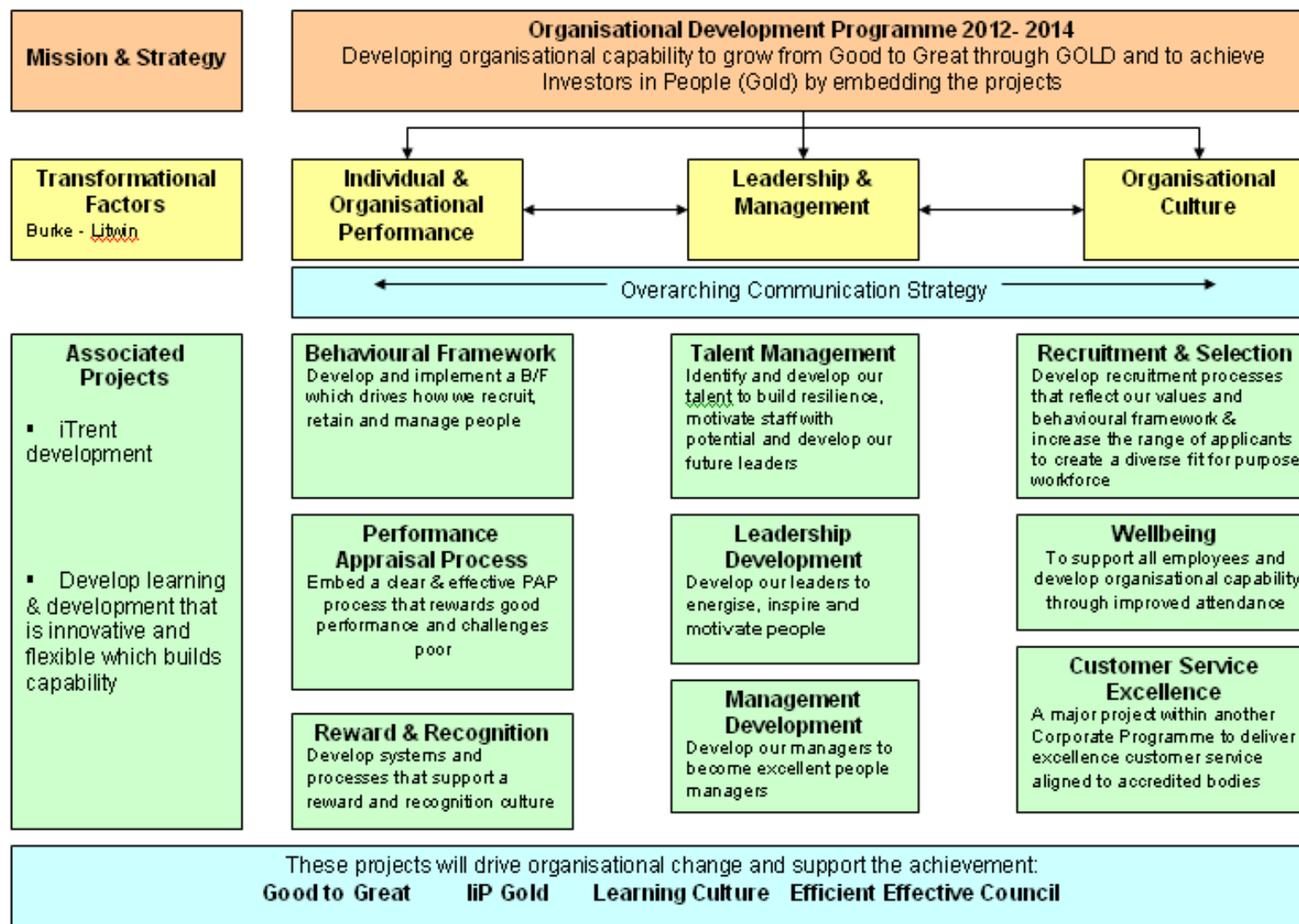
**Director Organisational Development and Corporate Services**

Jackie Yates

**Head of HR & Facilities**

Simon Howick

## OD Strategy Themes



6

## APPENDIX 2 – RISK ASSESSMENT

### Risk Register

RED RISK  
CLOSED RISK

Risk ID	Risk					Corporate Objective	Gross Risk		Residual Risk		Current Risk		Owner	Date Risk Reviewed	Proximity of Risk (Projects/ Contracts Only)	
Category-000-Service Area Code	Risk Title	Opportunity/Threat	Risk Description	Risk Cause	Consequence	Date raised	1 to 5	I	P	I	P	I	P			
SRR-008-PE	OD Strategy	T	Failure to design an effective OD strategy	Strategy not fit for purpose and not addressing the key people management issues	The Council will not achieve the move from good to great	1-Oct-12	5	3	3	2	2	3	2	Simon Howick	01-Oct-12	

### Management of the risk

#### ACTIONS MUST BE 'SMART'

Specific, Measurable, Achievable, Realistic and Time bound

Key

CLOSED ACTION/Risk

Risk ID	Risk Title	Action Owner	Accept, Contingency, Transfer, Reduce or Avoid	Details of Action	Key Milestones	Milestone Delivery Date	%Action Complete	Date Reviewed
SRR-008-PE	OD Strategy	Simon Howick	R	Develop and agree strategy using best practice approach. Engage staff and TU colleagues in development and roll out. Ensure effective communications strategy in place. Ensure values & behaviours flow through all aspects of strategy. Provide training in application of various components	As per project plan going to OEI Board	As per project plan	30%	01-Oct-12



**To: City Executive Board**

**Date: 5<sup>th</sup> December 2012**

**Report of: Head of Business Improvement and Technology**

**Title of Report: Procurement Strategy 2013 - 2016**

## **Summary and Recommendations**

**Purpose of report:** To seek approval from the City Executive Board to adopt the Council's new Procurement Strategy 2013 to 2016.

**Key decision?** No

**Executive lead member:** Councillor Ed Turner

**Policy Framework:** An Efficient and Effective Council

**Recommendation:**

(1) That the City Executive Board approves the new Procurement Strategy 2013-2016 as set out at Appendix1.

**Appendices:**

- (1) Draft Procurement Strategy
- (2) Risk Register

**Background Papers;**

### **1. Purpose**

- 1.1 This strategy replaces the current procurement strategy which was written to cover the period 2010 – 2014.
- 1.2 During this time the profile of procurement within the Council as well as within the sector has been raised and the demands put on the procurement team have significantly increased.
- 1.3 This strategy outlines the future direction of procurement within the Council and creates a sound base for an efficient and compliant

service that meets the Council's GOLD (Greater Outcomes, Leaner Delivery) aspirations.

## 2. **Background**

- 2.1 The Council's second Procurement Strategy was approved by the Executive Board in 2010. It sought to define how procurement would support the council in achieving the ambitious efficiency targets set out in the 2007 Comprehensive Spending Review and the Gershon and Varney reports. It also concentrated on how the Council approached sustainable procurement in light of the Simms and Glover reports.
- 2.2 The proposed new strategy builds on the good work to date and focuses on delivering new efficiencies and benefits to the community and economy, our commitment to carbon reduction and delivering affordable housing. It also builds in new legislative requirements.
- 2.3 The Procurement Strategy inter-relates with the Council's Constitution. Therefore all purchases must be compliant with the contract procedure rules and, where appropriate the EU procurement regulations.

## 3. **Key Changes Reflected in this Strategy**

- 3.1 The revised strategy reflects the Council's objective of continuous improvement. The key changes to the strategy are listed below:

### **Legislative changes**

- The Localism Act and the Community Right to Challenge which enables "relevant bodies" to express an interest in running council services.

The strategy lays out the Council's approach to the Community Right to Challenge, which is to ensure that all contracts which might be suitable for a not for profit organisation to tender for and deliver are reviewed before being advertised. The tender evaluation criteria will also be reviewed to ensure any added benefit that such an organisation can offer are properly reflected.

The Council does not propose to create a specific timetable of suitable tender opportunities for organisations to make expressions of interest against but will consider any application if received.

- The Public Services (Social Value) Act has also come into force this year and this requires the Council to consider the social benefits that a procurement may bring. For example, the requirement in a tender for the supplier to provide jobs for local people.
- There is now a statutory requirement for local authorities to publish all spend over £500. The strategy sets out how the Council complies with

this requirement and makes it's spend and procurement activity transparent to all.

- In preparation for EU procurement legislation due to come into force in 2014 regarding electronic tendering, the Council has fully implemented and rolled out an electronic tendering (e-tendering) system. As well as being a comprehensive platform for running EU tenders on, the system enables officers to run quick and efficient competitive quote exercises.

### **Other Changes**

- The council's Living Wage policy and its expectations on suppliers in relation to this policy is clearly outlined.
- The work that the Council does in order to develop suppliers and achieve the procurement income target has been updated. The proposed training programme for officers regarding contract management and certification in public procurement is also included in this strategy.
- The strategy supports the Council's position on supporting the local economy, in particular, the requirement to create as many local apprenticeships and jobs as possible.
- The Procurement Hub was in its infancy when the current strategy was written. This refresh details the many positive outcomes that the Hub has achieved and sets out the Council's approach to further collaborative procurement going forward.
- The Strategy sets out the Council's approach to outsourcing and market testing.
- The strategy also details how procurement will support, and help achieve, the challenging savings targets that are placed upon the council.

## **4. Future of the Strategy**

- 4.1 Although this strategy is intended to cover the period 2013 – 2016, it will be necessary to review it in terms of performance and to take into account any new situations, for example: an upturn in the economic climate, or new legislation or initiatives that may affect its content. It is proposed that the Procurement Strategy should be reviewed on an annual basis.

## **5. Financial Implications**

- 5.1 There are no financial implications directly related to this report.

6. **Legal Implications**

6.1 It is best practice for Councils to have in place a Procurement Strategy. Higher value procurement activity is governed by the EU Procurement Regulations.

7. **Risk**

7.1 The risks associated with the implementation of this strategy are minimal. A risk register is attached at Appendix 2.

Appendices to report

- (1) Draft Procurement Strategy
- (2) Risk Register

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**Version number: 2**

# **PROCUREMENT STRATEGY 2012 - 2016**

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## **Executive Summary**

This strategy provides the Council with a framework for embedding good procurement practice to deliver savings to the Council and provide benefits to our local economy by increasing spend with local businesses. In addition the strategy set out how our procurement activity will deliver wider social benefits for the residents of Oxford by requiring key contractors to pay the Living Wage and create apprenticeships and jobs.

This strategy reaffirms the Council's commitment to delivering these wider benefits through working with our suppliers and explains how it supports the delivery of the Council's corporate priorities.

The commitment to delivering financial savings continues and these will be delivered through the activity of the Procurement Team working closely with services and gaining value from the leverage of working with the other councils in Oxfordshire via the Procurement Hub which continues to deliver financial savings to all the member councils.

### **Supporting the Council's Ambition – “Good to Great”**

The Council's ambition is to become a great council, externally recognised for delivering excellent services using a lean and agile approach. This strategy outlines the future direction of procurement across the Council to support our “Good to Great” aspiration to achieve greater outcomes through leaner delivery.

The Strategy fully integrates with, and supports, the delivery of the Council's Corporate Plan 2012 – 2016 and the corporate priority of “an efficient and effective Council”.

Specifically the Procurement Team, through its work developing and training local suppliers and third sector bodies, is able to develop skills in local organisations to bid for and win Council work.

## Introduction

This strategy replaces the Procurement Strategy which ran from 2010 to 2014. The main reason for its revision is to keep pace with the changing economic climate and recent changes in central government legislation. This revised strategy also reflects the Council's objective of continually improving procurement.

Almost 50% of the Council's annual spend is now spent through an agreed contract which has been put in place with clear terms and contract and expenditure deliverables. Around 42% of these contracts have been awarded to local companies.

It is essential that the Council continues to focus on delivering further savings and efficiencies by managing these contracts, and putting in place better spending arrangements for expenditure categories not yet being managed effectively.

Equally important is the need to commission and deliver quality and value-for-money public services, through the development of a mixed supply arrangement, utilising the not-for-profit as well as the private sector, according to who is best placed to provide these services for local people. The Council is committed to leading by example - using its spending power and influence to encourage other organisations to deliver wider outcomes and benefits across the city.

There are many challenges facing local government, arising from the changing needs of our citizens and communities as well as the central government's agenda. Some of the key challenges and opportunities in relation to procurement include:

- Continuing to drive efficient and effective service delivery against a backdrop of reducing budgets by working with our supply chains to increase the value of the Council's spend.
- New legislation, most notably the Public Services (Social value) Act and the Localism Act, enabling local groups to bid to take over services in their areas.
- Localisation and an increased demand by citizens for greater choice in determining local services in their community.
- Radical changes for partner organisations that will have an impact on local government e.g. reforms in the health service.

Continuing to do things the same way as they always have been done is not an option. The Council will need to continue to transform, to become a leaner and more agile organisation. The Council will have to work differently, to deliver better and more focused services for less and will need to work closely with partners across the city to find solutions to complex problems.



Procurement is not a standalone activity; it encompasses a range of core business activities and processes. While it is widely accepted that procurement decisions contribute directly to delivering the total cost of our services, quality of outcomes and the use of the Council's internal resources, they also contribute indirectly in other areas including:

- The environment, through encouraging the reduction of carbon emissions and pollution generated by the Council's suppliers.
- The reduction in spend, freeing up funds which can then be used to help the Council fulfil its other policy priorities.
- The wellbeing of local businesses which in turn determines the prosperity of the local economy. A successful award of contract, particularly to a local supplier, supports the Oxford economy and helps to keep local jobs and creating new training opportunities and apprenticeships.
- Great procurement can create jobs at all levels. Every tender that exceeds the EU threshold, where appropriate, will ask the tenderer if, as a result of being awarded the contract, they would create new apprenticeships. The tender document, for all opportunities over £100,000 will explore the tenderers' appetite for developing employees. This is achieved by asking them about their training policies and demographics of their work force.

## **Operating Environment**

### **Public Procurement Policy and Legislation**

Public procurement operates in a highly regulated environment that is governed by legislation and policies set by the European Union (EU), nationally through statute and case law and locally by the Council's Constitution.

### **Role of the European Union**

The EU Consolidated Public Procurement Directive was adopted into UK law on 31 January 2006. The Directive gives detailed instructions on how public procurement over a certain threshold should be carried out.

The detail behind the legislation and regulations is complex, and since their inception has been supplemented by a raft of case law.

In December 2009, the Remedies Directive provided additional regulations which provide suppliers with additional powers to arrange for a contract award to be set aside under certain conditions.

This means that public procurement is carried out in a dynamic environment that requires public sector procurement practitioners to keep abreast of new case law and ensure that all procurement is carried out in accordance with the regulations.

Further reform to the EU procurement legislation is expected during 2014. The Council is ready to embrace this reform which is expected to centre on procurement tendering processes.

Failure to adhere to the provision of the EU Directive can result in the Council becoming subject to Court action or enforcement action by the European Union.

### **Central Government Legislation**

During March 2012 the government introduced the Public Services (Social Value) Act. The Act amended Section 4 of the Local Government Act 2000 and local authorities are now required to include proposals for promoting engagement with social enterprise in their area. The Council has always given a high weighting to corporate and social responsibility provisions within its tender documentation, and therefore the introduction of the new legislation has required very few changes to our current procurement process. The Council is insisting, on larger contracts, that the Procurement Strategy takes into account the provision of local jobs and apprenticeships.

On June 27<sup>th</sup> 2012 the Community Right to Challenge came into effect. This enables “relevant bodies”, for example voluntary and community groups, Parish Councils etc. to challenge to take over local services that they think they can run differently or better.

Additional information on this is available on page 17.

### **Oxford City Council Procurement**

The Council's procurement activity is governed by the Council's Constitution. The relevant sections are both the Contract Procedure and Financial Rules. <http://mycouncil.oxford.gov.uk/ecSDDisplay.aspx?NAME=SD263&ID=263&RPID=536702&sch=doc&cat=13045&path=13045>.

The key procurement principles that the Council adheres to which are also included in national frameworks and examples of good practice are set out below:

- The Council will provide potential suppliers with clear specifications of our requirements at the earliest possible stage and ensure these are understood. Wherever required European or equivalent standards (e.g. British Standards Institute) will be included.
- Our purchasing procedures will encourage competitive pricing and solutions to be proffered by suppliers, having due regard for the urgency

of the requirement and its value. In cases of urgency or where there is a unique requirement we may not require multiple quotes.

- For high value purchases (over the EU procurement thresholds) we will always publish our tender evaluation criteria to make clear to prospective suppliers the basis on which we intend to award a contract. We will follow and keep abreast of legislative changes and case law and provide continuous learning opportunities for procurement staff and other officers involved in the procurement of goods services and works.
- Where the Council is undertaking market testing of an in house service, we will ensure that all potential tenderers are made aware of the objectives of the market testing and the Council's core requirements in relation to TUPE, two tier workforce, Living Wage, pensions, commitment to the creation and development of apprenticeships, carbon reduction targets and customer service focus. The in-house team will be fully involved in the market testing and form part of the tender evaluation panel. Final tenders will be evaluated against an in-house comparator and will consider all issues which could distort any evaluation to ensure that a 'level playing field' is created between the tenderers and in-house team.
- The Council will offer a full debrief (in writing or face to face) to all parties following a tendering process setting out why they were or were not successful. Feedback will always be meaningful, open and constructive to enable unsuccessful bidders to develop their knowledge and skills in bidding for future supply opportunities.
- Contracts will only be placed on the Council's standard terms and conditions or appropriate industry standards (e.g. JCT/INEC<sub>3</sub> for works contracts), except with the authority of the Council's Monitoring Officer.
- The Council will only contract with suppliers who are committed to continuous improvement and all contracts (other than for one-off supply) will include agreed KPI (key performance indicators) improvement programmes, which will be subject to regular review. The contract will be proactively managed and supported by the Procurement Team who will support the contract beyond the date of award. This continuing assistance is always available to contract managers either through the Procurement Team or by adhering to the Contract Manager's Handbook.
- The Council will promote prompt payment discounts in order to achieve our aim of supporting the economy whilst achieving savings. The Procurement Team have taken a proactive approach and whilst supporting suppliers with cash flow have successfully negotiated 1% - 5% in discounts. This continues to deliver increased savings and benefits to many suppliers and will be incorporated into future tenders.
- The procurement process eliminates the potential for fraud or favouritism towards any supplier. The officers involved in recommending contract

awards will be appropriately qualified and supervised to ensure the highest ethical standards. All contract awards over £10k have a clear sign off arrangement which always include a member of the Procurement Team.

- Every published procurement opportunity draws the suppliers' attention to the Council's "Avoiding Fraud, Bribery & Corruption" Policy.
- The Shared Procurement Hub managed by the Council's Procurement Team will continue to work collaboratively with other local procurement groups and public sector organisations in order to be able to deliver best value to our residents. The Council is also part of a wider group of councils who manage county-wide procurement hubs and uses this collaboration to share best practice and consider the best collaborative approach to different spend categories.
- During the life of this strategy the Council will positively consider opportunities to expand the benefits of the Procurement Hub to other Councils beyond Oxfordshire.

## **Collaborative Procurement**

The Council has led on the Oxfordshire Procurement Hub Project since it was first set up in 2008. 2011/12 saw savings achieved in excess of £220,000 across the 6 councils.

The Hub has, to date, justified its role in terms of the commercial savings that have been delivered. Oxfordshire County Council have not been able to contribute financially in 2012/2013, however they have pledged to give support in kind by providing procurement officer time. It is anticipated that the Hub will continue to function providing that partners continue to have the appetite to work together.

The main areas the Hub will focus on over the next 4 years include:

- Fencing tender
- CCTV tender
- Home improvement agency tender
- Renegotiation of existing long term contracts as appropriate
- Providing assistance to Direct Services to find opportunities to promote commercial offerings
- Regular review of commodity contracts to stay on top of the markets

The Council is currently seeking opportunities to widen the scope of the Hub and deliver its services to Councils in neighbouring counties.

## **Efficient, Effective Council**

### **Minimising Costs and Maximising Value**

Through the use of a competitive process the Council is able to understand what the market (suppliers) can offer in delivering any solution. The Procurement Team work with services to seek opportunities to minimise costs and maximise value at all stages in the commercial cycle thus enabling the delivery of savings. This is an essential part of a robust commercial approach and assists the Council in delivering a balanced budget.

The Council is able to achieve greater savings by operating corporately and where beneficial to the Council, collaboratively with other partners to leverage increased savings.

As a part of its tender process the Council always evaluates its major tenders using the Most Economically Advantageous Tender evaluation approach. This requires the Council to evaluate the tender both on price and quality. The Council's standard evaluation criterion is 60% quality and 40% price, however, due to budget pressures there are some categories that can benefit from a higher weighting on price, for example stationery purchasing.

### **Contract Management**

Contract management is the management of contracts made with customers, suppliers, partners, or employees.

The Council is taking a new more proactive approach to contract management which is under-pinned by a new Contract Management Handbook. A key part of this approach will be the provision of specific training for officers with contract management responsibilities, clarity about roles and responsibilities and the creation of a contract managers' forum to share issues and learning.

A copy of the Contract Management Handbook and User Guide can be found on the Council's intranet.

Benefits of Great Contract Management include:

- Improved supplier delivery through regular communication and clarity of requirements. Reduction in requirement to implement contract penalties from non-compliance as early intervention with the supplier.
- Reduction in risk of non-delivery of contract requirements.
- Effective management and up to date management information to better understand the market.
- Improved supplier relationships leading to increased innovation being brought to the table and discussed.

## **Contract Specification**

In order to achieve maximum benefits from contracts with third parties, the Council will focus on improving the specification of contracts and contract terms. Early supplier involvement through the issue of Prior Indication Notices will be used to help shape and understand better what the market can provide. Where required, specialist advice will be sought in the drafting of major contracts to support and guide our own officers. Whenever possible the Council will encourage contractual arrangements which provide the flexibility to respond to changing needs over the term of the contract. Lessons learned from the preparation of contracts will be captured and shared internally and across the Oxfordshire councils.

The Procurement team work closely with other procurement colleagues to ensure that all learning and any innovative new arrangement is shared.

Where a shared contract is put in place the Council will ensure that it is fully involved in the management and development of the supplier.

The Oxfordshire councils share a large number of supply and service arrangements which have been set up using a single contract specification. The councils are close to developing standardised tender documentation and aligning (where possible and suitable) a range of procurement documentation and information to simplify our processes for potential suppliers. This will be in place by the end of 2012.

## **E-Procurement**

Another way of achieving efficiency is to embrace new technologies that can make the procurement process slicker and more user-friendly. E-Procurement is integral to the overall development of procurement processes and involves the use of electronic system(s) to acquire and pay for supplies, services and works.

By embracing e-procurement the Council aims to:

- Reduce transaction costs;
- Make processes more efficient;
- Improve management information and visibility of spend;
- Increasing control and consistency of processes;
- Improve spend compliance;
- Meet the requirements of the updated EU Regulations expected in 2014.

To date the Council has implemented a full e-tendering system and is working towards implementing a fully integrated Procure to Pay system by December 2012.

## **Risk**

Risk in procurement is the potential exposure to financial, legal and

reputational damage through either an unplanned event or an unwanted outcome. There are three key activities that form the basis of risk management:

1. Risk Analysis is the process of examining everything that can go wrong with an activity, and then estimating the probability of that happening. The Council carries out a thorough investigation of all risks prior to any procurement activity, which ensures that the appropriate sourcing strategy will be chosen.
2. Risk Assessment is the process of assessing the likely impact of a risk on the Council. Each risk is assessed and given a probability score of that risk occurring, for example low, medium or high. The Council will then take the decision on how to control or eliminate that risk.
3. Risk Mitigation is the process of allocating an owner who will be responsible for planning and managing mitigating measures which are undertaken.

As part of any large procurement (i.e. over the EU threshold) the project team will use PRINCE2 project management methodology to ensure the project delivers the project objectives and outcomes. A project risk register and issues register will be set up and regularly monitored.

The procurement Team is responsible for identifying any corporate risk from procurement and contract management activity and this will be added to either the Corporate or Service Risk Register. These registers are monitored by the relevant Service Head and/or Director.

### **Business Continuity**

Business continuity is the process of preparing for and responding to a disaster, event or situation that could have a serious impact on the delivery of the Council's services. All contracts for key service provision have approved business continuity plans in place which may be invoked in the event of service disruption.

The Procurement team holds a list of all key suppliers and these suppliers are required to provide their updated business continuity plans annually. The plans are held on the Council's intranet.

These plans are reviewed as part of the regular contract management reviews and are included in the annual review of key supply arrangements by the Head of Technology and Business Improvement and Corporate Secretariat Manager.

Any key supply arrangement that does not have a satisfactory plan for dealing with business continuity will be identified and added to either the Service or Corporate Risk Register and a plan for mitigating the risk put in place.

## **Vibrant, Sustainable Economy**

Supporting the development of the economy through practical activities is a key task for the Procurement Team. The team support local businesses and third sector bodies and are committed to investing time in fostering effective supplier relationships and encouraging local businesses to supply to the Council.

### **Managing & Developing Suppliers**

Supplier diversity is essential to achieve a competitive and diverse economy.

The Council needs to continuously interact with the market and its suppliers in particular to understand their views and what enables and encourages diverse parts of the market to bid for work with the Council. At the same time the Council needs to ensure that relationships with suppliers are mutually productive and that goals are understood and shared.

The Procurement Team and key contract managers aim to develop an ongoing relationship between the Council and its suppliers to create mutually advantageous, flexible and long term relations based on continuous improvement of quality of performance and financial savings.

The Procurement Team will analyse and research supply markets for different services, and will maintain regular dialogue with potential providers, including organisations from the community and voluntary sector.

This activity will be used to develop market intelligence as to what suppliers are now able to deliver and aid the design of any new procurement.

### **Supply Chain Development**

The supply chain is the integration and co-ordination of all companies, stakeholders, departments, communities involved in the delivery of goods, works and services.

The Procurement Team will encourage the supply chain to conform to the Council's policies, ethos and goals along the complete chain of supply. This subject is covered in depth at the supplier training sessions so that businesses can understand the Council's ethics and expectations.

### **Equalities and Supplier Diversity**

As a Council we recognise and value difference and respect our staff and service users as individuals.

To ensure that the Council procures goods, works and services in a way which promotes equality and diversity, we strive to:



- have a fair, transparent and accessible procurement process
- make sure that where contractors deliver services on our behalf, they do so in a way which meets the needs of all our residents and/or employees
- encourage Black and Minority Ethnic, Small Medium Enterprises and voluntary groups to apply for suitable contracts and create evaluation criteria that do not disadvantage these groups.

By being proactive in these three areas, the Council will achieve its vision of building and safeguarding a fair, open and compassionate community. We will also be meeting our statutory duties to eliminate unlawful discrimination and promote disability, race and gender equality.

The Council will ensure a fair and accessible procurement process by continuing to:

- simplify the guidance available to potential suppliers about how we procure goods, works and services
- make information about the Council's procurement opportunities more accessible including, for example, holding regular 'Meet the Buyer' events and frequently updated information on the website
- engage with suppliers and offer training to them

When we use contractors to deliver services on our behalf, we will make sure that they do so in a way which meets the needs of all our residents and/or employees by:

- seeking information from tenderers about their equality and diversity policies and practices and using this to help short-list suitable candidates
- requiring officers to consider any equality and diversity issues when they are procuring goods, works or services
- including equality and diversity clauses as a standard feature in contracts to ensure contractors meet relevant statutory duties
- consulting our major contractors on any statutory equality and diversity policies/schemes we develop. This will be facilitated through the monthly procurement newsletters

### **Development of Skills and Supplier Training**

The Procurement Team have delivered a successful programme of training for suppliers and have an income target of £2,000 in 2012/13 to deliver. The

Team are therefore marketing their services to a wider external audience, with a focus on delivering sessions on-site at supplier premises.

The Team will continue to look at further training delivery opportunities, including training on behalf of other Councils.

As the procurement profile has been raised internally, there is an increased need to develop an in-house training programme. This will be developed in conjunction with the contract management training being delivered in the third quarter of 2012/13.

During 2013, the Council will host a training cohort for the Chartered Institute of Purchasing and Supply award in Public Sector Procurement. This will be certified. The course requires officers to undertake 18 modules of specialist training over a year. At the end of the course provided the officers pass, these officers will be given authority to manage tendering activity within their own service.

## **Strong, Active Communities**

### **Oxford Living Wage, Pay and Performance Policies**

The Council's policy is to ensure that a Living Wage is paid to any employee who is employed by an organisation providing a contract on behalf of the Council. This is already in place in contracts for many key contracts, including the provision of our Leisure Services, Materials Recycling, Supply of Building Materials, Pay by Phone, Construction Consultancy, Benefits Resilience, Cash Collection, Occupational Health, Play area Refurbishment, Street Scene & Reconnection Services, Treasury Management, Legal Services and Out of Hours call handling.

For suppliers who have contracts preceding the Living Wage policy, the procurement team will work with those suppliers to assist them in achieving this requirement.

The Council has identified that working with suppliers who share like minded ethical arrangements is important to the success of the relationship. The Council is also keen to support organisations that have in place transparent and fair pay and performance policies for all staff including senior management.

It is imperative, when conducting procurement projects, that the Council takes into account the diversity of the population it serves. If a project impacts on, or is for the benefit of, the wider population, a period of consultation is built into the timetable.

## Cleaner, Greener Oxford

### Corporate Social Responsibility and Sustainability

“Sustainable procurement is a process whereby organisations meet their needs for goods, services, works and utilities in a way that achieves value for money on a whole-life basis in terms of generating benefits not only to the organisation, but also to society and the economy, while minimising damage to the environment.”

Key factors informing the sustainability agenda in respect of procurement include:

- Savings can be realised through the design of new property and refurbishment of existing property with lower through-life operating costs, better management of demand (including re-use, recycling and standardisation) and the acquisition of products that are more efficient in their use of energy, water and other resources.
- The environmental imperative to reduce CO2 emissions and the amount of waste going to landfill.
- Socio-economic benefits include the creation of employment and training opportunities for the long-term unemployed and people with disabilities, and the elimination of child labour within supply chains.
- Through better coordination and challenge of demand and consumption locally, regionally and across the wider public sector, and improved engagement with suppliers, procurement activity can be harnessed to stimulate product and process innovations that deliver improved environmental performance and further savings. This includes the engagement of SMEs, BMEs and voluntary sector organisations.

Summarised below are examples of procurement practices implemented by the Council to promote the sustainability agenda.

- If a product contains wood, the Council insists on Forest Stewardship Council certified wood. When procuring a supplier to run the Town Hall café, the Council insisted that Fair Trade tea and coffee is included on the suppliers' menus. For any new build or refurbishment project the Council will specify an appropriate Building Research Establishment Environmental Assessment Method (BREEAM) to ensure that its buildings are designed to the most appropriate sustainable standard.
- When purchasing fleet, the Council adheres to The Cleaner Road Transport Vehicles Regulations 2011. This legislation takes into account the operational lifetime energy and environmental impacts that a vehicle has. Examples of this include energy consumption and the amount of emissions a vehicle produces.

Equally important is the necessity to consider whole-life costing with every procurement decision that the Council makes. This is achieved during the options appraisal stage. The following list is not exhaustive but provides examples of areas to take into account:

- indirect costs
- direct running costs
- administrative costs
- spending in order to save
- recyclability and disposal costs.

Where relevant and suitable, the Council secures commitment from bidders to offer training, apprenticeships etc. in the event that they are awarded the contract. This approach has proved successful with construction-type contracts. The procurement Team will seek to widen these opportunities.

The Council will facilitate supplier performance reviews which address sustainability improvement as an element of more general continuous improvement, and targets suppliers as appropriate on established/recognised local government high-yield priority spend areas:

- Construction and FM (building and refit, highways and local roads, operations and maintenance)
- Waste management
- Energy
- Transport (business travel, motor vehicles)
- Food

All new contracts for service delivery to housing tenants now include a stage in the tender process for representatives of those who will receive the service to provide feedback on the short-listed bidders and their solutions offered.

## **Performance of Oxford City Council Services**

There are occasions when the Council has the capability to carry out functions in house that could be delivered by another supplier, so sometimes there is no need to run a competitive procurement exercise.

In order to check that these services offer value for money the Council will commission fundamental service reviews. The Oxford Improvement Model provides the performance framework within which services can identify future service improvements. The procurement team will also work with service

areas to conduct market testing exercises to determine the most effective procurement route.

## **Community Right to Challenge (The Localism Act)**

It is necessary for this strategy to highlight a particular element of the Act concerning the Community Right to Challenge.

The Community Right to Challenge enables community groups or members of staff to express an interest in providing local authority services. It came into force on 27<sup>th</sup> June 2012. The regulations require local authorities to consider any expressions of interest to run services made by 'relevant bodies': these are defined as voluntary and community bodies, parish councils and two or more local authority staff. If the expression is accepted the authority is obliged to run a procurement exercise for the service in question.

Under the regulations relevant bodies can submit an expression of interest in partnership with other relevant and/or non-relevant bodies. This creates the possibility of private sector and communities bidding in partnership.

In order to meet this new requirement the Council will review all contracts prior to advertisement to determine whether they might be suitable for delivery by a 'relevant body' either individually or in partnership. As part of this exercise the tender evaluation criteria will be amended as appropriate to take account of any added benefit that such an organisation(s) could offer.

The Council does not propose to create a specific timetable of suitable tender opportunities for organisations to make expressions of interest but will consider applications as received.

## **Procurement Team Work Plan**

It is expected that the upskilling of officers within the service areas will enable the procurement team to concentrate on a real change in commercial focus. The Council needs to achieve an additional 2% savings target. This 2% is likely to be leveraged from the larger supplier spend categories where there are commonly contracts in place. A programme for re-negotiating existing larger contracts will be identified and efforts will be concentrated on finding savings from larger subjective spend categories rather than focussing on lower value spend. During 2013 a full procure to pay module will be implemented. This will mean that the procurement team will have greater visibility of the corporate spend and be more easily able to target these subjective spend categories. Suppliers will also benefit by the slicker payment capabilities that the system will enable.

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## Appendix 2 - Procurement Strategy Risk Register

Risk ID	Date raised	Project	Risk Category	Description of Risk	Current Gross Risk Rating			Mitigating Actions	Action Due Dates	Action Owner
					P	L	Score			
PS01	26/10/2012	Procurement Strategy		City Executive Board do not adopt the strategy.	2	1	2	Set up a working group to agree revised content prior to resubmission.	6/12/2012	Nicky Atkin
PS02	26/10/2012	Procurement Strategy		The strategy is agreed but is then overtaken by new legislation or other changes.	2	2	2	The strategy is updated and will be brought back to City Executive Board.	Variable	Nicky Atkin
PS03	26/10/2012	Procurement Strategy		The strategy is adopted but not communicated and therefore not adhered to.	1	1	1	The strategy will be communicated at CMT, MPG and will be summarised in Council Matters. The Council will also be facilitating training for Officers through the Chartered Institute of Purchasing and Supply Public Procurement Module.	6/12/2012	Nicky Atkin
PS04	26/10/2012	Procurement Strategy		The organisation is unable to deliver the benefits detailed in the strategy	2	1	2	The Head of Service will review resources and prioritisation of benefits.	Quarterly	Jane Lubbock

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**To: CEB**

**Date: 5 December 2012**

**Report of: Head of Housing**

**Title of Report: Approval of a Tenancy Strategy and Policy**

## **Summary and Recommendations**

**Purpose of report:** To seek approval of the Tenancy Strategy and Policy for Oxford following consultation with partners, stakeholders, tenants and the public

**Key decision?** Yes

**Executive lead member:** Cllr Scott Seamons

**Policy Framework:** Housing Strategy

**Recommendation(s)** CEB is asked to recommend the Tenancy Strategy for Oxford City and Tenancy Policy for Council homes outlined in this report to Council for formal adoption.

## **1. Background**

- I. Oxford City Council has a duty to adopt a Tenancy Strategy by January 2013 as the strategic housing authority for the area. Registered Providers should have regard to Oxford City Council's Tenancy Strategy when they determine their own policies within the City. The Council must also adopt a Tenancy Policy for its own housing. The report to CEB on 12 September 2012 provides more detail in relation to this

## **2. Detail**

- I. Consultation has taken place with partners, stakeholders, council tenants and the public, including Registered Providers on the consultation draft strategy approved by CEB on 12 September 2012.
- II. There were 2 strands to this consultation –public consultation and Registered Providers.

The public consultation was undertaken via the Council's public consultation forum e consult and circa 200 direct invitations were sent to registered users. The consultation has been publicised in the Housing Needs Newsletter provided for those households on the Housing Register (circulation 6,000); and a paper version of the survey was included in the council tenants newsletter Tenants in Touch (circulation 8,000). There were over 100 responses to the public consultation. The Tenancy Strategy and Policy was also discussed at the Improvement Monitoring Panel of council tenants and leaseholders in September 2012.

- III. Consultation was also undertaken with Registered Providers with housing in Oxford who were asked additional questions about their policies and proposals as well as questioning their level of support for Oxford City Councils proposed policy. The matter was also discussed at the ORAH (Oxford Register of Affordable Housing) meeting in October. However, only a limited response was received from Registered Providers.
- IV. Consultation outcomes are included in Appendix A
- V. The Housing Scrutiny Panel considered the draft Strategy in October 2012 and supported the Executive's position
- VI. Further discussions and monitoring of Tenancy Policies and their implementation will continue via proposed consultation on revised Housing Allocations Scheme and ORAH meetings. Further information and communication in relation to the impacts of the Tenancy Policy for prospective and current tenants will be included in communications such as tenants newsletters and on the council's website.
- VII. Having considered the consultation responses, the final proposed Tenancy Strategy and Policy has been slightly amended to improve clarity but proposals remain as per the consultation draft approved by CEB in September. The proposed final Strategy and Policy is included at Appendix B
- VIII. **Level of risk** - an initial risk register is appended to this report
- IX. **Climate change / environmental impact** – none
- X. **Equalities impact** – a equality impact assessment is appended to this report
- XI. **Financial implications** – none directly as a consequence of this report
- XII. **Legal Implications.** – there is a duty on all housing authorities to adopt a Tenancy Strategy by virtue of the Localism Act 2012

Appendices to report

- A. *Summary of consultation responses*
- B. *Proposed Oxford Tenancy Strategy and Policy*
- C. *Risk register*
- D. *EIA*

**Name and contact details of author:-**

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**List of background papers: none**

**Version number: 1**

**CEB 5 December 2012 Appendix A**  
**Tenancy Strategy and Policy Consultation Autumn 2012**

There were 2 strands to this consultation – Public and Registered Providers with housing in the City

**Public consultation**

107 responses were received

**Clarity of document.** The majority of respondents (82%) said that the strategy was completely clear or, mostly clear.

**Tenancies for life** The majority of respondents (78%) supported the principle of tenancies for life.

**Flexible Fixed Term Tenancies** A smaller proportion supported the introduction of Flexible Tenancies (40%) . Of those who supported FT a number made additional comments about the circumstances in which they should be used or the perceived benefits. Some of these related to cases where tenants circumstances change, making best use of property. However, some related to issues such as anti social behaviour, rent arrears, drug and alcohol misuse, drug dealing and damage or mis-use of property. Housing management issues such as this are tackled by the use of Introductory Tenancies and ongoing housing management. Those who were against FT (38%) also provided comments in a higher number of responses. A significant proportion of respondents (22%) were unsure about Flexible (fixed term) Tenancies. This indicates the need for further explanation of Flexible Tenancies, the effects on existing tenants and clarification around misunderstanding of the use of fixed terms as an additional management tool.

**Affordable Rents – existing social housing.** A significant majority (89%) were against the introduction of Affordable Rents when re letting existing homes.

**Affordable Rents – new homes** A smaller majority (60%) were against affordable rents for new build homes. Of those who responded yes to AF on new build (15%) there seemed to be some understanding about the link to development grant.

**Respondents** 88% of respondents were council or housing association tenants, 3% were private sector tenants and 6% were homeowners.

**Current social housing rent levels** Most respondents (71%) felt that current social housing rents were about right.

**Comments** There was an option to comment on the issues raised and examples of responses follows

- *I think it will tie up more housing long term*
- *I work with people with mental health problems. Proper social housing would help us in our work of helping people re-build their lives which they can't do whilst homeless or insecurely housed*
- *Making the rents higher would make Oxford an even harder place for most people to live. It's a horrible idea to do in a recession when many people are unemployed and incomes are stagnant.*

- *Not sure they will have much effect on us as we're not expecting to be able to move into social housing unless there's a drastic increase in availability*
- *Hard to say, but we need to revisit the allocation of social housing, demand higher standards of responsible tenancy, and be less tolerant on things such as rent arrears and, of course pressure government to increase social housing building.*
- *I was born in Oxford and so were all my children. I can barely afford my rent and will most likely have to leave the city in the near future, disrupting my children's homes and school life and making travel to work difficult, just so I can find an affordable property.*
- *The private rental sector already dominates, which means high rental costs, lack of security and lack of freedom to make a home your own. Oxford will become a city of exclusion, where only the wealthy can afford to stay.*
- *Part buy part rent is a trap for some families due to prices increasing. Rents are far too high and HB is propping up over priced housing. Houses should be about homes- not profit. Affordable housing does not exist now unless you are wealthy*
- *If I wanted to down size the rent for a 1 bed flat may be more than my 2bed if it had been built using HCA funds. I would be unable to move as I couldn't afford more rent and don't want to claim HB.*
- *Will not affect me I live alone and have no wish to move. The rent is just about affordable and I feel tenants get an excellent deal from the city council.*
- *I just think that if people can afford to get a mortgage they would and we're in a council house because we can't afford a mortgage and we just would hate to have to move as we have lived in the area for the past 33years him and 23 years me. Plus its convenient for work and school.*
- *Not enough help or support in helping to move out of existing property. Inc. rent up to 80% of private market rents would put more families into poverty and make it harder if not impossible for hard working families on low income to make work pay. Also there would be higher levels of rent arrears, more evictions and re housing, which long term would be much more costly to the council*
- *It will make me more insecure. Whilst I am grateful to have a home the effect of design on my health as been substantially negative leading to loss of work, expensive health issues and lowered quality of life. We become the result of the design of our direct environment.*
- *I'm concerned about rent increases in the event of an exchange of tenancy. Thanks for continuing with introductory and secure tenancies.*

## **.Conclusion**

It would appear that the majority of those responding to the consultation are supportive of the Oxford City Council Tenancy Strategy and Policy. These results may be influenced by the status of the majority of respondents (88%) being social housing tenants.

In some cases, there appears to be a misunderstanding of the implications of the new types of tenancies and this will be clarified in future communications with the public

### **Registered Providers**

A separate survey was sent to Registered Housing Providers with housing in Oxford. The response rate has been very low, only 4 associations completed and returned the survey. Invitations were sent directly to Registered Providers with reminders sent at 14 and 7 days. A number of phone calls have also been made to encourage further response. The matter was published through and discussed at the ORAH meeting in October 2012

There are not enough responses to complete a meaningful analysis however the summary of results follows here:

#### **Is our Tenancy Strategy and Policy clear and easy to understand?**

Respondents felt the documents were clear -completely clear 50% (2)  
mostly clear 50% (2)

#### **Do you support the principle of 'tenancies for life' provided by housing association assured tenancies and council secure tenancies?**

Mixed results: (Yes 50% (2), No 25% (1), I'm not sure 25% (1))

#### **Do you think there should be any exceptions where new council and housing association tenancies are offered as Flexible (fixed term) Tenancies?**

Mixed results (Yes 50% (2), No 50% (2))

#### **Do you think that tenants moving into new build council or housing association homes should be charged rents of up to 80% of the average private sector rent?**

Yes 100% (4)

#### **Do you think that tenants moving into existing council and housing association homes should be charged rents of up to 80% of those charged in the private sector?**

Mixed (Yes 50% (2) No 50% (2))

#### **Do you support Oxford City Council's approach to its Tenancy Strategy and Policy?**

Mixed (Yes 50% (2) No 25% (1), Don't Know 25% (1))

#### **How will your organisations policy have regard to the Oxford City Council Strategy?**

- *500 characters is not sufficient to answer this as we work with approx 80 Local Authorities and therefore it is impossible to align our policies with each LA. We have written our policy based on research into our stock and Tenancy Standards. We are happy to meet with OCC to discuss the finer points. (A2D)*
- *This is a requirement of the Localism Act. (Bromford)*
- *We have no plans to offer flexible tenure or let property on an Affordable Rent (Hastoe)*
- *We will work within this strategy (SOHA)*

**What is/ will be your organisations policy in the City in relation to Flexible Tenancies?**

- *as per previous question (A2D).*
- *Refer to earlier responses. (Bromford)*
- *Our current position is to continue to offer lifetime tenancies. (Hastoe)*
- *We have no current plans to introduce fixed term tenancies (SOHA)*

**What is /will be your organisations policy on conversions to Affordable Rents in the City?**

- *as per previous questions. (A2D)*
- *Refer to earlier responses. (Bromford)*
- *We have no plans to let property on an Affordable Rent (Hastoe)*
- *We would wish to provide new homes at Affordable rent levels where this is appropriate (SOHA)*

**How many conversions to Affordable Rent does your organisation plan to undertake in the City in the next 3 Years?**

- *unknown at present (A2D)*
- *NONE (Hastoe)*
- *NONE (Bromford)*
- *We have no current plans to convert any existing tenancies to affordable rent levels when they become vacant. (SOHA)*

**Will you agree to enter into a protocol on respective roles at the end of a Flexible Tenancy to prevent Homelessness?**

Mixed (Yes 75% (3), Don't Know 25% (1))

- *Our policy is being written with regard to ensuring that our procedures do not encourage homelessness (A2D)*
- *But dependant on content and negotiation. (Bromford)*
- *If we move towards flexible tenancies (Hastoe)*

**Conclusion**

The small number of responses has not allowed a meaningful conclusion. However 3 of the 4 Registered Providers who responded are broadly supportive of lifetime tenancies although all supported the use of Affordable Rents (in contrast to public responses).

It is clear that there needs to be further discussion with Registered Housing Providers with stock in the city. The responses received are from 4 providers.



## **City Executive Board 5 December 2012 - Tenancy Strategy and Policy Appendix B**

### **Oxford City Council Tenancy Strategy and Policy Statement**

#### **Introduction**

This document sets out Oxford City Council's Tenancy Strategy as strategic housing authority in the area and should be taken into account when Registered Providers (Housing Associations) adopt or review their own policies. It also incorporates the Tenancy Policy for Oxford City Council as a landlord (Council housing).. It has been developed following consultation with Registered Providers, council tenants and the general public in Autumn 2012.

#### **Background**

Social landlords normally provide tenancies for life as long as the tenant pays the rent and meets tenancy obligations. Some landlords, including Oxford City Council, offer an Introductory Tenancy prior to a tenant being offered a tenancy for life (secure tenancies for council tenants and assured tenancies for other social housing tenants), i.e they have to have conducted their tenancy in a satisfactory manner in the first year.

Social landlords are now able to offer Flexible (fixed term) Tenancies if they choose to do so.

The principle behind the introduction of Flexible (fixed term) Tenancies is that Secure or Assured Tenancies do not take into account a households changing circumstances e.g. if income rises and tenants could afford housing on the open market or household composition changes.

Flexible (fixed term) Tenancies will normally be for a minimum term of 5 years (although 2 years can be offered in exceptional circumstances) and offer broadly the same tenancy conditions as those for secure tenants except for the fixed term.

The rights of existing social tenants are protected except where they choose to move to a home let under a Flexible (fixed term) Tenancy.

The Homes and Communities Agency (HCA) Affordable Homes Programme 2011-15 introduced Affordable Rents – tenancies let with rents of up to 80% of local market rents. It is a requirement that any additional homes part funded by HCA under the programme will be let at Affordable Rents and that Registered Providers may also elect to re-let a proportion of existing homes using the Affordable Rent regime when a property becomes empty.

#### **Oxford City context**

There is a shortage of affordable housing in Oxford.

House prices and private rents in Oxford are amongst the highest in the country – well above national averages. Oxford has been identified as the most unaffordable location outside some areas of London for private renting (Shelter 2011). Demand for rented accommodation is high. There are c6,000 people on the Housing Register and this is growing. Homelessness is a continuing pressure.

Oxford City Council wants to ensure social housing – existing or new – meets the needs of local people. Preventing homelessness is a high priority for the Council. Moreover, it wants to promote homes – not just housing – where people can build lives, gain access to education, training, work and secure better health and well-being. And by providing settled homes, we can also help to build successful, stable neighbourhoods and communities.

There are good reasons to seek to use social housing in the most effective way ensuring it is available to those that need it. These include:

- A severe shortage of affordable accommodation which cannot be met in the private sector as demand and rents are too high – even with availability of housing benefit
- Concern to ensure that social housing is available for those who need it.
- 6,000 households on the Housing Register, the overwhelming majority of whom may never be offered a council or housing association tenancy.
- An expectation to see social housing occupied by tenants with a need for the accommodation that they occupy.
- Need for move on accommodation for vulnerable people who are building settled lives moving from hostels or other unsuitable accommodation. Lack of move on housing can block the freeing up of much needed specialist accommodation for those that need it

However, the introduction of Flexible (fixed term) Tenancies could lead to

**Impacts on households:**

- A negative impact on well being including vulnerable tenants due to feelings of insecurity
- Creation of a potential poverty trap – discourage earning more or children leaving home due to tenancy loss
- Homelessness as private sector rents are high and inaccessible

**Impacts on communities**

- Residualisation of council housing – especially with Oxford prices. Housing only the poor and vulnerable will considerably weaken communities

- Loss of community as a consequence of the short term nature of tenancies – people are less likely to see themselves as stakeholders in community and will not invest time in improving neighbourhoods

#### **Landlord and management issues**

- Considerable cost of tenancy reviews, potential appeals, advice to those losing tenancies and other administration costs
- Disincentive to improving homes
- Perverse incentive to Right To Buy which may not be sustainable in long term
- Complicating the housing offer and opening doors to concessions

Oxford City Council has considered all the above and the opportunity of re-allocating much needed homes if they were to be freed up a consequence of fixed term tenancies in bringing forward it's Tenancy Strategy and Policy

### **Oxford City Council – Tenancy Strategy**

Oxford City Council's preferred social housing tenancy is a Lifetime Tenancy (secure or assured tenancy). It considers that all social housing tenants should be offered Lifetime Tenancies..

The Council acknowledges the use of Introductory Tenancies in addition to Lifetime Tenancies and that some specialist supported housing may be let on different tenancy terms.

Flexible (fixed term) Tenancies are normally specifically prohibited for any homes provided via s106 agreements – including on reletting of the property – as there is a need to provide long term security of tenure.

Oxford City Council does not support Registered Providers (RP) offering new housing or converting existing tenancies (churn) to Flexible (fixed term) tenancies. It commends that Registered Providers continue to offer Lifetime Tenancies (secure and assured) within Oxford City.

If a Registered Provider (RP) decides to offer Flexible Tenancies, the Council would expect clear information to be provided to prospective tenants before the start of a tenancy (ie at bidding stage) and to adopt an agreed protocol on respective roles at the end of a fixed term. Registered Provider policies should conform to the Regulator's requirements on tenancy standards and usually be for a minimum of 5 years. There should be a presumption that Flexible (fixed term) Tenancies will be renewed if the circumstances of the household are broadly similar to those when the original letting was made.

#### **Affordable Rent:**

Oxford City Council's preferred rent option is a Social Rent model.

The Council does not support Affordable Rents (up to a maximum of 80% of market rents) within the social rented sector for either new or existing housing.

This is because:

- Social housing is for people in housing need and charging higher rents will exacerbate problems with affordability and limit choice for those on lower incomes
- Affordable Rent homes will be outside the reach and unsustainable for many homeless households and those on the Housing Register, with or without Housing Benefit, due to high and escalating private rents in the City
- Affordable rents at the maximum of 80% would be above 30% of household net income and more than 50% of any Universal Benefit
- They do not offer long term security of tenure.
- Affordable rents can increase dependency on Housing Benefit and hence costs to the public purse

However, the Council acknowledges exceptional circumstances:

- Affordable Rents may be applied to new homes funded by HCA where Affordable Rent is a condition of grant. Hence not to offer properties with Affordable Rents would limit funding and new affordable homes in the area. In this case, the rent should be capped and not exceed Local Housing Allowance Rates and not normally rise above 30% of household income
- Affordable Rents could be offered in cases of additionality, for example to provide homes in addition to and not instead of secure tenancies as part of the 20% intermediate percentage contained within planning policy

### **Homes provided via s106 agreements and the Council's Affordable Housing Planning Policy**

The Council's Affordable Housing Planning Policy has been set out in the Core Strategy adopted in March 2011 and the subject of refinement through the production of the Sites and Housing Development Plan Document which has undergone a number of detailed consultations between 2010 and 2012. The Council requires relevant new housing developments to include 50% of homes to be social affordable housing with an 80/20% split for social rented/intermediate mix

Where properties have been provided or agreed via s106 agreements, the terms of those agreements will continue to apply and will normally prohibit the use or conversion to Affordable Rents or Flexible (fixed term) Tenancies.

For new s106 agreements, the planning policy framework is governed by PPS3 definitions and Oxford City Council's Affordable Housing Planning

Policy. The latter is being reviewed to account for Affordable Rents and Flexible (fixed term) Tenancies (consultation and policy adoption in 2012).

As the strategic housing authority and a good landlord, Oxford City Council will continue to bring forward new intermediate housing options and ensure these options are promoted to those on the Housing Register and secure or assured tenants. This will enable households with financial ability to have wider choices than secure tenancies – thus making best use of social housing which is in short supply. Mobility schemes will also be made available and publicised.

### **Policy Statement - Homes provided by Oxford City Council**

Oxford City Council provides 7,546 affordable homes in the City plus 206 outside the City. Housing Associations provide a further 5,117 homes (this includes bedspaces).

In its Landlord Role, the Council supports and will take full regard of the overarching Tenancy Strategy for Oxford.

### **Tenancy Policy**

Oxford City Council will continue to offer Introductory and Secure Tenancies as its default tenancy type for both new build and relets

### **Affordable Rents**

The Council will not offer tenancies on an Affordable Rent basis unless it is a condition of grant for new homes with part funding from HCA.

The rationale behind this is that failure to offer properties with Affordable Rents would limit new funding and new affordable homes in the area. In this case, the rent should be capped and not exceed Local Housing Allowance Rates and not normally rise above 30% of household income

### **Monitoring and review**

The impact of the Tenancy Policies of Oxford City Council and partner Registered Providers will be monitored via the Oxford Register of Affordable Housing Partnership and Annual Reviews with individual Registered Providers.

## More information

More information in relation to the local housing market, needs and rents can be found within the Housing Strategy 2012-15 and Housing Evidence Base which is available on the Oxford City Council website [www.oxford.gov.uk](http://www.oxford.gov.uk).

<p><b>Rents</b> Private sector rents in Oxford are considerably higher than social housing rents.</p> <p><b>Weekly rents in Oxford</b></p> <table border="1"> <thead> <tr> <th>Property type</th> <th>Average Council rent, 2012</th> <th>Average Housing Association rent, 2011</th> <th>Average private rent</th> <th>LHA rate for Oxfordshire, Mar 2012</th> </tr> </thead> <tbody> <tr> <td>Room</td> <td>N/A</td> <td>N/A</td> <td>£92.08</td> <td>£80.77</td> </tr> <tr> <td>1 bed</td> <td>£81.36</td> <td>£86.40</td> <td>£182.54</td> <td>£150.00</td> </tr> <tr> <td>2 bed</td> <td>£90.13</td> <td>£98.45</td> <td>£227.54</td> <td>£183.46</td> </tr> <tr> <td>3 bed</td> <td>£99.63</td> <td>£107.18</td> <td>£275.54</td> <td>£219.23</td> </tr> <tr> <td>4 bed</td> <td>£105.18</td> <td>£116.16</td> <td>£392.77</td> <td>£294.23</td> </tr> </tbody> </table> <p>Oxford has been identified as the most unaffordable location outside of London for private renting where median rents for two bedroom homes account for 55% of local median full-time earnings.</p> <p>The Local Housing Allowance does not cover lower quartile private rents in Oxford. The lower quartile rent for a 2-bed property is £850 per month and the LHA rate is £795.</p>	Property type	Average Council rent, 2012	Average Housing Association rent, 2011	Average private rent	LHA rate for Oxfordshire, Mar 2012	Room	N/A	N/A	£92.08	£80.77	1 bed	£81.36	£86.40	£182.54	£150.00	2 bed	£90.13	£98.45	£227.54	£183.46	3 bed	£99.63	£107.18	£275.54	£219.23	4 bed	£105.18	£116.16	£392.77	£294.23	<p>Source</p> <p>RSR returns</p> <p>Valuation Office Agency, Summary of monthly rents recorded over the 12 months to the end of December 2011</p> <p>LHA rates March 2012</p> <p>Shelter Private Rent Watch, Analysis of local rent levels and affordability, 2011</p>
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## CEB 5 December 2012 – Tenancy Strategy and Policy

### Equality Impact Assessment

1. Which group (s) of people has been identified as being disadvantaged by your proposals? What are the equality impacts?

There are no groups who will be disadvantaged due to adoption of policies to offer secure tenancies in council properties and to promote lifetime tenancies in social rented sector generally. The use of Affordable Rent Tenancies could negatively impact on people with low and middle incomes as rent levels would be higher than those offered under current rent policies. However, the use of Affordable Rent Tenancies is capped at the lower of Local Housing Allowance or 30% of average wages to avoid a negative impact on potential tenants, unless qualified by HCA grant conditions.

2. In brief, what changes are you planning to make to your current or proposed new or changed policy, strategy, procedure, project or service to minimise or eliminate the adverse equality impacts?

Please provide further details of the proposed actions, timetable for making the changes and the person(s) responsible for making the changes on the resultant action plan

The use of Flexible Tenancies for any client group has been subject to consultation. The majority of respondents support the decision to continue existing policy on secure tenancies. The Tenancy Strategy recommends that Affordable Rent will be used only where there is a contractual obligation to do so (HCA funding).

3. Please provide details of whom you will consult on the proposed changes and if you do not plan to consult, please provide the rationale behind that decision.

Please note that you are required to involve disabled people in decisions that impact on them

The Council has consulted with partners, stakeholders and the public including:

- Registered Providers
- Council tenants
- General public via e consult

4. Can the adverse impacts you identified during the initial screening be justified without making any adjustments to the existing or new policy, strategy, procedure, project or service?

Please set out the basis on which you justify making no adjustments

No adverse impacts noted

5. You are legally required to monitor and review the proposed changes after implementation to check they work as planned and to screen for unexpected equality impacts.

Please provide details of how you will monitor/evaluate or review your proposals and when the review will take place

Monitor and review will be undertaken as part of Annual Reviews with Registered Providers including the Council as landlord. Ongoing monitoring including lettings and trends will be monitored at ORAH meetings with Registered Providers
--

Lead officer responsible for signing off the EqIA: Sheila Farley  
Role: Housing Strategy & Enabling Manager  
Date: November 2012



### Tenancy Strategy and Policy (CEB Report 5 December 2012: Risk Register

No.	Risk Description Link to Corporate Obj	Gross Risk		Cause of Risk	Mitigation	Net Risk		Further Management of Risk: Transfer/Accept/Reduce/Avoid	Monitoring Effectiveness	Current Risk					
Risk Score <b>Impact Score:</b> 1 =Insignificant; 2 = Minor; 3 = Moderate; 4 = Major; 5 = Catastrophic Almost Certain						<b>Probability Score:</b> 1 = Rare; 2 = Unlikely; 3 = Possible; 4 = Likely; 5 =									
		I	P		Mitigating Control: Level of Effectiveness: (HML)	I	P	Action: Action Owner:  Mitigating Control: Control Owner:	Outcome required: Milestone Date:	Q 1 ⊗ ☹ ☺	Q 2 ⊗ ☹ ☺	Q 3 ⊗ ☹ ☺	Q 4 ⊗ ☹ ☺	I	P
1.	Failure to meet statutory deadline for adoption of Strategy and Policy`	2	2	Inability to meet statutory deadline	Ensure final approval by CEB and Council in December 2012	2	2	Ensure deadlines met  Executive Director	Report to CEB/Council in December 2012						
.3.	Negative public and stakeholder understanding / perceptions of tenancy strategy objectives.	3	3	Failure to communicate objectives and impacts of Tenancy Strategy in Oxford.	Establish clear communication strategy when it is adopted.	2	3	Publicise on website, in tenant's newsletters and other publications. Direct notification to Registered Providers in the City . Housing Strategy & Enabling Manager	Publicity and communications in place by March 2013.						

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**To:** City Executive Board

**Date:** 5th December 2012

**Report of:** Head of Housing

**Title of Report:** April to September 2012/13 – Review of progress against Housing Strategy Action Plan priorities

## Summary and Recommendations

**Purpose of report:** To provide the City Executive Board with an update of the Council's progress against the Housing Strategy Action Plan priorities for the period April – September 2012

**Key decision?** No

**Executive lead member:** Cllr Scott Seamons

**Policy Framework:** Housing Strategy 2012-15

**Recommendation(s):** The City Executive Board is asked

To note and make comment on the progress made from April to September 2012/13 against the tasks identified in the Housing Strategy.

## 1. Introduction

- 1.1 When the Council adopted the Housing Strategy for 2012-2015 it also requested six month reviews on progress. Appendix A to this report sets out performance against the Housing Strategy Action Plan priority tasks for 2012/13 as at the end of quarter 2.
- 1.2 The targets are distributed between the five Housing Strategy priorities as set out in the table at 2.1 below.

## 2. Progress to date

- 2.1 As at the end of September 2012 the overall summary position against each of the corporate priorities is as follows:

Priority	Red	Amber	Green
Provide More Affordable Housing			✓

Prevent Homelessness		✓	
Address Housing Needs of Vulnerable People		✓	
Improve Housing Conditions			✓
Improve Quality, cost effectiveness and efficiency		✓	

There has been a great deal of progress against a wide ranging and challenging plan. Appendix A to the report provides members with detailed progress with highlights as follows.

### **Provide More Affordable Housing**

The Affordable Housing Programme for 2012/13 is currently on schedule to be achieved and policy work to support the provision of new affordable housing is progressing.

### **Prevent Homelessness**

Government guidance in relation to allocation policies, discharge of duty into the private rented sector, use of accommodation out of area and new national homelessness strategy were issued later than predicted and so several items have had to be re-scheduled to accommodate the release of such information. Nonetheless, a draft Homelessness Strategy has been produced and a report will be presented to CEB in February to recommend the final Homelessness Strategy and Action Plan. A revised housing allocations scheme is under development.

There has been disappointing progress in the development of a scheme to provide more temporary accommodation but alternatives are being examined with the view to a further report to CEB early in 2013.

### **Address Housing Needs of Vulnerable People**

There have been significant changes to the organisation of the Supporting Programme within the County Council. There are several services to be re-commissioned in the next year. Officers continue to work in partnership, to re-commission services, and try to maintain adequate service provision for vulnerable persons in Oxford and across Oxfordshire. The role of the new Health and Well Being Board is also being kept under review, to ensure local housing and support issues are highlighted and addressed in this new forum.

### **Improve Housing Conditions**

There has been good progress in developing the council's role, both as a landlord in terms of maintaining decent homes standard within its own stock and as the strategic housing authority with regard to action to address poor standards in the private rented sector including good progress in meeting challenging targets with respect to HMO licensing.

### **Improve quality, cost effectiveness and efficiency**

A fundamental review of arrangements for tenant engagement has been undertaken by the Tenant Participation and Advisory service (TPAS) with a revised strategy to be considered by the City Executive Board in November.

A fundamental service review is underway for repairs and planned maintenance. Rents performance has been adversely impacted by the economic circumstances and the direct payments pilot work and is a high priority area for improvement in the second half of the year.

### **Implement self financing for the HRA.**

Following adoption of the HRA Business Plan in February good progress has been made with a six month review of the assumptions to ensure that it will support the Council's ambitions with regard to building new affordable homes, investment in the existing stock and the delivery of first class landlord services.

### **3. Level of risk**

A risk register is attached as appendix 2. It should be noted that risks associated with specific projects and work programmes identified in the action plan are identified and addressed in the relevant project documentation for those projects / programmes.

### **4. Environmental Impact**

The Housing Strategy 2012 to 2015 does not have any explicit environmental impacts in itself. Specific projects identified in the Housing Strategy Action Plan will have environmental impacts, specifically the provision of additional housing to meet housing needs. These environmental impacts associated with specific projects and work programmes identified in the action plan are identified and addressed in the relevant project documentation for those projects / programmes.

### **5. Equality Impact Assessment**

The original EIA is attached as appendix 3 and is still current. The Housing Strategy and Action Plan are very specifically targeted at meeting the housing needs of the most vulnerable people in Oxford and as such no adverse impacts on any equalities group are expected as a result of this strategy.

### **6. Financial implications**

Each element within the Action Plan references the financial implications (General Fund and Housing Revenue Account). There are a number of strategic objective actions that have significant financial implications for the council. These projects are:

- a) Delivery of new housing and land at Barton.
- b) Delivery of affordable housing on council owned land with or without HCA grant.
- c) Implementing Self-Financing of the Housing Revenue Account and supporting improvements within the Councils housing stock

No new financial implications are brought forward by this report. Detail on financial impacts for these actions and projects are identified in the relevant council reports for these projects and are acknowledged in the Housing Strategy Action Plan. Delivering 2012/13 Housing Strategy targets will be dependant on approval of the Budget at Council in February 2013. Financial implications will continue to be kept under review and reported in subsequent reports to CEB.

## **7. Legal Implications**

The Local Government Act 2003 requires local housing authorities to have in place a Housing Strategy for the district.

Meeting the Council's statutory housing obligations is reflected in the objectives of the housing strategy: statutory homelessness duty; provision of housing advice and landlord responsibilities.

<p><b>Name and contact details of author:-</b></p>
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<p>Name: Sheila Farley</p>
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<p>Job title: Housing Strategy and Enabling Manager</p>
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<p>Service Area/Department: Housing Services</p>
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<p>Tel: 01865 252449</p>
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<p>Version 2</p>
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### Appendices

A – 6 month review of 2012-13 Housing Strategy Action Plan Targets

B – Risk assessment

C – Equality Impact Assessment

## Housing Strategy 2012-15 Action Plan – 6-month review of 2012/13 targets

**Strategic Objective 1: Provide More Affordable Housing in the City to Meet Housing Needs**

Key Action	Outcomes	2012/13 Milestones	Achieved to date/On-going	Planned	RAG status	Revised forecast date
Preparation for delivery of the new housing development at Barton	Delivery programme and agreements in place to develop c.800 new homes, including 320 new affordable	Area Action Plan adopted Dec 2012.  Outline planning permission by early 2013.	EiP finished and awaiting timetable for inspector's report. Project team working on masterplan etc responding to suggested changes.	Masterplan fix mid October. Planning application likely to be delayed to January.		
Provide affordable housing through partnership with Housing Associations	94 affordable homes by March 2013	New homes at Shotover View (55) , Lake St (8) , Lamarsh Road (4), Manor Ground(27).	12 units completed (Lake st – 8, Lamarsh Rd – 4)	82 units on site and due to be completed by year end (Shotover View – 55, Manor Ground – 27)		
Develop physical regeneration projects at Blackbird Leys to deliver new housing and jobs	New physical regeneration projects developed at Blackbird Leys	Consultation and involvement with Neighbourhood Management Groups and Area Forums to shape Regeneration Strategy by Autumn 2012.  Develop Leys Area Action Plan by December 2012.  Review results of maisonettes options appraisals by December	Scoping workshop and first of two Enquiry by Design workshops completed on conjunction with Princes Foundation.  Draft proposal for central area and Minchery Farm under preparation along with proposals for infill housing. Exact numbers to be	Second Enquiry by Design workshop to be hosted in December 2012. This will focus on maisonettes as well as developing options for further infill housing.		

Key Action	Outcomes	2012/13 Milestones	Achieved to date/On-going	Planned	RAG status	Revised forecast date
		2012. Undertake feasibility analysis and develop schemes by April 2013.	confirmed. MInchery Farm plans will contain over 30 affordable housing units with 30% open space.			
Review new delivery models to bring forward new affordable housing to meet needs	New Council Building House programme evaluated and produced  Bring empty property back into use as affordable housing	Review the role of Oxford City Council in developing new homes by reviewing funding opportunities and flexibilities allowed under new HRA funding regime by September 2012. Develop a building programme and development process by April 2013.  Evaluate potential for schemes to bring empty property back into use as affordable housing.	Framework Delivery Agreement completed with HCA to deliver 112 units by 31 <sup>st</sup> March 2015. Project managers appointed. Funding approved in HRA Business Plan. HCA grant of £2.42M secured for AHP Project. Phase 1 Bradlands now fully decanted and planning permission granted. 20 potential sites identified and being appraised for phase 2.  3 empty properties brought forward to Homechoice scheme and used for the prevention of homelessness April-September 2012.	Bradlands Demolition February 2013.  Final site selection April 2013		
Ensure robust	New Sites Plan	Submission following	Sites and Housing Plan	A number of 'Main		



Key Action	Outcomes	2012/13 Milestones	Achieved to date/On-going	Planned	RAG status	Revised forecast date
planning policy exists to drive new social housing including via s106 agreements and deliver sustainable homes	Document Local Investment Plan New Affordable Housing SPD adopted Policies adopted requiring financial contribution to affordable housing	consultation by May 2012 for examination Sept/Oct 2012. Adopt and implement the Sites and Housing Development Plan Document building on SHLAA by Feb 2013. Refresh Local Investment Plan for adoption in June 2012. Review consultation by Dec 12, adopt April 2013. Adopt policies requiring a financial contribution to support affordable housing (4-9 dwellings, student accommodation) by Dec 12, adopt April 2013.	examination hearings took place between 10 <sup>th</sup> and 28 <sup>th</sup> September.	Modifications to the Plan are being published for consultation in Oct/Nov 2012, with the Inspector's Report expected Jan/Feb 2013.  The policies requiring a financial contribution to support affordable housing from 4-9 dwellings and from student accommodation were challenged by some objectors at the Sites and Housing examination, but we are confident that the Inspector will support these policies (with some amendments to specific wording).  The Oxfordshire Wide Local Investment Plan is being reviewed. The new LIP is expected to be finalised in December 2012.		
Ensure understanding of	Up to date housing needs	Analyse and provide data from Oxford Housing	Evaluation of housing register data included	Further review of data to be completed		

Key Action	Outcomes	2012/13 Milestones	Achieved to date/On-going	Planned	RAG status	Revised forecast date
current and future housing needs is kept up to date and is fit for purpose	and market information	<p>Register to inform needs data including demand and availability of specialist accommodation and to ensure new housing meets the aspirations of home seekers by Sept 2012.</p> <p>Review current housing market data by Sept 2012.</p> <p>Review census data as it becomes available.</p> <p>Explore opportunities for commissioning research, including joint commissioning to improve and update by April 2013.</p>	within Homelessness Evidence Base produced in September 2012 and available on council website.	<p>October 2012. Census data release being monitored and further data due November 2012. Opportunities to jointly commission housing needs and market assessment data with Oxfordshire Councils to be developed in Winter 2012/13. Joint assessment has been discussed at the Countywide Spatial Planning and Infrastructure Partnership, and initial preparatory work is being taken forward by West Oxfordshire.</p>		
Develop a Tenancy Strategy to set out the Council's Policy incorporating tenure and rent policy for affordable housing in the City	Tenancy Strategy adopted	<p>Consultation Draft Tenancy Strategy approved – July 12.</p> <p>Consultation - Summer 12.</p> <p>Tenancy Strategy adopted by end 2012.</p>	<p>Draft Tenancy Strategy and Policy adopted by CEB for approval in September 2012.</p> <p>Consultation under way until 31 October 2012.</p>	On target to be adopted at CEB and Council in December 2012.		

## Strategic Objective 2: Prevent Homelessness

Key Action	Outcomes	2012-13 Milestones	Achieved to date/On-going	Planned	RAG status	Revised forecast date
Reduce the number of households in temporary accommodation	Households in temporary accommodation reduced to 120 – 2012/13	Prepare planning and implementation of new forms of temporary accommodation by June 2012.	Good progress was being made against TA target - households in TA declined to 115 as at August 12 but increased to 123 as at end of September 2012. Project to deliver a new model of second stage temporary accommodation (TA) is reviewing alternative options as the successful tenderer is no longer able to deliver the T2P product offered due to changes in the money markets.	Aiming to have a report for CEB in Feb 2013.		
Develop services to tackle rough sleeping	No Second Night Out for rough sleepers	Implement new working arrangements for street services for more presence out hours – linked to supported provision.	Broadway took over the contract for the Street Services Team in April 2012. As part of the new contract Broadway have implemented the new working arrangements, which include the increased out of hours presence and implementing an 'Assertive Outreach	Will be kept under review.		

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Key Action	Outcomes	2012-13 Milestones	Achieved to date/On-going	Planned	RAG status	Revised forecast date
			Model'. We have designed, implemented and launched the No Second Night Out (NSNO) project, which incorporates an assessment centre.			
Ensure effective debt and welfare advice services are available to the public	Effective debt, welfare advice, services are provided and taken up	Review need and provision of debt and welfare advice/training by April 2013.  Develop action plan to address any gaps, unmet needs and maximise take up by Sept 2012.	Advice centres continue to be grant funded – including some additional provision (e.g. for debt work).	To be confirmed Corporate review of Council approach to rising debt; welfare reform mitigation; and Financial Inclusion strategy/ action plan needed.		
Develop the role of private rented sector housing in meeting housing needs including homeless households or those threatened with homelessness	Annual meeting of landlord forum  Undertake landlord/lettings agencies consultations  Undertake consultations with current and prospective private tenants  Homelessness	Undertake a landlord/lettings agencies survey consultation to understand expectations of private landlords by Sept 2012.  Develop information and incentives to encourage private landlords to offer accommodation to homeless households or those threatened with homelessness by April 2013.	Landlord and lettings agency survey has been scoped and is to be undertaken in Q3 2012/13. Re-scheduled to accommodate delayed Government consultation on discharge of duty and availability of resources to undertake survey. Questions to be designed to raise	Consultation to take place in Q3 2012/13. Following private landlords survey outcomes, private sector tenants surveys to be undertaken Q4 2012/13.		Dec 2012

Key Action	Outcomes	2012-13 Milestones	Achieved to date/On-going	Planned	RAG status	Revised forecast date
	Policy reviewed	<p>Undertake consultation with prospective and current private sector tenants to undertake their expectations and barriers to investment and attaining a settled home in the private rented sector by Dec 2012.</p> <p>Consider introducing a private tenants forum by April 2013.</p> <p>Review homeless policy in relation to re-housing in private sector and discharge of duty following legislative change and new guidance by September 2012.</p>	awareness of Home Choice scheme and to consult with landlords about incentives they would find attractive to join the scheme.			Mar 2013
				Discharge of duty policy has not been issued by central government as at 30 September 2012 so target to adopt policy by September 2012 has not been possible. This is currently planned for February 2013 but is subject to policy guidance becoming available from central government.		Feb 2013 (subject to government guidance)
Review of allocations policy	New Allocations Policy approved and implemented	<p>Review to commence April 2012.</p> <p>Consultations planned to be completed by Sept</p>	A draft of the proposed new Allocations Scheme for Consultation is currently being written.	The Allocations Review was delayed awaiting the release of the new Allocations code of Guidance (issued at the		Jun 2013

Key Action	Outcomes	2012-13 Milestones	Achieved to date/On-going	Planned	RAG status	Revised forecast date
		<p>2012 (subject to Government Guidance issued).</p> <p>Completed by December 2012.</p>		<p>end of June 2012). A draft of the new Allocations Scheme will be submitted to CEB. The draft will be consulted on for 6 weeks. The full new Allocations Scheme will be submitted to CEB and Council for approval in Apr 2013. It is proposed that the implementation date of the new Allocations Scheme is 30/6/13.</p>		
Research, consult and adopt a new Homelessness Strategy and Action Plan	New Homelessness Strategy, targets and Action Plan	<p>Review progress since last Strategy – May 2012.</p> <p>Produce evidence base and issue by July 2012.</p> <p>Consultation – July - Sept 2012.</p> <p>Adopt Dec 2012.</p> <p>Publish – by 31.3.13</p>	<p>A Homelessness Review of progress, needs and gaps analysis was completed in May 2012. Evidence Base produced July 2012. Preparation of draft Homelessness Strategy delayed till September due to timing of relevant Government guidance/consultation. Consultation under way as at 30 Sept 12</p>	<p>Final Homelessness Strategy to be considered at February CEB. On target for 1 April 2013 start.</p>		Feb 2013

### Strategic Objective 3: Address the Housing Needs of Vulnerable People and Communities

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Key Action	Outcomes	2012-13 Milestones	Achieved to date/On-going	Planned	RAG status	Revised forecast date
Ensure commissioning of services for vulnerable people is co-ordinated across agencies and partnerships to ensure the preservation and most effective use of resources and meets identified need	<p>Supporting People Finance Strategy is delivered</p> <p>Re-commissioning of SP funded services is undertaken</p> <p>Options analysis of potential reductions of grant is undertaken</p>	<p>Review and implement Supporting People Financial Strategy by March 2013.</p> <p>Review and re-commissioning of main SP funded services in City 2012-14.</p> <p>Identify and evaluate options reflecting possibility of reductions.</p>	The Supporting People Partnership has been subject to change following a decision by Oxfordshire County Council to re-structure services during q 1 and 2 2012/13. The Commissioning Body no longer exists and the Core Strategy Group will cease to exist.	Officers will continue to participate in discussions and through a new Supporting People Officers Group to be set up in Q3. This will replace some of the functions of previous Supporting People partnership functions.		
Develop housing strategies for specific vulnerable groups	Strategies developed, adopted and are implemented	Young People by April 2013.	Developing evidence base and review of issues as at 30 September 2012.	It is proposed that younger people form an element of the refreshed Housing Strategy by Sep 2013.		Sep 2013
Produce housing guides for older and young people	<p>Older Persons Housing Guide published</p> <p>Young persons housing guide published</p>	Review existing guides with service users and partners by Dec 2012.		Changes being made due to re-commissioning of SP contracts are leading to changes in some areas, which may delay production of paper		

Key Action	Outcomes	2012-13 Milestones	Achieved to date/On-going	Planned	RAG status	Revised forecast date
				guides. This will continue to be reviewed and form part of the Housing Communications Plan.		
Re-model hostel to incorporate assessment centre, new referral and move on pathways	New pathways for rough sleepers implemented	Work with Supporting People Team to review existing provision with providers with the aim of remodelling services within diminished budgets whilst retaining sufficient bedspaces to meet needs and meaningful activity for clients throughout 2012-14.	No Second Night Out (NSNO) approach designed, implemented and launched (end of July 2012), with a new Assessment Centre in O'Hanlon House.  The Rough Sleeping and Single Homelessness team are continuing to work with the Supporting People Team to ensure adequate provision of services, despite significant budget savings required from the SP budgets.			
Ensure housing options are available for people moving through and from supported housing	Supported housing is available for people who need it and clients are enabled to attain independent living	Review Move on Plan Protocol, identify barriers and actions to deal annually.	On-going – Will need to be reshaped to take account of NSNO initiative and SP budget cuts – or service reconfiguration/ re-tendering.			



<b>Key Action</b>	<b>Outcomes</b>	<b>2012-13 Milestones</b>	<b>Achieved to date/On-going</b>	<b>Planned</b>	<b>RAG status</b>	<b>Revised forecast date</b>
Ensure hospital discharge is facilitated to reduce 'bed blocking'	Effective hospital discharge mechanisms in place	Review existing hospital discharge protocols, systems and promote awareness – including early warning.	Liaison has taken place between Environmental Development and social workers and Occupational Therapists in hospitals to arrange for DFG works and small repairs to be carried out urgently to allow patient release to home.	Work in Housing Services on-going. Hope to undertake more pro-active work on this in Autumn 2012.		

### Strategic Objective 4: Improve Housing Conditions

Key Action	Outcomes	2012-13 Milestones	Achieved to date/On-going	Planned	RAG status	Revised forecast date
Increase the number of individual HMOs subject to agreed licence provisions Baseline = 1100 (2011/12)	Every HMO in the City is inspected and accredited	2180 by 2012/13.	Good progress is being made with HMO Licensing and we are currently on track to meet the corporate target.	Continuation of programme.		
Improve the quality of individual private rented properties including those used via the Homechoice scheme.	Improvements are made to the quality and management of individual private rented properties	<p>Review landlord and lettings agencies accreditation schemes by December 2012.</p> <p>Implement new schemes from April 2013.</p> <p>Consider targeted interventions to tackle specific problems eg Hit Squad activities by November 2012.</p>	<p>The accreditation scheme is currently being reviewed. Developments in the private rented sector such as discouraging early release of student houses by letting agents is being considered.</p> <p>Beds in sheds are being tackled jointly with Planning Enforcement and enforcement action has been taken at a number of addresses. EPC data for over 20,000 properties in Oxford has been purchased and is being analysed to target interventions. Problem landlords operating properties outside the HMO</p>	Continuing development of activity.		

Key Action	Outcomes	2012-13 Milestones	Achieved to date/On-going	Planned	RAG status	Revised forecast date
			Licensing regime are also being identified and targeted. (also see previous comments re: private landlords survey)			
Maximise take up and impact of Home Improvement Loans.	Home Improvement Loans made available to improve standards in private housing	Ongoing publicity and promotion including partner organisations eg social services, health	Ongoing. Talks to community groups carried out, including BME groups. Publicity has been put in libraries and GP surgeries. The scheme has also been promoted to Age UK.			
Work with owners and communities to bring long term empty homes back into use.	10 long term empty homes returned to use annually  New Empty Homes Strategy adopted	Review progress to date and barriers/opportunities to increase success by Sept 2012.  Investigate procedures and if necessary implement the use of Compulsory Purchase Orders by Nov 2012.  Undertake consultation and surveys by December 2012.  Development new Empty Homes Strategy by April 2013.	Review of progress, barriers and opportunities completed and Compulsory Purchase Orders under investigation as at 30 September 2012. Survey of empty homes, including type of property, was completed in September 2012. Officer Group is developing a City wide CPO policy.	Consultation via Talkback on public awareness and views to be completed by November 2012. This will include the impact of empty homes on the community and what people think should be done about empty homes. All to be incorporated into new Empty Homes Strategy.		

Key Action	Outcomes	2012-13 Milestones	Achieved to date/On-going	Planned	RAG status	Revised forecast date
Ensure knowledge of private housing stock and conditions is fit for purpose enabling strategies and investment to be effective	Fit for Purpose knowledge of housing stock and standards	<p>Review existing data and gaps by Dec 2012.</p> <p>Review available census data by Dec 2012.</p> <p>Recommend methodology to improve by April 2013</p>	<p>Review of existing data underway. Uniform data and Energy Performance Certificate (EPC) data have been identified as good sources of property improvement data. There has only been a limited release of census data to date with more due in November 2012. Contact made with Building Research Establishment (BRE) regarding available options for stock condition surveys.</p>			
Improve energy efficiency and reduce carbon emissions in homes in Oxford and address fuel poverty for households	<p>Develop integrated Home Energy/Fuel Poverty/Retrofitting strategy/ies</p> <p>Improved energy ratings, lower carbon emissions in housing in the City</p> <p>Retro-fitting strategy and</p>	<p>Develop officer group and assess current standards, baselines and issues by Sept 2012.</p> <p>Consult with partners, residents, energy companies etc by Dec 2012.</p> <p>Develop a Strategy to cover issues of home energy, carbon emissions, fuel poverty and retrofitting</p>	<p>Officer group formed and position statement of current knowledge, initiatives and future potential priorities have been debated. Government consultation on the definition of fuel poverty was launched in September 2012, with government intending to relaunch fuel poverty targets and policies in</p>	<p>Government proposes to update Fuel Poverty definitions, strategy and plans in 2013 – which will impact on the development of an Oxford City strategy – recommended review of date for strategy to follow government guidance.</p>		6 months after government guidance/policy available in 2013

Key Action	Outcomes	2012-13 Milestones	Achieved to date/On-going	Planned	RAG status	Revised forecast date
	<p>implementation for council housing stock. Including external cladding for 5 tower blocks</p> <p>Zero carbon new build council homes</p>	<p>of homes by April 2013.</p> <p>Publicity and awareness. Promote Green Deal.</p> <p>Develop specific retrofitting element and programmes for Council stock including external cladding for 5 tower blocks (400 homes).</p> <p>Set zero carbon target for all new council homes.</p>	<p>2013.</p> <p>Pilot of three hard to treat timber frame properties complete. Cavity wall insulation installed to 250 properties.</p>	<p>Remaining 150 properties planned be completed by 31.12.2012. Tower block programme due to start 2013/14. Appointment of Consultant Project Manager November/December 2012. Working with funding provider to enable a project to insulate hard to treat properties.</p>		
Sustain improvements in the condition of council homes	Condition of council housing is continually improved	Evaluate progress made following attainment of Decent Homes Standard, aspirations of tenants, availability of funds to set a Local Oxford Standard for Council homes.	Direct Services are maintaining the Decent Homes Standard for our council homes. Direct Services are on target to complete the year end target of completing 400 kitchens, 250 bathrooms and central heating upgrades to the properties as agreed in the work plan.	Continuation of programme.		

**Strategic Objective 5: Improve Quality, Cost effectiveness and efficiency of Housing Services.**

Key Action	Outcomes	2012-13 Milestones	Achieved to date/on-going	Planned	RAG status	Revised forecast date
Improve the percentage of council tenants satisfied with our landlord services	82% tenants satisfied 2012/13	Undertake annual survey.	Survey undertaken in May and June 2012. Satisfaction rate was 87% which exceeds target.	Results to inform future developments of services to team.		
Develop and improve opportunities for tenants and leaseholders to get involved in managing the delivery (?) of the council's housing services.	Tenant and Leasehold Involvement Strategy adopted  Local Offer agreed and implemented  Co-regulation with tenants implemented	Develop Tenant and Leaseholder Involvement Strategy by September 2012.  Draft Local Offer prepared with tenants representatives including Local Offer Planning Day to define services and set standards by May 2012.  Consultations with all tenants during Spring 2012.  Local Offer adopted by September 2013, implemented and reviewed annually in September.  Tenants trained in co-regulation by Summer 2012.	TPAS recruited to provide good practice and to act as an independent adviser to the council and tenants. Tenant and officer steering group set up to shape new TP structure. Consultation with tenants/ leaseholders completed with a total of 636 responses on how they would like to be involved. Data analysed and used to shape new TP approach.  Local Offer consulted on and agreed. Resident task group to review by June 13	Report programmed to go to special CEB in November. Roll out of new structure, training and promotion to follow.		

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Key Action	Outcomes	2012-13 Milestones	Achieved to date/on-going	Planned	RAG status	Revised forecast date
		Detailed implementation including role of member and tenant scrutiny by September 2012.				
Manage council housing to ensure it best meets the needs of individual households and tenants and the community as a whole	<p>Reduce under occupation freeing up homes for larger households</p> <p>Overcrowding is reduced in council homes</p> <p>Actions to tackle and minimise Tenancy Fraud are up to date and effective</p>	<p>Review under-occupation policies and incentive schemes by December 2012.</p> <p>Review over-crowding and allocations/transfer policies by October 2012.</p> <p>Review the implications of new Government guidance or legislation on the policies and work of Tenancy Fraud Team within 4 months of release. Publicise.</p>	Desk-top review of scheme undertaken and some minor operational changes agreed (a slight simplification of the compensation matrix). New literature being printed for use from Oct 2012 and promotion is to be undertaken in October Tenants Newsletter.	<p>Over-crowding and allocations/transfer policies will be included as part of the Allocations Reviews (detailed previously) Government guidance is awaited.</p> <p>No guidance or legislation issued in the six months to Sep 2012.</p>		

Key Action	Outcomes	2012-13 Milestones	Achieved to date/on-going	Planned	RAG status	Revised forecast date
Review, update and improve housing communications provided by the council.	<p>Housing Communications Plan</p> <p>High quality and relevant housing information is available</p> <p>New style tenants newsletters produced annually</p> <p>New Tenants Handbooks produced</p> <p>Information and on line reporting of repairs is reviewed</p>	<p>A housing communications plan is developed by July 2012 with publications, publicity and website reviewed on rolling programme.</p> <p>New tenants and leaseholders newsletter trailed and reviewed with tenants by June 2012.</p> <p>Tenants Handbooks reviewed with tenants and new version/s published by April 2013.</p> <p>Review use and production of Repairs Handbook, information on website and on line reporting of repairs following fundamental review.</p>	<p>An audit of housing communications has been undertaken.</p> <p>New style tenants newsletters produced in April, July and October.</p>	<p>Audit to be developed into full communications plan – suggested revised date Jun 2013.</p> <p>This will be developed after the communications plan has been fully assessed. Tenants consultations to take place in Q3 2012/13.</p> <p>As above and following fundamental review of repairs</p>		Jun 2013
Develop detailed Landlord Operational Plan to support HRA Business Plan	A detailed Operational Action Plan exists for Council housing	An Operational Action Plan is prepared by Sept 2012 and adopted by Dec 2012.	Fundamental review of Business Plan assumptions undertaken. Revised Plan will be considered by Members as part of 13/14 budget setting process	This will be developed further in consultation with tenants. It will therefore be achieved in parallel with the roll out of the new TP structure, with both processes supporting each other, as the		



Key Action	Outcomes	2012-13 Milestones	Achieved to date/on-going	Planned	RAG status	Revised forecast date
				development of new service standards hopefully encourages greater tenant involvement.		
Improve performance in tenancy services	<p>Improve rent and income collection performance</p> <p>Reduce rent arrears</p> <p>Achieve greater VFM for repairs (cost and quality)</p>	<p>Review income collection by November 2012.</p> <p>Undertake fundamental review of repairs service by Dec 2012</p>	<p>The rent performance has been analysed and reported to housing board in September. Further work is required to review organisational improvements that may be required, these are ongoing. ICT improvements are also to be reviewed. The impact of welfare reform (and the direct demonstration pilot) have been and will be a big factor, these are being reviewed to shape our strategy to manage them for 'go live' in 2013. The FSR of repairs is being managed by the trading and business development board chaired by Tim Sadler</p>			
Deliver the Demonstration Project for direct	Direct payment of housing benefit to council tenants	Scoping of project with DWP and partners by May 2012.	The project has been developed and was implemented on target	The project will run until June 2013.		

Key Action	Outcomes	2012-13 Milestones	Achieved to date/on-going	Planned	RAG status	Revised forecast date
payment of benefits to council tenants	project successfully completed and lessons learnt	Tenants contacted and supported with information and assistance Spring 2012 and beyond.  ICT issues resolved and system live by June 2012.  Completion of project by Oct 2013.  Roll out to all tenants April 2014.	at the end of June 2012. To date over 1200 tenants are in direct payment. Monitoring of performance and collection is ongoing with lessons learned captured for the benefit of the council and the national DWP project.			
Review policies and services to reduce administration to secure VFM efficiency savings in housing services	Better access to and lower cost of temporary accommodation  Lower administration costs for low priority housing applications	Implement new temporary accommodation by June 2012  Online housing applications by April 2013  Reduced validation processes for applicants in low housing need by April 2013		See previous note re TA.  On-line applications likely not to be delivered by April 2013. New product required from our ICT supplier (as preferred option) which was due for release in June 2012 – now expected October 2012.		End Sept 2013 (tbc)



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## Equality Impact Assessment: Housing Strategy and Action Plan 2012-15

1. Which group(s) of people has been identified as being disadvantaged by your proposals? What are the equality impacts?

No groups have been identified as being disadvantaged by the Housing Strategy 2012 – 2015 and Action Plan. The strategy and action plan are very specifically targeted at meeting the housing needs of those most vulnerable in Oxford.

2. In brief, what changes are you planning to make to your current or proposed new or changed policy, strategy, procedure, project or service to minimise or eliminate the adverse equality impacts?

Please provide further details of the proposed actions, timetable for making the changes and the person(s) responsible for making the changes on the resultant action plan.

As no negative impacts are predicated no changes are being proposed.

3. Please provide details of whom you will consult on the proposed changes and if you do not plan to consult, please provide the rationale behind that decision.

Please note that you are required to involve disabled people in decisions that impact on them.

As no changes are proposed because no negative impacts are predicted, no additional consultation relevant to such changes is required.

4. Can the adverse impacts you identified during the initial screening be justified without making any adjustments to the existing or new policy, strategy, procedure, project or service?

Please set out the basis on which you justify making no adjustments

Not applicable as no adverse impacts are predicated.

5. You are legally required to monitor and review the proposed changes after implementation to check they work as planned and to screen for unexpected equality impacts.

Please provide details of how you will monitor/evaluate or review your proposals and when the review will take place.

Not applicable.

Lead officer responsible for signing off the EqIA: Sheila Farley  
Role: Strategy & Enabling Manager  
Date: March 2012

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CEB 5 December 2012 Appendix B

**Housing Strategy: Risk Register**

No.	Risk Description Link to Corporate Obj	Gross Risk		Cause of Risk	Mitigation	Net Risk		Further Management of Risk: Transfer/Accept/Reduce/Avoid	Monitoring Effectiveness				Current Risk		
		I	P			I	P		Q1	Q2	Q3	Q4		I	P
Risk Score <b>Impact Score:</b> 1 =Insignificant; 2 = Minor; 3 = Moderate; 4 = Major; 5 = Catastrophic Almost Certain <b>Probability Score:</b> 1 = Rare; 2 = Unlikely; 3 = Possible; 4 = Likely; 5 =															
		I	P		Mitigating Control: Level of Effectiveness: (HML)	I	P	Action: Action Owner:  Mitigating Control: Control Owner:	Outcome required: Milestone Date:	Q1 ☹	Q2 ☹	Q3 ☹	Q4 ☹	I	P
1.	Failure to meet the objectives of the Housing Strategy and Action Plan 2012 to 2015.	4	3	Ineffective monitoring of the strategic objective action plans.	Establish clear monitoring process within the Council's structure through relevant Board, Scrutiny and Tenant Involvement Structures	3	2								
2.	Changes to housing policy or context and, local, regional and national, making objectives invalid or inappropriate.	3	3	Economic circumstances, government policy and legislation, political changes.	In addition to regular monitoring, review of the strategy and objectives in 2013 to ensure it remains relevant to current circumstances.	3	3	Establish regular and robust monitoring arrangements Strategy and Enabling Manager	Mid point review completed by September 2013						
3.	Negative public understanding / perceptions of housing strategy objectives.	3	3	Failure to communicate objectives and impacts on housing in Oxford.	Establish clear communication strategy for the housing strategy for when it is adopted.	2	3	Ongoing communication and engagement of housing strategy objectives and in particular of individual projects and programmes. Strategy & Enabling Manager	Communication Strategy in place by May 2012.						

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**To: City Executive Board**

**Date: 5 December 2012**

**Report of: Executive Director, Community Services**

**Title of Report: External Income Generation – Update Report**

**Summary and Recommendations**

**Purpose of report:** To provide an update on the progress of charging for discretionary services following the approval of the approach in a report to the City Executive Board on 21 September 2011.

**Key decision?** No.

**Executive lead member:** Councillor Bob Price

**Policy Framework: Corporate Plan** - Efficient, effective Council.

**Recommendation(s):** The City Executive Board is recommended to:-

1. Note the report.
2. Continue to support the recommendations agreed in the 21 September 2011 report.

**1. Background**

1.1 In September 2011, the City Executive Board received a report on the Council's approach to charging for discretionary services and resolved the following:-

- Approved the overall framework for charging third parties for discretionary services.
- Approved the overall framework for the supply of goods and services to other public bodies.
- Delegate the decision on whether to enter into arrangements with private sector bodies under which the Council would charge for services provided within or outside the City to the relevant Director, provided that the value of such arrangements did not exceed £100,000.
- Delegate the decision on whether to enter into arrangements with other public bodies under which the Council would provide goods and/or services to other such public bodies within or outside the City to the relevant Director, provided that the value of such arrangements did not exceed £100,000.
- Agreed to provide a report in a years time showing:-
  - The services sold.
  - The amount of money raised.
  - The effects of this within the Council's budget identifying specifically, if possible, where this has allowed us to reduce the costs of services within the budget.

1.2 This report provides the update agreed in the final resolution.

## **2. Direct Services**

### **Introduction**

2.1 Following the approval of the September 2011 report, Direct Services started the process of moving from a largely opportunistic approach to charging and trading to a more focused strategy.

2.2 The preliminary activities were:-

- To agree a management structure and roles to support the approach.
- To assign responsibilities and write job specifications.
- To mobilise the management team and agree an initial trading plan.

### **Progress**

2.3 Following the preliminary activity, there was a period of putting in place the necessary infrastructure to support professional commercial operations. This included:-

- Agreeing a sales and marketing strategy.
- Communications with staff and trades unions (mobilization).
- Production of detailed sales plans.
- Producing documentation and gaining approval from Legal Services.
- Agreeing branding.
- Undertaking a detailed analysis of our cost base by service team and establishing a pricing policy.
- Designing and building a commercial website.
- The design and production of marketing brochures.
- Agreement to necessary basic internal processes responsibilities (e.g. pricing and quoting).
- Obtaining transformation funding to support a sales professional.
- Establishing capability to monitor web portals for tendered works.
- Establishing a document library and high quality tendering capability.

2.4 This work was completed by January 2012 which allowed the timely recruitment of a sales professional in February 2012. This, together with the establishment of a new board structure, meant we were able to start meaningful sales activity from March 2012 and thus invoicing in April 2012.

### **Services Sold and Market Competitiveness**

2.5 Overall our sales approach has been successful and we have won external business for all of the services we are offering. Our market pricing is competitive and the feedback we have received for the quality of the services provided is good.

2.6 There are detailed sales plans with quotas and customer type by quarter but we have also had to react to aggressive targeting of our commercial waste service business by competitors in order to retain as much existing business as possible. This has to some extent necessarily diverted our plan in the first quarter.

### **Building Maintenance**

2.7 This service has had some notable successes. We have SLAs in place with five of the cities main letting agents. We have started to deliver services on a diverse range of trades. The expectation is that this business will grow as the agents gain confidence in the quality and reliability of the service provided. At that stage we would look to negotiate

exclusive contracts for all of their work. Disabled Facilities Grant work was also an early success, in particular level access showers, where all of the initial round of quotations were converted into orders. In addition the joinery shop has just completed an order with a value of around £30k which is about to be invoiced.

2.8 We are making some headway with large contracts (those requiring CEB approval) and were ranked first equal for a planned works Pre-Qualification Questionnaire (PQQ) for a large housing association. We did not, however, proceed to tender stage with this as it later became clear that the value and geographical distribution of the properties were more than we were capable of undertaking at this stage since we are still finalising the details of the building services offering. A PQQ for responsive works for a smaller and more local housing association has just been submitted and should we eventually win this contact then the net contribution would exceed all growth targets for the next three years.

### **Commercial Waste**

2.9 The aggressive targeting of our customers by competitors with below cost pricing has had an impact on sales. We have responded by retargeting our direct sales effort and by strengthening our account management capability. Although this has caused us currently to be below year to date quota, there have been some notable “saves” where we have received notifications to end contracts but have reversed these decisions. This has been particularly the case with city colleges where large contracts have been saved.

2.10 For the full year we expect that the changes we have made will enable us to meet targets.

2.11 The offering of an initially free (three months) food waste trial has been successful in converting prospects to customers and also signing existing residual waste only customers to our complete offering.

2.12 The expectation is that the bin weighing capability that is now in place will be a strong unique selling point to gaining new business as well as keeping pressure on operational costs.

### **Streets and Grounds Maintenance**

2.13 The low barriers to entry for grounds work make this a difficult area to compete on price. To compete we have taken an approach of selling a combined offering. At one school we now have an annual contract for grounds maintenance works together with one off clearance activities, engineering works and building maintenance. This has been achieved with a strong sales effort and quality service.

2.14 By way of an example the extract below is from a local school of the positive feedback we are receiving:-

“Thank you for your team last week, they did a sterling job. There have been numerous comments from staff returning today on how well and so much better the school grounds are looking! “

2.15 The street cleaning team has also been successful in winning and growing business on trading estates and complexes.

### **Motor Transport:**

2.16 This service has been successful in increasing works and indicative prices are competitive, however, we have not yet been successful in winning meaningful fleet business. Smaller fleet owners such as schools tend to have a loyalty to local garages so we are now targeting larger fleets and are in advanced discussions with another local authority.

### **Engineering**

2.17 This service remains a strong source of revenue generation, mainly as this is a longer established external offering and referrals and repeat business support our direct sales effort.

2.18 Legislation transferring ownership of private sewers and lateral drains to local water companies and the associated maintenance responsibility have severely impacted on the demand for our jetting services for domestic customers so we will be targeting private organisations in the next quarter.

### **Revenue and Margins**

2.19 As we are currently structured, legislation requires that for charging non public sector organisations we may only recover our costs, but that is all of our costs including overheads. For public sector organisations there is not this constraint and we are able to charge what the market will bear.

2.20 Currently, for the year to 30 September, additional external turnover from new customers is £330k which is ahead of the profiled target.

2.21 The full year budget target is to increase total turnover from additional internal and external work by £1.24million versus 2011/12. This will yield a net contribution of approximately £541k to the general fund. We are on track to achieve this target.

2.22 Within the Council's Medium Term Financial Plan there is a significant amount of budgeted income from external trading especially in the areas referred to in this report. Whilst other sources of income of this nature do reduce the net expenditure of the council the strategy is not without risk. Income once included in the budget needs to be maintained year on year if the budget is to remain in balance which is distinct from reduction in costs which generally once removed from the budget stay that way. To mitigate such a risk the Council does allow for a high degree of contingency for unachieved income more than what it would normally provide for unachieved savings.

### **3. Other Service Areas**

3.1 With the exception of Leisure and Parks whose new business targets are profiled to start later in the year there is not currently significant activity to expand external business in other service areas. Leisure and parks have appointed a business development manager who has developed a strong trading foundation that is now being built on. Options for a suitable sales framework and strategy that would potentially incorporate all service areas and meet the wider Council's needs are currently being considered.

#### **Name and contact details of author:-**

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**Version number: 1.2**

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**To: City Executive Board**

**Date: 5<sup>th</sup> December 2012**

**Report of: Head of Direct Services**

**Title of Report: Domestic waste and recycling collection policy change for sites with communal bin storage and Houses in Multiple Occupation**

## Summary and Recommendations

**Purpose of report:** To revise our policy in respect of waste collection from flats with a view to reduce waste and increase recycling from domestic communal flat sites, maisonettes, and houses in multiple occupation (HMOs).

**Key decision:** No

**Executive lead member:** Councillor John Tanner

**Recommendation(s):**

To approve the following proposed change to the Council's waste and recycling collection policy. *"At all relevant sites, the Council shall seek to collect no greater quantity of waste from domestic refuse bins than from domestic recycling bins."*

## **Background**

1. In October 2010 this authority introduced a revised fortnightly commingled waste collection service across the city. Each property was given a blue and green bin. Properties with difficult access were given the option to have boxes or bags. At the time this did not include flats
2. In April 2011 we contacted those management agents and landlords who had not yet converted to the alternating weekly collection scheme. In order to encourage them to separate residual waste from mixed recyclables they were given the option of either preferably purchasing additional recycling containers and having alternating weekly collection service or pay for a weekly landfill only collection service from a commercial waste contractor. Many sites have subsequently converted to fortnightly collection and recyclable waste separation and the purpose of the policy change is to enable us to enforce compliance at the remaining sites.
3. Since the implementation of the new services we have seen a significant increase in domestic recycling rates. If we are to make further significant

increases to our recycling percentage from the privately run flat sites we need to ensure additional recycling provision is made. We propose to increase recycling facilities available at all privately owned flats to at least 50%.

4. In 2012 Council Members took the decision to support the increase of recycling facilities for all council owned flats to 50%. Additional containers were provided and an intensive education campaign has been delivered. As the council is in effect the managing agents for its own properties we have taken a lead in being a responsible landlord in providing these improved facilities.
5. The Oxfordshire Waste Partnership (OWP) Joint Waste Management Strategy Policy recommends that Oxford City Council (OCC) increase participation rates for flats recycling.

### **Objectives**

6. Increase the provision of facilities to increase recycling and reduce overall waste from all privately owned flats, HMOs and Housing Association flats and maisonettes.
7. Offset the rising cost of waste collection from recycling credits.
8. Contribute to diverting waste from landfill in order to meet our OWP financial arrangements quota and reduce the impact of biodegradable waste on climate change.

### **Proposed Change**

9. The council would change its current policy of making standard domestic waste collections from domestic communal storage areas across the city. In future it is proposed that the policy will be *"At all relevant sites, the Council shall seek to collect no greater quantity of waste from domestic refuse bins than from domestic recycling bins."*
10. Although the policy refers to quantity of waste and recycling, at least in the short term, the Council would implement the policy on the capacity of containers basis.
11. Once the policy change is agreed, a 12 months consultation and implementation process would be carried out. All interested parties will be approached before any enforcement of the policy change. This will allow the managing agents and landlords to budget for the moderate increase in costs, brought about by the policy change. During this 12 month consultation period we will be running a pilot scheme with several of the larger more proactive management agents to ensure that we have identified any issues or concerns before the full scheme is introduced.
12. Where necessary landlords and agents will be required to purchase appropriate bins that meet the specification of Oxford City Council and provide refuse and recycling hard-standing, sheds or fenced areas. The City Council has already done this with its own flats and maisonettes.



## **Climate change / Environmental impact**

13. The provision of improved recycling facilities will increase the recycling opportunities, diverting waste from landfill complying with the Council's Cleaner Greener Policy. The reduction in waste going to landfill will have a reduced carbon footprint impact for waste collection and disposal.

### **Enforcement Procedure**

14. It is proposed that a response date is included in the first communication. If a response is not received by that date we will then give formal notice of our intention to only remove equal volumes of landfill and recycling. This intention will then be implemented after the 12 month implementation period.

15. Any side waste would be addressed by issuing a notice under Section 46 of the Environmental Protection Act 1990 (EPA). This would be followed by an inspection of the site. If these actions result in excess waste being presented outside of the containers the council will serve a Section 92a notice under the EPA 1990. This will require the landowner to clear the site at regular intervals as described within the notice. Non-compliance with the notice would lead to further legal action.

### **Financial Implications**

16. The policy change has no adverse financial implications to the council as the council's owned HRA sites already meet these criteria or are in the process of being provided. All privately run flat sites would fund the cost of any additional recycling containers required.

### **Risk register**

17. Attached.

### **Equalities impact**

18. This report has been discussed with the Council's Equalities & Diversity Business Partner. The initial impact assessment screening review did not indicate any areas of potential disadvantage and it is accordingly felt that the policy change does not have major implications in equalities terms. However, the Council is following best practice by implementing a 12 month Pilot Scheme where any emerging equalities issues can be highlighted. At this point a further impact assessment would then be undertaken

<b>Name and contact details of author:-</b>
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Name Stewart Downs
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Job title Flats Recycling Officer  
Service Area / Department Direct services Marsh Depot  
Tel: 01865 252966 e-mail: sdowns@oxford.gov.uk

**List of background papers:**

The Oxfordshire Waste Partnership (OWP) Joint Waste Management Strategy Policy 7

**Version number: 4**

Risk ID	Date Raised	Project / Programme	Risk Category	Description of the Risk	Current Gross Risk Rating			Mitigating Actions	Action Due Dates	Action owner	Residual Risk Rating			Status (Open / Closed)	Date of last update
					P	I	Score				P	I	Score		
CEB-001	24-Oct-12	Communal Flats collection Policy Change	Political	<b>Policy change is not approved by elected members.</b> The consequence would be that the current target to increase recycling (as set by current members) would take more time, and would be more difficult to achieve. Such a decision would also conflict with the Cleaner Greener campaign.	2	3	6	Cross party consultation; regular updates with council members.	05-Dec-12	Graham Bourton	2	2	4	Open	25-Oct-12
CEB-002	24-Oct-12	Communal Flats collection Policy Change	Strategic & commercial	We are not able to deliver the project objectives in the way which we intend and therefore not achieve our target recycling rate	3	2	6	We intend to run two pilot schemes offering advice, support and education with two pro-active managing agents.	30-Jun-13	Stewart Downs	2	2	4	Open	25-Oct-12
CEB-003	24-Oct-12	Communal Flats collection Policy Change	Strategic & commercial	Exposed to possible challenges	3	3	9	Running the pilot schemes, alongside a 12 month consultation period. 'Ensure that what is on site is reasonable.'	31-Dec-13	Stewart Downs	2	2	4	Open	25-Oct-12

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## Initial screening EqIA template

*Prior to making the decision, the Council's decision makers considered the following: guide to decision making under the Equality Act 2010:*

*The Council is a public authority. All public authorities when exercising public functions are caught by the Equality Act 2010 which became law in December 2011. In making any decisions and proposals, the Council - specifically members and officers - are required to have **due regard** to the **9** protected characteristics defined under the Act. These protected characteristics are: **age, disability, race, gender reassignment, pregnancy and maternity, religion or belief, sex, sexual orientation and marriage & civil partnership***

*The decision maker(s) must specifically consider those protected by the above characteristics:*

- (a) to seek to ensure equality of treatment towards service users and employees;*
- (b) to identify the potential impact of the proposal or decision upon them.*

*If the Council fails to give 'due regard', the Council is likely to face a Court challenge. This will either be through a judicial review of its decision making, the decision may be quashed and/or returned for it to have to be made again, which can be costly and time-consuming diversion for the Council. When considering 'due regard', decision makers must consider the following principles:*

- 1. **the decision maker is responsible for identifying whether there is an issue and discharging it.** The threshold for one of the duties to be triggered is low and will be triggered where there is any issue which needs at least to be addressed.*
- 2. **the duties arise before the decision or proposal is made, and not after and are ongoing.** They require **advance** consideration by the policy decision maker with conscientiousness, rigour and an open mind. The duty is similar to an open consultation process.*
- 3. **the decision maker must be aware of the needs of the duty.***
- 4. **the impact of the proposal or decision must be properly understood first.** The amount of regard due will depend on the individual circumstances of each case. The greater the potential impact, the greater the regard.*
- 5. **Get your facts straight first!** There will be no due regard at all if the decision maker or those advising it make a fundamental error of fact (e.g. because of failing to properly inform yourself about the impact of a particular decision).*
- 6. What does 'due regard' entail?*
  - a. **Collection and consideration of data and information;***
  - b. **ensuring data is sufficient to assess the decision/any potential discrimination/ensure equality of opportunity;***
  - c. **proper appreciation of the extent, nature and duration of the proposal or decision.***
- 7. **Responsibility** for discharging can't be delegated or sub-contracted (although an equality impact assessment ("EIA") can be undertaken by officers, decision makers must be sufficiently aware of the outcome).*
- 8. **Document the process** of having due regard! Keep records and make it transparent! If in any doubt carry out an equality impact assessment ("EIA"), to test whether a policy will impact differentially or not. Evidentially an EIA will be the best way of defending a legal challenge. See hyperlink for the questions you should consider*

<http://occweb/files/seealsodocs/93561/Equalities%20-%20Initial%20Equality%20Impact%20Assessment%20screening%20template.doc>

1. Within the aims and objectives of the policy or strategy which group (s) of people has been identified as being potentially disadvantaged by your proposals? What are the equality impacts?

*The objective is to update the waste and recycling collection policy to encourage privately managed flats and houses of multiple occupation (H.M.Os) communal sites to provide equal capacity of landfill and recycling facilities*

*An impact of this proposal will be to reduce the amount of landfill space and that households would routinely have to recycle.*

*There is an aspiration that as a result of proactive communications and education initiatives more residents will buy into the culture of recycling and improve recycling rates across the city.*

2. In brief, what changes are you planning to make to your current or proposed new or changed policy, strategy, procedure, project or service to minimise or eliminate the adverse equality impacts?

Please provide further details of the proposed actions, timetable for making the changes and the person(s) responsible for making the changes on the resultant action plan

*Every flat and HMO will be assessed fairly on the number of people living in the property. Advice will be based on an onsite inspection by a trained flats recycling officer.*

*The Council has secured the buy in from two local managing agents who have agreed to take part in a pilot exercise during the 12 months consultation process to ensure that a fair and robust process is in place.*

*No enforcement will take place within the first 12 months while the Council raises awareness amongst HMO landlords. The Council does not underestimate the potential difficulties in communicating effectively with a diverse range of property owners. To facilitate a more coordinated approach to this Direct Services have been working closely with the Environmental development HMO team for the past 18 months and will continue to do so throughout the pilot period and once the policy has been agreed and fully implemented.*

*Feedback from the pilot partners will inevitably flag up and highlight any*

*concerns over the equal application of the new policy and may give the Council a clear opportunity to add best practice examples and guidance to that already available to landlords via the website and other printed materials.*

*The Council will consider setting up a landlords' focus group to discuss the findings from the pilot and to ensure ongoing communication, engagement and buy in from landlords.*

*Direct Services have a Recycling Officer within their Waste Team and are already doing some work with primary school aged children around the broader cleaner greener agenda for Oxford. It might be that this could provide other innovative ways to get the recycling message across to existing landlords and communities, e.g. poster competitions or school projects to highlight the wider benefits of increasing recycling and reducing the costs of landfill.*

3. Please provide details of whom you will consult on the proposed changes and if you do not plan to consult, please provide the rationale behind that decision.

Please note that you are required to involve disabled people in decisions that impact on them

*The policy change has been discussed with key members of the elected parties and senior managers and officers. The report is subject to a C.E.B. Decision.*

*Once the report has been approved, the updated policy change will be available on the website for managing agents, Landlords, leaseholders and tenants. Leaflets and publications on waste and recycling are clear and simple for residents including pictorial leaflets anyone whose first language may not be English. The Council will ensure all leaflets and publications on waste and recycling are written in plain English and are clear and simple for residents across all communities to understand. This will include producing pictorial leaflets to further assist anyone whose first language may not be English. At this stage it is not considered an effective or proportionate use of resources to produce leaflets translated into a number of specific community languages, although this may be reconsidered if future recycling initiatives need to target key post codes or community groups.*

4. Can the adverse impacts you identified during the initial screening be justified without making any adjustments to the existing or new policy, strategy, procedure, project or service?

Please set out the basis on which you justify making no adjustments

*The pressure to require the residents of Oxford to recycle is driven by elected members and by the financial pressures being exerted by the increase in landfill tax.*

5. You are legally required to monitor and review the proposed changes after implementation to check they work as planned and to screen for unexpected equality impacts.

Please provide details of how you will monitor/evaluate or review your proposals and when the review will take place

*The changes will be implemented with an annual review based on feed back from councillors, landlords, residents and any member of the waste and recycling team. Monitoring reports and annual reassessments will enable Council officers to forecast trends and pressures and to put in place any remedial actions as might be necessary to ensure communal flat sites are treated fairly*

Lead officer responsible for signing off the EqIA: Jarlath Brine

Role: Equalities & Diversity Business Partner

Date: 2<sup>nd</sup> November 2012

Note, please consider & include the following areas:

- Summary of the impacts of any individual policies
- Specific impact tests (e.g. statutory equality duties, social, regeneration and sustainability)
- Post implementation review plan (consider the basis for the review, objectives and how these will be measured, impacts and outcomes including the “unknown”)
- Potential data sources (attach hyperlinks including Government impact assessments where relevant)



**To:** City Executive Board

**Date:** 5<sup>th</sup> December 2012

**Report of:** Head of Finance  
Head of Business Improvement and Technology

**Title of Report:** Integrated Report 2<sup>nd</sup> Quarter 2012/2013

## **Summary and Recommendations**

**Purpose of report:** To update Members on Finance, Risk and Performance as at the end of Quarter 2, 30th September 2012.

**Key decision:** No

**Executive lead member:** Councillor Ed Turner

**Policy Framework:** Improving value for money and service performance

**Recommendation(s):**

**The City Executive Board are asked to note the contents of this report**

## **Appendix A** Integrated Report

### **Background**

1. Historically Finance, Performance and Risk have been reported separately to the City Executive Board with little documented consideration of the interrelationship of these three key elements of management information.
2. An integrated reporting approach is one which enables a more holistic picture to be presented and understood. It is a concept many local authorities have and are grappling with.
3. Attached at Appendix A is the Council's first integrated performance report. It has been produced using CorVu the Council's performance management system and utilises a Red, Amber and Green reporting methodology.

### **Principles of the integrated report**

4. The key principles applied in producing the report are:

- Exception reporting utilising clear graphical summaries, followed by narrative which focuses only on those issues that requires attention.
- Narrative which pulls together and makes the links between risk, finance and performance to form a holistic view and incorporating trend data.
- CorVu will be used to create the base data for the report from existing information (i.e. no additional work created for Services).
- Some entries for performance monitoring and risk monitoring are shown as “no data”. What this means when referring to performance measures is the indicator is not required to be calculated for the period reported. For risk it is because the previous quarterly measurement was not undertaken so no assessment of the risk being increased or reduced is possible.
- The distinction between a summary Corporate-level view and Directorate-level picture of performance is retained and the latter enhanced by the inclusion of, service plan target performance
- The detail of the existing finance report will be appended to the integrated as it is needed to enable decisions to be taken at executive level (authorisations, virements etc)
- The following tolerances apply to the financial dials:
  - **Green** – Forecast outturn is within 100% of the latest approved budget
  - **Amber** – Forecast outturn is within 100% - 105% of the latest approved budget
  - **Red** - Forecast outturn is over 105% of the latest approved budget. Performance in this area is a potential concern and will be commented on within the report

### **Financial Implications**

5. The financial and risk implications are set out within the detail of the report.

### **Legal Implications**

6. There are no legal implications directly relevant to this report.

<p><b>Name and contact details of author:-</b></p> <p>Name: Nigel Kennedy, Jane Lubbock</p> <p>Job title: Head of Finance, Head of Business Improvement and Technology</p> <p>Service Area / Department: Finance, Business Improvement and Technology</p> <p>Tel: 01865 252708 e-mail: <a href="mailto:nkennedy@oxford.gov.uk">nkennedy@oxford.gov.uk</a>, <a href="mailto:jlubbock@oxford.gov.uk">jlubbock@oxford.gov.uk</a></p>
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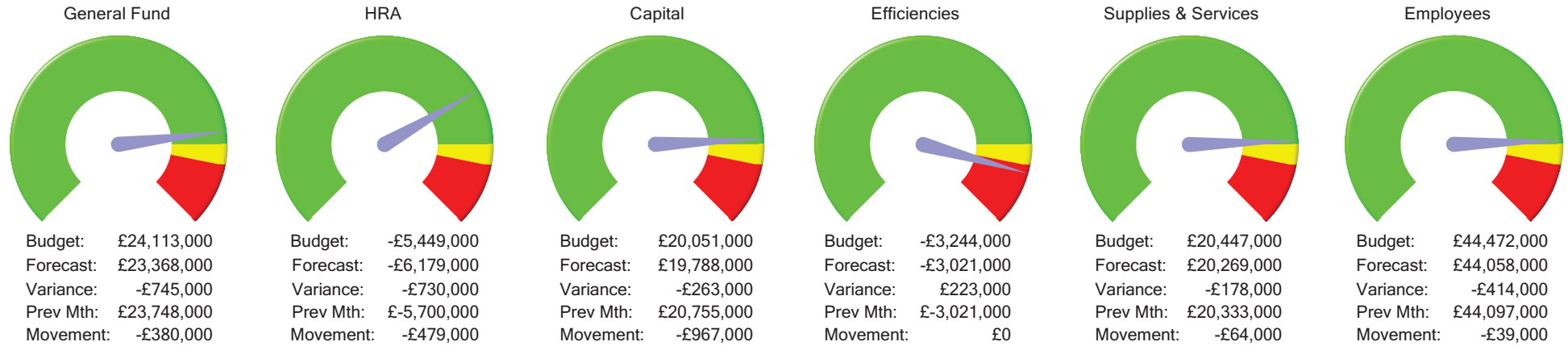
**List of background papers:**

**Version number:**

# Appendix A

## Integrated Report- Corporate Quarter Two 2012/13

### Financial Performance



#### Performance Summary

Priority	No Data	Red	Amber	Green
Vibrant and Sustainable Economy	0 (0%)	0 (0%)	0 (0%)	3 (100%)
Meeting Housing Need	0 (0%)	0 (0%)	0 (0%)	4 (100%)
Strong and Active Communities	0 (0%)	0 (0%)	1 (33%)	2 (67%)
Cleaner Greener Oxford	0 (0%)	0 (0%)	3 (60%)	2 (40%)
An Efficient and Effective Council	0 (0%)	1 (25%)	1 (25%)	2 (50%)
<b>Total</b>	<b>0 (0%)</b>	<b>1 (5%)</b>	<b>5 (26%)</b>	<b>13 (68%)</b>
Previous Quarter	0 (0%)	4 (17%)	4 (21%)	11 (58%)

#### Direction of Travel

Priority	No Data	Declining	No Change	Improving
Vibrant and Sustainable Economy	0 (0%)	0 (0%)	1 (33%)	2 (67%)
Meeting Housing Need	0 (0%)	1 (25%)	2 (50%)	1 (25%)
Strong and Active Communities	0 (0%)	0 (0%)	2 (67%)	1 (33%)
Cleaner Greener Oxford	0 (0%)	1 (20%)	3 (60%)	1 (20%)
An Efficient and Effective Council	0 (0%)	0 (0%)	2 (50%)	2 (50%)
<b>Total</b>	<b>0 (0%)</b>	<b>2 (11%)</b>	<b>10 (53%)</b>	<b>7 (37%)</b>

#### Risk Management

Ref.	Category	Description	Previous		Current		Trend since last quarter	Declined to red?
			P	I	P	I		
CRR-007	Health & Safety	Existence of operational risks (relating to internal as well as public concerns - property not vehicle)	5	3	3	4	↓	Yes
CRR-004	Delivery of key projects = ability to deliver cross cutting projects	People and the council are not developed sufficiently to make risk based decisions, carry out options appraisals. Decision making can be poor. Innovation is not encouraged, low risk appetite.	3	3	3	3	→	
CRR-006	Supplier Management	Ability of the council to manage large contracts and to obtain best value from those contracts	3	3	3	3	→	
CRR-012	Failure to achieve budget reductions over four year period	Inability to achieve savings in budget	3	3	3	3	→	
CRR-013	Impact on homelessness of changes in Housing Benefit	Changes in housing benefit and universal housing benefit increase homelessness	4	4	5	3	↑	

## CORPORATE SUMMARY

### 1 OVERALL SUMMARY POSITION

Overall the Council's performance as at the end of September 2012 is satisfactory. Financially, the Council is forecast to under spend against its General Fund, Housing Revenue Account and Capital Programme budgets. Although, some service areas are struggling to deliver within their allocated budgets and there are concerns about the timeliness of delivery on capital projects. Performance on delivery of corporate targets is good and improving. The Council's risk profile has increased during the year and whilst there are a number of risks on the Corporate risk register they have mitigating actions in place. There are now 12 Service Risks reported as Red and one Corporate Risk reported as Red.

### 2 FINANCE OVERALL

**The overall financial position of the council as at 30<sup>th</sup> September is satisfactory.** The General Fund is currently forecast to under spend by £745k as at 30<sup>th</sup> September an increase of £380k on the August position, this is largely a consequence of increased income generated from the Council's commercial property portfolio which has recently been reviewed and savings on employee costs within Direct Services; due to staff not joining the Local Government Pension Scheme. There are currently 58 Direct Services staff not members of the LGPS.

However, there are concerns that several services are failing to meet their budgetary targets and are unlikely to turn this around by year end. Additionally, the total savings and efficiencies target is currently projected to be £223k short of its £3,244k target.

**With regard to the Housing Revenue Account (HRA)** this is projected to under spend by £730k largely due to a £955k saving on interest costs related to the buy out of the HRA from the previous subsidy system. The potential for volatility on HRA funded activities given the implementation of welfare reforms and the current economic climate could potentially be significant. Rent arrears have been rising steadily since 2010 and have recently spiked at £1m following the implementation of the Direct Payments project in June. Mitigating actions are currently being put in place to try and manage this position back down and the situation will be kept under review.

**The Council's Capital Programme** has slipped mainly in relation to the new Blackbird Leys pool project. This was identified within the service areas risk register - **Suspension of Competition swimming pool construction contract due to judicial review.** Although a conditional contract has been let to the main contractor there is a potential for cost escalation. The contract to the value of just over £7 million has however been slipped in the capital programme from 2012/13 to 2013/14.

A further anticipated reduction of £2.5m is estimated, with notable variations including:

- Town Hall - Conference system refurbishment - £300k
- Town Hall ventilation works and toilets - £300k
- Rose Hill Community centre - £126k
- Covered market improvements - £240k
- Sports pavilions - £200k
- Cycle Oxford - £60k
- Forrester Tower Block - £950k
- HRA Structural Improvements £100k

As part of the current budget setting process we are undertaking a review of budget and project profiling to ensure the deliverability of schemes as planned going forward..

There is a more detailed summary of the corporate financial position attached as Appendix A

### 3 PERFORMANCE

**Overall, the Council's performance against its corporate targets is Good with 13 (68%) of targets being delivered as planned, 5 (26%) below target but within tolerance and 1 (5%) off target.** This is an improvement on Q1's position of 58% on target, achieved as follows; holiday activity numbers are now on track following the completion of the summer programme; customer satisfaction has seen a steady improvement overall over the last 3 months from 62% in July to 65.5% as at the end of September. This compares to target satisfaction of 70%. Telephone satisfaction remains high at 89% ; jobs created due to Council investment is back on target having accounted for jobs created through the letting of Council property in the city; the eleven new apprentices recruited are now in post bringing the total number currently employed to 21, of which 11 are Oxford City residents; further favourable outturn positions projected in Direct Services and Corporate Property have helped moved the cost of Council services from Amber to Green, although the delivery of efficiency savings is currently slightly off target.

Downturns in individual performance areas are set out in the exceptions section. Although the Council's recycling performance is on Amber it is still overachieving the target for the amount of waste sent to landfill per household due to a number of initiatives launched to reduce residual waste.

The performance within the Customer Contact Centre has been identified as a service area risk, namely **Service delivery in customer call centre** as the call centre delivery continues to be an area of concern. Mitigating factors include the employment of temporary staff and the implementation of a resilience contract with an external supplier, both additional costs to the council's budget.

#### Corporate performance indicator exceptions

##### **Red:**

**An efficient and effective Council:** The delivery of the Council's efficiency savings (FN002) - savings are currently forecast to be £223k below target (of a total savings target of £3.2m for the year) but it is anticipated this will be made up over the coming months and will deliver as per target.

##### **Amber:**

**Efficient and effective Council:** Customer satisfaction (CS001) - Overall, 65.5% of customers said they thought the service was good, 14% average and 21% poor. This compares to target satisfaction of 70%, but performance is steadily increasing overall (from 64% in August and 62% in July) and telephone satisfaction remains high at 89%. We are working through an improvement plan for the Customer Service Centre which includes reducing waiting times as a priority as this has been highlighted as an issue through satisfaction reporting. In September, staff resources were reviewed to include a Customer Service Officer 'queue busting' wait times. It is important to bear in mind that this target is stretching and achievement of it would place the City Council in the top ten of the 130 local authorities that measure their performance using this system.

**Cleaner Greener Oxford:** The reduction in the city council's carbon footprint (ED002) - Several Salix-funded carbon reduction projects are in development with target for implementation during 2012/13, but none were completed during September meaning performance of 102 tonnes reduced did not progress to meet the periodic target of 140 tonnes

**Cleaner Greener Oxford:** Reduction in the Council's water consumption (ED014) - Performance is 2,316 cubic metres reduction compared to a periodic target of 2,500. Meetings have been held with Thames Water to discuss potential pilot collaboration projects to reduce water consumption, including a water smart meter trial. Water reduction awareness publicity is planned for the Carbon Management plan launch event.

**Cleaner Greener Oxford:** Household waste recycled and composted (NI192) - The recycling rate during September was 46%, which means performance year to date reached 45.7% (compared to a periodic target of 47.5%). Every effort is being made to hit the target by year end; improving flats



recycling and recycling road shows and campaigns are in operation across the City along with campaigns in areas of the City where recycling is lower e.g. Barton cleaner greener Campaign.

Strong and active communities: Satisfaction with our neighbourhoods (PC018) - This relates to the results of the 2011 survey. New survey results are expected later in the year

#### 4

#### RISK

**Whilst the Council has a number of Corporate and Service risks which give some cause for concern there are mitigating actions in place to ensure that the residual risk is reduced to its minimum**

On risk whilst the number of risks overall is not increasing the trend on service risk is on the increase with a 50% increase in the number of risks changing to red. Red service risks now stand at 12 with 1 corporate red risk. The corporate red risk relates to homelessness largely in relation to the uncertainty over welfare reforms and the impact that that may have on the council. The Council has set aside a financial contingency to cover eventualities although this may not be enough and a draw on further financial reserves cannot be ruled out. Service high risks areas relate generically to

- Service failure due to inadequate staffing
- Unachieved income targets e.g. town hall
- Projects on hold beyond our control such as New swimming pool and Westgate redevelopment
- Impact on service delivery such as customer services, public health and delivery of the HRA Business Plan

All these risks may potentially adversely affect the Council's finances and performance indicators and will require monitoring over the coming months.

#### CORPORATE RISK - EXCEPTIONS

The Council has 5 corporate risks where the current risk ranking is Amber or Red under the council's policy for risk evaluation. More detail is as follows:

- **Health and safety** - The council has a significant portfolio of property including 7,500 council dwellings. There are a number of health and safety responsibilities which as landlord the Council is either required to undertake on behalf of its tenants, or ensure are in place for its public and administrative buildings. The impact of health and safety issues arising is high, the probability is considered medium. Mitigating factors such as robust monitoring are not yet fully in place although the council is working on all areas where it has a statutory responsibility.
- **Delivery of key projects** - The Council has a number of key projects which are critical to its success to meeting its corporate objectives. Project Management is not yet embedded across the council and there is a concern that these projects will conflict with Business as Usual. This may be a contributing factor associated with the slippages on several capital projects. Mitigating actions include CMT Members taking an active role in implementation and development and training of staff on project management methodology
- **Supplier Management** - The council has a number of key contracts in place with suppliers. Whilst procurement of suppliers is well embedded, supplier contract management has yet to be developed which could lead to reduced efficiencies both in terms of delivery and VFM. Mitigating factors include reviewing the corporate procurement strategy, holding training courses for staff, and learning from where we have strong contract management in place.
- **Budget reductions** - The Councils net expenditure budget of £24.113 million allows for savings of £1.761 million. Failing to meet this target will have a material effect on the council's finances. The Council is currently £223k short of this budgeted target, which in itself is a manageable risk within contingencies if required.
- **Impact on Homelessness** - The Council has a significant homelessness problem within the city with 24 families classed as homeless living in temporary accommodation and gross expenditure incurred of around £200k. Welfare reforms, including the move to Universal Credit and rent capping is anticipated to exacerbate this problem and whilst the council has

financial contingencies to meet additional expenditure, these may not be enough.

**SERVICE RISK - EXCEPTIONS**

The Council has 12 service risks which are showing as red this is an increase from 6 shown in the last quarter. These are discussed in more detail on the individual Directorate Reports.

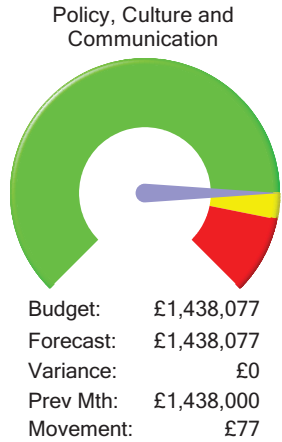
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# Appendix B

## Integrated Report- Chief Executives Directorate Directorate Q2 2013

### Financial Performance



#### Performance Summary

Service	No Data	Red	Amber	Green
Policy Culture and Communications	0 (0%)	1 (7%)	0 (0%)	13 (93%)
<b>Total</b>	<b>0 (0%)</b>	<b>1 (7%)</b>	<b>0 (0%)</b>	<b>13 (93%)</b>

#### Risk Summary

Service	No Data	Red	Amber	Green
Policy Culture and Communications	0 (0%)	0 (0%)	3 (75%)	1 (25%)
<b>Total</b>	<b>0 (0%)</b>	<b>0 (0%)</b>	<b>3 (75%)</b>	<b>1 (25%)</b>

Service	No Data	Red	Amber	Green
Previous Quarter	0 (0%)	0 (0%)	2 (14%)	12 (86%)

Service	No Data	Red	Amber	Green
Previous Quarter	0 (0%)	0 (0%)	3 (43%)	1 (20%)

#### Direction of Travel

Service	No Data	Declining	No Change	Improving
Policy Culture and Communications	0 (0%)	1 (7%)	7 (50%)	6 (43%)
<b>Grand Total</b>	<b>0 (0%)</b>	<b>1 (7%)</b>	<b>7 (50%)</b>	<b>6 (43%)</b>

#### Direction of Travel

Service	No Data	Declining	No change	Improving
Policy Culture and Communications	0 (0%)	0 (0%)	2 (50%)	2 (50%)
<b>Total</b>	<b>0 (0%)</b>	<b>0 (0%)</b>	<b>2 (50%)</b>	<b>2 (50%)</b>

## **Directorate Overview**

The Service is on target to spend at the budgeted level of £1.438 million. Of the 13 performance targets only one (7%) is of concern which relates to dance participation although even this is perceived to be a timing issue rather than a true adverse variance. There are no risks of concern.

### **1. Directorate Financial Performance**

Currently no variance is projected for this service area against its latest projected budget as at the end of September 2012.

### **2. Directorate Performance - Exceptions Policy, Culture and Communications**

A total of 1,458 people from hard-to-reach groups engaged with the Museum of Oxford & Town Hall's learning and outreach services by September, putting performance ahead of target for the year to date. The number of on-line transactions (eForms and online payments) that have been processed through the council's website by the public each month is now in excess of 36,150 compared to a target of 20,370. Events income is in excess of £35k and well above its target of £13,125 for this point in the year

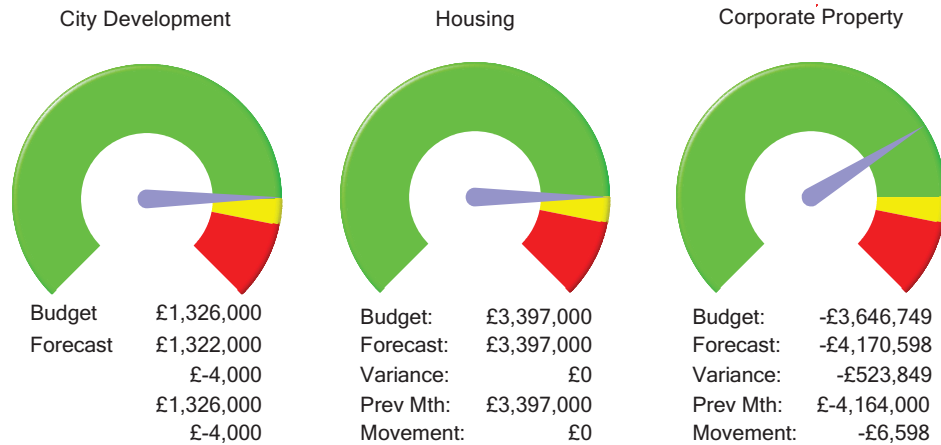
Dance participation at 2,783 and so significantly below its periodic target of 4,700 The largest element of the programme for 2012/13 will take place at the end of November (with the Christmas Light Night Dance Stage project) and the Dancin' Oxford Dance Festival next Spring, which will put this back on target.

### **3. Risk Performance - Exceptions**

No red risks currently

# Appendix C Integrated Report- City Regeneration Directorate Q2 2013

## Financial Performance



### Performance Summary

Service	No Data	Red	Amber	Green
City Development	0 (0%)	0 (0%)	2 (67%)	1 (33%)
Corporate Property	0 (0%)	4 (17%)	5 (21%)	15 (63%)
Housing	0 (0%)	0 (0%)	1 (14%)	6 (86%)
<b>Total</b>	<b>0 (0%)</b>	<b>4 (12%)</b>	<b>8 (24%)</b>	<b>22 (65%)</b>

### Risk Summary

Service	No Data	Red	Amber	Green
City Development	0 (0%)	2 (25%)	3 (38%)	3 (38%)
Corporate Property	0 (0%)	5 (42%)	3 (25%)	4 (33%)
Housing	0 (0%)	1 (25%)	1 (25%)	2 (50%)
<b>Total</b>	<b>0 (0%)</b>	<b>8 (33%)</b>	<b>7 (29%)</b>	<b>9 (38%)</b>

	No Data	Red	Amber	Green
Previous Quarter	2 (6%)	7 (24%)	4 (15%)	21 (62%)

	No Data	Red	Amber	Green
Previous Quarter	1 (4%)	6 (21%)	9 (28%)	8 (26%)

### Direction of Travel

Service	No Data	Declining	No Change	Improving
City Development	0 (0%)	1 (33%)	1 (33%)	1 (33%)
Corporate Property	0 (0%)	4 (17%)	12 (50%)	8 (33%)
Housing	0 (0%)	3 (50%)	1 (17%)	2 (33%)
<b>Grand Total</b>	<b>0 (0%)</b>	<b>8 (24%)</b>	<b>14 (42%)</b>	<b>11 (33%)</b>

### Direction of Travel

Service	No Data	Declining	No change	Improving
City Development	0 (0%)	1 (14%)	7 (100%)	0 (0%)
Corporate Property	0 (0%)	2 (20%)	10 (100%)	0 (0%)
Housing	1 (33%)	1 (33%)	0 (0%)	2 (67%)
<b>Total</b>	<b>1 (5%)</b>	<b>4 (20%)</b>	<b>17 (85%)</b>	<b>2 (10%)</b>

## CITY REGENERATION DIRECTORATE

### Directorate Overview

**The overview of the Directorate is one of average performance.** The Directorate has a net latest budget position of £1.077m. The projected year-end forecast as at September is £549k, an underspend of £528k (49%). This favourable variance is due to additional income from improved performance relating to the Council's commercial property portfolio. Against this is the fact 4 (17%) of Corporate Property's performance indicators are below target at the half year stage. For the Directorate as a whole 35% of performance targets are below target. The Directorate has identified 24 service risks within its activities of which only 9 (38%) have been actively reduced. An additional 2 risks have moved to becoming red.

#### 1. Directorate Financial Performance

##### City Development

Savings have been forecast for year end from staff and consultancy budgets; however these will be largely offset by reduced income from lower income achieved from both Planning and Building Control Fees, reflecting the continuation of the economic downturn and its effect on development within the City. Despite these variances there is no predicted change to the net bottom line budget for City Development.

##### Housing

No projected outturn variance against the latest GF Housing budget is predicted as at September 2012.

##### Corporate Property

The major contributor to the directorate's projected underspend £524k is the Council's property portfolio where a number of City Centre properties that had previously been empty, enjoying rent free periods or yielding rental income below prevailing market levels are no longer doing so.. This is partly offset by an under achievement of income on the Gloucester Green Market and unbudgeted costs associated with Ramsay House before a new lease was completed in July 2012.

#### 2. Directorate Performance - Exceptions:

##### Corporate Property

No increase in General Fund capital receipts was seen in September, leading to total receipts of £628k to date compared to a periodic target of £1m. The number of lease renewals and rent reviews reported is significantly behind its periodic target of 21 with 5 reviews/renewals reported and others currently being investigated.

A number of delayed projects have led to reported performance being off target; the ISO Quality system for Housing projects has been adjusted to match the programme for Corporate Property overall; a new VFM benchmarking survey will be commencing during October; SAP assessments (HRA) Review is awaiting a software update in October; Tower Blocks appraisal is awaiting the appointment of a Project Manager in October.

The programme to deliver 112 new affordable homes is slightly behind schedule but has now been mobilised with the first programme board due in October.

[Data currently missing: CA008: HRA Capital spend; CA009: HRA planned maintenance spend]

## **Housing**

Development of on-line housing applications is behind schedule as the release date for a new product required from our ICT supplier has been moved back from June to October 2012.

The number of rough sleepers spending a second night on the streets currently has no data. We will begin receiving reports for the No Second Night Out initiative at the beginning of November.

## **City Development**

September saw the largest monthly completions figure for net additional homes provided in 2012, but the total of 74 homes delivered to date remains below the periodic target of 114. This reflects the national downturn in housing delivery and the absence of any large housing construction sites in the city at the current time.

Processing of planning applications for minor application types remains at 70% for year to date compared to the target of 75%. A concerted drive will be made to ensure the target is met by year end.

3.

## **Risk Performance - Exceptions**

### **City Development**

Major service failure due to significant loss of ICT or staff; Opposition to emerging statutory plans by members of the public or local groups and organisations. Officers are still working through options to reduce these risks to more acceptable levels.

### **Corporate property**

Budget overspends; Black Bird Leys swimming pool budget overspends and refusal of planning permission; staff recruitment and retention issues; inaccurate data being held on Uniform; Westgate redevelopment being unviable. . Officers are still working through options to reduce these risks to more acceptable levels.

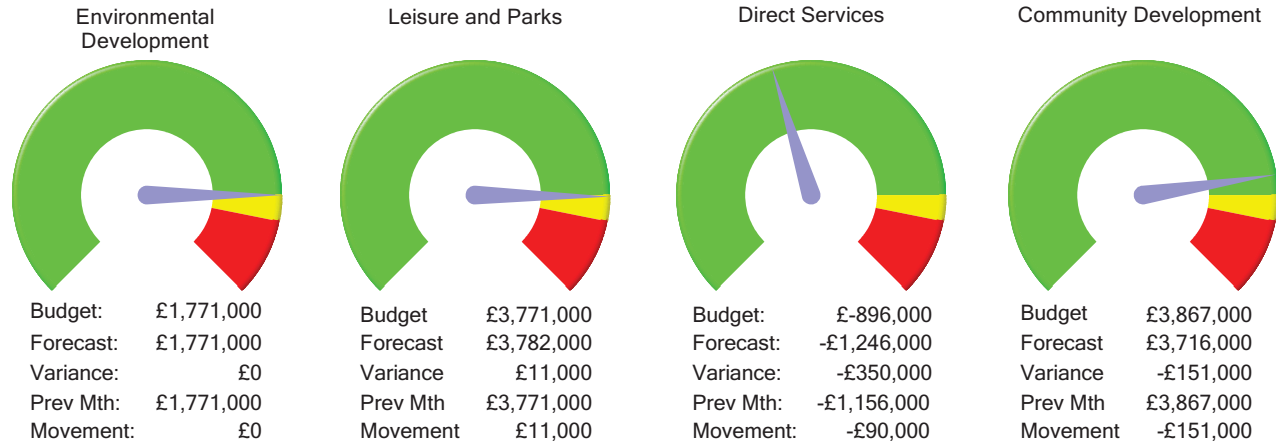
### **Housing**

HRA business plan delivery failure. Much work has been undertaken of late re-working the strategy associated with the HRA Business Plan. Officers are confident that the plan to be submitted to Members for approval as part of the budget exercise will continue to be strong in financial terms and will start to deliver on the strategic objectives identified relating to new build, capital improvements and increased tenant involvement.

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# Appendix D Integrated Report- Community Services Directorate Q2 2013

## Financial Performance



### Performance Summary

Service	No Data	Red	Amber	Green
Community Development	0 (0%)	1 (25%)	2 (50%)	1 (25%)
Direct Services	0 (0%)	0 (0%)	0 (0%)	9 (100%)
Environmental Development	0 (0%)	0 (0%)	1 (14%)	6 (86%)
Leisure and Parks	0 (0%)	2 (10%)	1 (5%)	17 (85%)
<b>Total</b>	<b>0 (0%)</b>	<b>3 (8%)</b>	<b>4 (10%)</b>	<b>33 (83%)</b>

### Risk Summary

Service	No Data	Red	Amber	Green
Community Development	0 (0%)	0 (0%)	1 (50%)	1 (50%)
Direct Services	0 (0%)	1 (9%)	7 (64%)	3 (27%)
Environmental Development	0 (0%)	2 (25%)	2 (25%)	4 (50%)
Leisure and Parks	0 (0%)	0 (0%)	5 (50%)	5 (50%)
<b>Total</b>	<b>0 (0%)</b>	<b>3 (10%)</b>	<b>15 (48%)</b>	<b>13 (42%)</b>

Service	No Data	Red	Amber	Green
Previous Quarter	0 (0%)	3 (8%)	6 (15%)	31 (78%)

Service	No Data	Red	Amber	Green
Previous Quarter	0 (0%)	1 (3%)	18 (37%)	12 (28%)

### Direction of Travel

Service	No Data	Declining	No Change	Improving
Community Development	0 (0%)	0 (0%)	2 (50%)	2 (50%)
Direct Services	0 (0%)	3 (33%)	3 (33%)	3 (33%)
Environmental Development	0 (0%)	1 (14%)	3 (43%)	3 (43%)
Leisure and Parks	0 (0%)	2 (10%)	14 (70%)	4 (20%)
<b>Grand Total</b>	<b>0 (0%)</b>	<b>6 (15%)</b>	<b>22 (55%)</b>	<b>12 (30%)</b>

### Direction of Travel

Service	No Data	Declining	No change	Improving
Community Development	0 (0%)	1 (50%)	0 (0%)	1 (50%)
Direct Services	0 (0%)	0 (0%)	11 (100%)	0 (0%)
Environmental Development	0 (0%)	2 (25%)	6 (75%)	0 (0%)
Leisure and Parks	0 (0%)	0 (0%)	10 (100%)	0 (0%)
<b>Total</b>	<b>0 (0%)</b>	<b>3 (10%)</b>	<b>27 (87%)</b>	<b>1 (3%)</b>



## Directorate Overview

**The overview of the Directorate is one of good performance generally.** Compared to a latest budget position of £8.513 million the Directorate is forecast to be approximately £490k (5.76%) underspent at year end due mainly to underspends on salaries and wages in Direct Services arising reduced employer pension fund contributions (£350k) and also underspends in the Youth Activities. Over 80% of performance targets in this Directorate are on or exceeding target with only 3 indicators not achieving target. There are 31 risks being managed within the Directorate of which 3 (10%) are of concern but are being managed. These relate to levels of customer satisfaction on Housing Repairs and also the threat of public health issues. Both are being mitigated satisfactorily.

### 1. Directorate Financial Performance

#### Environmental Development

Currently no variance is projected for this service area against its latest projected budget as at the end of September 2012.

#### Leisure and Parks

Leisure and Parks are projecting a slight adverse variance of £11k for year-end. This reflects budgetary pressures on public utility costs for buildings within the service, increased vehicle fleet charges primarily driven by higher fuel prices, offset slightly by additional tree team housing income and some employee vacancy savings.

#### Direct Services

Direct Services is showing a year-end saving of £350k. This is mainly caused by budgeted employer pension contribution savings arising due to many staff within Direct Services not currently being part of the Local Government Pension Scheme. It is seen prudent for the authority to budget on the basis most, if not all employees will take advantage of the LGPS.

#### Community Development Team

The Community Development Team anticipate a £151k underspend at year-end. CEB approved that expenditure would be targeted on up to 14 directly provided sessions, £50k for Government supported activities and the remainder of this year's budget to be put aside for externally match fund bids. Some additional sessions have materialised without Council spending, however we will be starting in Woodfarm imminently. A grant funded scheme will begin before Christmas. It is now planned that resources totalling £81k will be used to match fund a Sport England bid in 2013/14 and £30k will be requested to be carried forward within the Community Development budgets for next financial year. The current year's projected underspend also includes £30k associated with vacant posts within the Community Warden Team and a projected under spend on Member Ward budgets of £10k.

### 2. Directorate Performance - Exceptions

#### Environmental Development

Enforcements for environmental offences are performing significant above target (804 compared to a target of 240) as are the number of candidates achieving a level 2 catering award (89 compared to a target of 54). Satisfaction with the HIA service is at 94% and above the target of 90%.

Percentage of Low Carbon Oxford milestones achieved has slipped due to priority being given to the EU Intelligent Energy Bid. The Challenge Group is now due in December, the Pathfinder meeting will happen in November and the new ~~letter~~<sup>system</sup> has been delayed awaiting a new template to ~~14~~<sup>14</sup>



be professionally designed along with other branding and logo.

### **Leisure & Parks**

A total of 8 events (compared to a target of 4) have been completed to maximise on the potential of the 2012 Olympics. Street sports participation is has exceeded the target of 1507 with an additional 170 participants. A 77% achievement of Quest for sports development has been achieved in comparison to a target of 60%. Subsidy per user in leisure centres continues to perform strongly with a year to date total of £0.57 per user, ahead of the target of £0.77. The number of participants in volunteer activities in parks and open spaces has exceeded the target for the year of 475 by 147.

Various legal issues have prevented work starting on Blackbird Leys pool, so performance is currently shown as red. Employee attendance is currently at 4 days per FTE for the year to date and so not meeting a local target of 3 days.

The cost of parks per household is shown as amber as it relates to the previous year's data. This is expected to be refreshed later in the year.

### **Community Development**

Dealing with local concerns about anti-social behaviour and crime by the local council and police: Current (amber) performance relates to 2011/12. The annual Talkback assessment will be undertaken in Autumn to provide data for 2012/13.

Number of Community led plans Produced and Published: The Communities and Neighbourhoods Team have dedicated resources to supporting several of the identified Community Led Planning areas to achieve funding from Oxfordshire County Council's Active Communities Fund. Funding has been awarded in Jericho, Cutteslowe and West Oxford, to support development work arising from the Community Led Planning approach. Resources are now able to refocus on the planning stage and we anticipate that Cutteslowe's Community Led Plan will be completed in November 2012.

Number of Neighbourhood Partnership Plans Produced and Published: The Communities and Neighbourhoods Team have experienced a need to refocus resources to priority areas including high-profile projects and issues with Community Centres. As such, the target measure for 2 Neighbourhood Plans to be achieved by September 2012 has not been met, with only one plan produced for the Wood Farm area. Work will continue to achieve this measure and we anticipate that Barton's Neighbourhood Plan will be produced shortly.

## **3.**

### **Risk Performance - Exceptions**

#### **Direct Services**

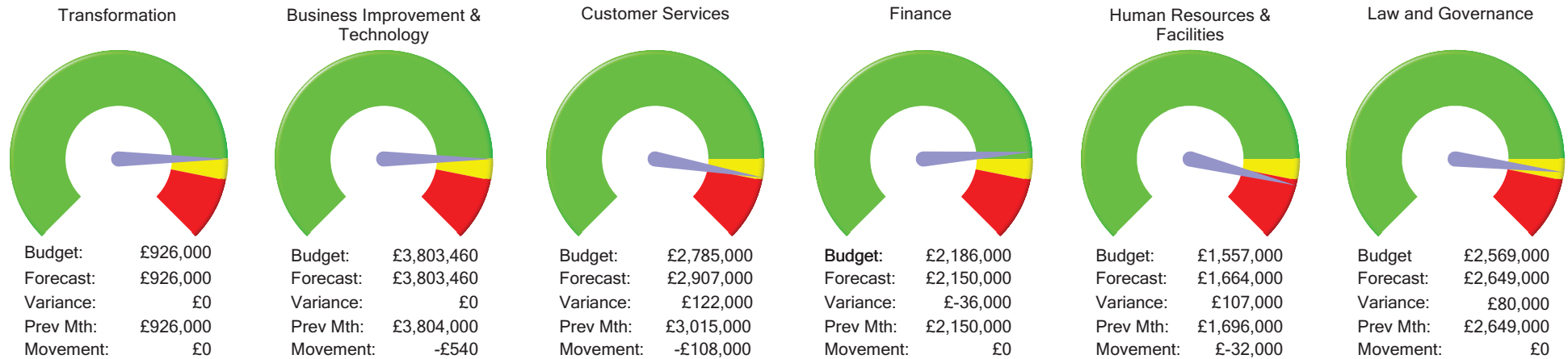
Main area of risk in Direct Services is around the failure to maintain or improve customer satisfaction levels; this is being mitigated by monitoring the levels within the customer contact centre. The performance is currently low and this impacts on customers who are unsatisfied with the repair service.

#### **Environmental Development**

To ensure that the implementation of the HMO licensing scheme across the city is delivered to a high standard there is an up to date Business Plan in place. To combat the risks of the threat to public health from disease we have a team of competent and experienced specialist staff with effective links with CCDC and protocols are in place for the event of an outbreak.

# Appendix E Integrated Report- Organisational Development and Corporate Services Q2 2013

## Financial Performance



### Performance Summary

Service	No Data	Red	Amber	Green
Business Improvement and Technology	0 (0%)	1 (17%)	0 (0%)	5 (83%)
Customer Services	5 (42%)	3 (25%)	1 (8%)	3 (25%)
Finance	0 (0%)	4 (25%)	5 (31%)	7 (44%)
Human Resources and Facilities	0 (0%)	2 (40%)	1 (20%)	2 (40%)
Law and Governance	0 (0%)	0 (0%)	0 (0%)	2 (100%)
<b>Total</b>	<b>5 (12%)</b>	<b>10 (24%)</b>	<b>7 (17%)</b>	<b>19 (46%)</b>
Previous Quarter	6 (15%)	9 (32%)	4 (17%)	22 (54%)

### Direction of Travel

Service	No Data	Declining	No Change	Improving
Business Improvement and Technology	0 (0%)	0 (0%)	2 (67%)	1 (33%)
Customer Services	0 (0%)	6 (50%)	0 (0%)	6 (50%)
Finance	0 (0%)	3 (19%)	8 (50%)	5 (31%)
Human Resources and Facilities	0 (0%)	2 (40%)	1 (20%)	2 (40%)
Law and Governance	0 (0%)	0 (0%)	2 (100%)	0 (0%)
<b>Grand Total</b>	<b>0 (0%)</b>	<b>11 (29%)</b>	<b>13 (34%)</b>	<b>14 (37%)</b>

### Risk Summary

Service	No Data	Red	Amber	Green
Business Improvement and Technology	0 (0%)	0 (0%)	4 (67%)	2 (33%)
Customer Services	0 (0%)	0 (0%)	0 (0%)	6 (100%)
Finance	0 (0%)	0 (0%)	4 (50%)	4 (50%)
Human Resources and Facilities	0 (0%)	1 (20%)	1 (20%)	3 (60%)
Law and Governance	0 (0%)	0 (0%)	2 (50%)	2 (50%)
<b>Total</b>	<b>0 (0%)</b>	<b>1 (3%)</b>	<b>11 (38%)</b>	<b>17 (59%)</b>
Previous Quarter	0 (0%)	2 (7%)	11 (28%)	15 (35%)

### Direction of Travel

Service	No Data	Declining	No change	Improving
Business Improvement and Technology	1 (17%)	1 (17%)	3 (50%)	1 (17%)
Customer Services	0 (0%)	2 (33%)	4 (67%)	0 (0%)
Finance	0 (0%)	0 (0%)	6 (75%)	2 (25%)
Human Resources and Facilities	1 (17%)	1 (17%)	3 (50%)	1 (17%)
Law and Governance	0 (0%)	0 (0%)	2 (50%)	2 (50%)
<b>Total</b>	<b>2 (7%)</b>	<b>4 (13%)</b>	<b>18 (60%)</b>	<b>6 (20%)</b>

## ORGANISATIONAL DEVELOPMENT AND CORPORATE SERVICES DIRECTORATE

### Directorate Overview

**Overall the Directorate is forecasting an overspend against budget and a number of indicators show some concern.** Compared to a latest budget position of £13.827 million the Directorate is forecast to be approximately £273k (1.97%) overspent at year end due to unachieved Town Hall income and unachieved savings in the Customer Services Revenues Team. Mitigating factors have been introduced to reduce the impact of these overspends. In terms of performance indicators almost half are on target or exceeding target with 24% below target including payment of invoices and housing benefit processing times (see below for details). On the positive side 71% show either no change or an improvement since last month. There is only 1 service risk of concern which relates to unachieved income in the Town Hall and measures have been put in place to increase sales in this area.

### 1. Directorate Financial Performance

#### **Business Improvement and Technology**

Current budgetary projections suggest that the service area will spend within latest approved estimate levels. However, in order for this to be achieved further efficiencies associated with new Telephony contracts need to be delivered.

#### **Customer Services**

The Customer Services area is projecting a year end adverse position of £122k, which is £108k lower than that reported last month and £104k lower than that reported for Quarter 1. This has been caused by £60k associated with additional temporary staff employed within the Contact Centre, offset slightly by £26k savings associated with Supplies and Services purchases. The Revenues area is predicting a £149k adverse variance at year end due to an unachievable saving associated with the proposed in-year restructure of the Revenue and Rents team. This pressure is reduced by £100k of additional court cost income (this is a net position after taking account of associated bad debts). Housing Benefits are predicted to be a net £39k overspent at year end. A contributing factor of this overspend are associated budgetary pressures arising as a result of a 20% increase in HB caseload.

#### **Finance**

Finance is forecast to achieve savings of £36k at the end of the financial year, arising from reduced Internal Audit fees.

#### **Human Resources and Facilities**

Human Resources and Facilities are projected to be overspent at year end by £107k. This is £32k lower than that reported for August and £100k lower than that reported in Quarter 1. This has been caused by unachievable income targets for the Town Hall amounting to £160k. A £50k pressure in post room income and a £10k increase in additional supplies and services. The overall pressures are being offset to some degree by turnover savings of £23k in salaries in HR due to structure changes, and a £90k favourable variance on the Apprentices due to 2 year contracts starting midway through 2012/13 rather than at the beginning.

#### **Law and Governance**

Law and Governance is projecting an £80k overspend at year-end. The forecast overspend includes a £75k pressure on employees costs due to a base budget shortfall of £79k and maternity cover costs that have been partly offset by £4k of in-year vacancy savings. In addition there are pressures against unachievable income targets in Democratic Services and Elections Services totalling £5k.

## 2.

### Directorate Performance - Exceptions

#### **Finance:**

The Service is performing well in some areas, with above target performance for the percentage of orders issued electronically and the percentage of income taken electronically. Performance on debt is also above target, with the percentage of debt more than 12 months old now only 7% (compared to a target of 20%) and the percentage of debtor invoices paid within 30 days at 63% (compared to a target of 55%)

The percentage of invoices paid by BACS is at 77% and remains below target of 85% for year to date. However, performance in September improved to 88%. The percentage of invoices paid on time has improved this month to 92.9%, with most service units improving on last month's performance, but this unfortunately is still some way short of the target of 97%. The percentage of remittances emailed has shown poor results this month, so a member of the Payments Team has been tasked with contacting all the suppliers on the print run for September to obtain email details. A steady trickle of new Direct Debit payers is being seen, and staff are still pushing these to existing and new customers, but performance is 10% compared to a 15% target.

Number of housing benefits investigations per 1,000 caseload remains below target but is moving back on track now that cases are being investigated and concluded. Housing benefit prosecutions are at intervention level, but with a number of cases at various stages of progress it is anticipated that the annual target will be met.

There has been no progress against the target for dwellings returned through prosecutions. Little case law exists on criminal prosecution for tenancy fraud to date. This will change with the proposed changes in Housing Law making the subletting a social housing property a criminal offence within housing legislation.

Investment return above base rate has, unfortunately, dropped just below target. This is due to increased balances and rapidly reducing LIBID rates which have lead to a further deterioration in investment return.

#### **Human Resources and Facilities:**

Days lost to sickness is currently at 3 days per FTE and so performing better than its periodic target of 4 days. A new attendance management policy is being launched in August to help identify and support staff with attendance problems, and a well-being programme being launched with an emphasis on preventative action around sickness

There is a £160k pressure on the town hall income due to income targets being increased (to meet necessary savings requirements). A new sales officer and new processes are in place to push sales and are helping to address the shortfall. Other impacts include the Main Hall being unavailable for bookings at various times due to maintenance (e.g. work to the balconies meaning the hall was unable to be booked for 2 months) a, 9 month delay in Café opening (now open) and loss of long term bookings. A consultant is working on short and medium term plans aimed to increase income and ensure we have appropriate arrangements in place to maximise this,

Percentage of employees with a disability have increased recently as a result of more employees declaring a disability, which is a positive step as it allows the Council to manage their needs more effectively. The percentage of staff from ethnic minorities is significantly below target. Work is underway to understand what barriers to employment there may be from various communities in the City and then we will take steps to overcome those barriers. We will be focusing on raising the profile of the Council as an employer of choice in 2012/13. The recently-hired new apprentice cohort was encouraging in terms of diversity of appointees

#### **Customer Service:**

The percentage of business rates collected is performing well at 60.18% - ahead of its periodic target of 58% for September, which equates to £1,838k in excess of expectations for this point in the year. The percentage of rent collected is also performing in excess of its target at 94.72%.

Council tax collection: As at the end of September the collection rate stood at 56.80%, just short of the profiled target of 57% and down on last year's equivalent result of 57.05%. It is hoped this



situation will improve during October.

Customers getting through first time on Council's main service lines: We are continuing to work through the Improvement Plan for the Contact Centre. Some of the improvements are as follows: The hardware and software used by the contact centre has been upgraded to improve the system response time; a resilience contract to handle the overflow calls is being finalised; a comprehensive training programme for all customer contact staff is in train to ensure all staff can answer the full range of service enquiries; a performance framework for all staff has been agreed, implemented and individual performance is being carefully managed; and a contract for new contact centre telephony software is being let. The number of telephony options offered to customers is being reviewed and it is anticipated these will reduce and make it easier for customers to select the appropriate option. In terms of the efficiency of the contact centre, the percentage of enquiries resolved without hand off to the back office is well above target at 91.2% as a result of ongoing training and individual quality checks. In conjunction with the improving customer satisfaction targets this indicates a quality front line customer service experience providing good levels of accessibility to Council services.

Housing Benefits changes in circumstances: The average processing time in September was 11.86 days which has improved the year to date result from 12.15 days at the end of Aug to 12.09 days at the end of September. The target is 10 days. Due to the nature of the work performance times are usually much lower towards the end of the year, and so we should meet this target. Performance at the end of 2011/12 was 11.97 days, so hitting the 10 day target will demonstrate a significant improvement for the City Council in this area. The average processing time for new claims during September was 21.67 days which has improved the year to date result from 23.06 days at the end of Aug to 22.87 days at the end of September. The target this year is 14 days. It is important to bear in mind that this is an extremely ambitious target. Last year's performance was 19.5 days which represented top quartile performance nationally. The introduction of risk based verification for new claims, which we are expecting to implement in this quarter, will see a reduction in the supporting evidence required for low risk new claims, and should further contribute to moving towards our 14 day target. It is also interesting to note that the DWP are noticing a quarter on quarter deterioration in performance nationally in benefit processing times, however, The City Council performance is improving.

Data for complaints and compliments is shown as missing as there are no targets set for monthly performance

### **Business Improvement and Technology**

Savings identified from business process re-engineering now stand at £448,997 which means the target for the year has already been achieved. The procurement savings are on track to be delivered this year.

The Procurement Team continue to attract local suppliers to win work with the Council and provide training and support to local businesses.

Percentage of quarterly milestones within the ICT strategy achieved within timescale: Performance is currently 50% compared to a periodic target of 85%. This has been due in part to staff restructuring

## **3. Risk Performance- Exceptions**

### **HR & facilities**

There has been difficulty so far this financial year to meet our income targets for the Town Hall; we have taken action to address this which includes putting in additional resources to follow up quickly on enquiries and quotes, opening up other marketing and sales opportunities and setting out a business case for the development of town hall income.

## APPENDIX F

### **Budget Monitoring as at 30th September 2012 (Quarter 2)**

**Appendix 1:** September 2012 monitoring – General Fund Forecast Outturn

**Appendix 2:** September 2012 monitoring – Capital Programme Forecast Outturn

**Appendix 3:** September 2012 monitoring – Housing Revenue Account Forecast Outturn

**Appendix 4:** September 2012 monitoring – General Fund year to date position

### **EXECUTIVE SUMMARY**

1. This report sets out the Council's projected outturn position as at the 30th September 2012 and highlights major variances to the approved budget. In summary
  - The General Fund Revenue account indicates a favourable variance of £ (745k) against the latest budget, which is £ (380k) more favourable than August and £ (1,144k) more favourable than Quarter 1.
  - Appendix 3 attached and the summary HRA table below indicates a year-end favourable variance of £ (6,179k) for the HRA. This is £ (480k) more than reported last month and £ (730k) more favourable than Quarter 1.
  - Commentary on capital schemes is given in paragraphs 34 to 40. The latest capital budget does reflect the delays associated with the construction of the new pool, together with further revisions arising from more up to date information on scheme by scheme progress.
  - The collection rate for Council Tax arrears as at the end of September 2012 is 97.54% compared with 97.16% for Quarter 1 and 96.42% for August 2012.
  - Business Rate collection at the end of September 2012 was 98.56% compared to 98.20% for June 2012 (Q1) and 98.42% for August 2012.
  - The payment of invoices within 30 days has improved since last month and now stands at 93.78% compared to 89.61% in August and 93.06% for Quarter 1.
  - HRA, current tenant arrears, have continued to rise steadily, in part as a consequence of the introduction of direct payments to as detailed later in the report. They now stand at £1,241k compared with £1,017k at the end of Quarter 1.
2. The Approved Budgets have been re-aligned to reflect virement requests approved by the Head of Finance up to September in accordance with the Council's Financial Regulations. Appendix 3 provides a detailed analysis of the cumulative virements made so far in 2012/13. A brief commentary on the movements is given in paragraph 7 below.
3. As part of the monitoring process Finance staff have met and had budget monitoring discussions with Cost Centre Managers and Heads of Service to verify the current budgetary position. The following forecast variances have been identified and these are commented on and explained more fully within the body of the report:
4. The main projected General Fund outturn variances compared to the latest budget are shown below:
  - City Regeneration Directorate – A favourable outturn variance of approximately £ (528k) is forecast, an increase of £ (10k) on the previous month and an increase of £ (528k) on that reported in Quarter 1, largely in relation to commercial property income.

- Community Services Directorate – A £ (490k) favourable projected outturn variance, which is an increase of £ (230k) on the August position and £ (376k) on that reported in Quarter 1. The main reasons are employee savings within Direct Services and the re-profiling of spend on the Youth Activities Programme within the Community Development Team.
- Organisational Development and Corporate Services Directorate – As at the end of September the Directorate is projecting a £273k adverse variance, a reduction of £ (140k) on the previous month and a reduction of £ (240k) on that reported in Quarter 1. The service area projections show a £122k overspend within Customer Services, a £ (36k) saving within Finance, a £107k overspend within Human Resources and Facilities and an £80k overspend in Law and Governance. Further detail is set out in paragraphs 15-19.

Service Heads within this Directorate are continuing to work hard to mitigate this position and positive progress is being made.

## **GENERAL FUND OUTTURN**

5. Appendix 1 provides a General Fund revenue outturn position, broken down by Service Area. Table 1 below also details the summarised GF position as at the end of September 2012 and compares the position to that reported in both August and Quarter 1.



**Table 1 General Fund Revenue**

GF Outturn Report @ Q2 30th September, 2012	Latest Budget	Expenditure	Income	Actual YTD	% Budget Spent to 30th Sept,2012 (Q2)	Projected Outturn @ Q2 30th Sept, 2012	Outturn Variance to Latest Budget	Outturn Variance to Previous Month	Projected Outturn @ Q1	Outturn Variance Movement from, Q1 to Q2
	£000's	£000's	£000's	£000's	%	£000's	£000's	£000's	£000's	£000's
<b>Directorates</b>										
Chief Executive	1,438	725	(195)	530	37%	1,438				
City Regeneration	1,077	6,212	(7,138)	(927)	(86%)	549	(528)	(10)		(528)
Community Services	8,513	17,615	(13,080)	4,535	53%	8,023	(490)	(230)	(114)	(376)
Organisational Dev & Corp Services	13,827	7,994	(1,253)	6,741	49%	14,100	273	(140)	513	(240)
<b>Directorate Total Excl SLA's &amp; Capital Charges</b>	<b>24,855</b>	<b>32,546</b>	<b>(21,666)</b>	<b>10,879</b>	<b>44%</b>	<b>24,110</b>	<b>(745)</b>	<b>(380)</b>	<b>399</b>	<b>(1,144)</b>
<b>SLA's &amp; Capital Charges</b>	<b>(1,264)</b>	<b>342</b>	<b>(80)</b>	<b>263</b>	<b>(21%)</b>	<b>(1,264)</b>				
<b>Corporate Accounts</b>	<b>1,696</b>	<b>21,630</b>	<b>(33,626)</b>	<b>(11,996)</b>	<b>(707%)</b>	<b>1,696</b>				
<b>Contingencies</b>	<b>2,820</b>		<b>(40)</b>	<b>(40)</b>	<b>(1%)</b>	<b>2,820</b>				
<b>Total Corporate Accounts &amp; Contingencies</b>	<b>4,515</b>	<b>21,630</b>	<b>(33,666)</b>	<b>(12,036)</b>	<b>(0)</b>	<b>4,515</b>				
<b>Net Expenditure Budget</b>	<b>28,107</b>	<b>54,518</b>	<b>(55,412)</b>	<b>(894)</b>	<b>(0)</b>	<b>27,362</b>	<b>(745)</b>	<b>(380)</b>	<b>399</b>	<b>(1,144)</b>
Transfer to / (from) GF working balances	(1,622)					(1,622)				
Transfer to / (from) Earmarked Reserves	(2,372)	(2,372)		(2,372)	100%	(2,372)				
<b>Net Budget Requirement</b>	<b>24,113</b>	<b>52,146</b>	<b>(55,412)</b>	<b>(3,266)</b>	<b>(0)</b>	<b>23,368</b>	<b>(745)</b>	<b>(380)</b>	<b>399</b>	<b>(1,144)</b>
<b>Funding</b>										
External Funding	11,719		5,979	5,979	51%	11,719				
Council tax	12,587		6,294	6,294	50%	12,587				
Less Parish Precepts	(193)	(97)		(97)	50%	(193)				
<b>Total Funding Available</b>	<b>24,113</b>	<b>(97)</b>	<b>12,273</b>	<b>12,176</b>	<b>50%</b>	<b>24,113</b>				
<b>(Surplus) / Deficit for year</b>		<b>52,243</b>	<b>(67,685)</b>	<b>(15,442)</b>		<b>(745)</b>	<b>(745)</b>	<b>(380)</b>	<b>399</b>	<b>(1,144)</b>

6. As at the end of September the forecast outturn position on the General Fund is £23,368k, some £ (745k) less than the latest budget of £24,113 and a movement of £ (1,144k) on that reported in Quarter 1.

7. There have been several virements approved during the year totalling £1,230k, which are reflected in the above table. A summary of the main budget movements are provided below:

- £100k has been transferred from the Severance contingency to service area budgets as at the end of September.
- £171k of budget movements between service areas, mainly arising from the senior management structure review that was approved in May 2012, has taken place as at the half year stage.
- £200k being the utilisation of New Growth Points grant funding for revenue expenditure associated with the West End Partnership.

- A net £930k representing transfers (to)/from earmarked reserves had occurred and been approved by the Head of Finance up to the end of September. A summary of the movements are given below:
    - a. £ (20k) returned to the MS Office Reserve as not required in 2012/13.
    - b. £549k from the Transformation Reserve to fund various in-year projects.
    - c. £107k from the Government Grants Reserve
    - d. £90k from the HMO Licensing Reserve to fund in-year expenditure.
    - e. £82k from Carry Forwards Reserve
    - f. £131k from the Land at Barton Reserve to fund revenue expenditure
    - g. £ (9k) transferred to the Elections Reserve to finance future spend.
8. **City Regeneration Directorate** - The directorate is currently estimated to have a projected outturn position of £549k, which is £ (528k) lower than the approved latest budget. This is £ (10k) more favourable than last month and £ (528k) more favourable than that reported in Quarter 1.
  9. For City Development savings have been forecast for year end from staff and consultancy budgets; however these will be largely offset by reduced income from lower income achieved from both Planning and Building Control Fees, reflecting the continuation of the economic downturn and its effect on development within the City. Despite these variances there is no predicted change to the net bottom line budget for City Development.
  10. No projected outturn variance against the latest GF Housing budget is predicted as at September 2012.
  11. The major contributor to the directorate's projected underspend £ (524k) is the Council's property portfolio where a number of City Centre properties that had previously been empty, enjoying rent free periods or yielding rental income below prevailing market levels are no longer doing so.. This is partly offset by an under achievement of income on the Gloucester Green Market and unbudgeted costs associated with Ramsay House before a new lease was completed in July 2012.
  12. **Community Services Directorate** - The directorate is currently estimated to have a projected outturn position of £8,023k, which is a favourable variance of £ (490k) against the latest budget and primarily relates to Direct Services. The current position is £ (230k) more favourable compared to the previous month and £ (376k) more favourable than the position reported in Q1.
  13. Leisure and Parks are projecting a slight adverse variance of £11k for year-end. This reflects budgetary pressures on public utility costs for buildings within the service, increased vehicle fleet charges primarily driven by higher fuel prices, offset slightly by additional tree team housing income and some employee vacancy savings.
  14. Direct Services is showing a year-end saving of £ (350k). This is mainly caused by budgeted employer pension contribution savings arising due to many staff within Direct Services not currently being part of the Local Government Pension Scheme. It is seen prudent for the authority to budget on the basis most, if not all employees will take advantage of the LGPS.
  15. The Community Development Team anticipate a £ (151k) underspend at year-end due to slippage of £ (111k) associated with the Youth Activities Project which has taken longer than originally envisaged to get underway. It is now planned that resources totalling £ (81k) will be used to match fund a Sport England bid in 2013/14 and £ (30k) will be requested to be carried forward within the Community Development budgets for next financial year. The

current year's projected underspend also includes £ (30k) associated with vacant posts within the Community Warden team and a projected under spend on Member Ward budgets of £ (10k).

16. **Organisational Development and Corporate Services Directorate** - The directorate is currently estimated to have a projected outturn position of £14,100k, which is £273k adverse to the latest budget. This is a £ (140k) improvement from the position last month and £ (240k) favourable to the position reported at Quarter 1.
17. The Customer Services area is projecting a year end adverse position of £122k, which is £108k lower than that reported last month and £104k lower than that reported for Quarter 1. This has been caused by £60k associated with additional temporary staff employed within the Contact Centre, offset slightly by £ (26k) savings associated with Supplies and Services purchases. The Revenues area is predicting a £149k adverse variance at year end due to an unachievable saving associated with the proposed in-year restructure of the Revenue and Rents team. This pressure is reduced by £ (100k) of additional court cost income (this is a net position after taking account of associated bad debts). Housing Benefits are predicted to be a net £39k overspent at year end. A contributing factor of this overspend are associated budgetary pressures arising as a result of a 20% increase in HB caseload.
18. Finance is forecast to achieve savings of £ (36k) at the end of the financial year, arising from reduced Internal Audit fees.
19. Human Resources and Facilities are projected to be overspent at year end by £107k. This is £32k lower than that reported for August and £100k lower than that reported in Quarter 1. This has been caused by unachievable income targets for the Town Hall amounting to £160k. A £50k pressure in post room income and a £10k increase in additional supplies and services. The overall pressures are being offset to some degree by turnover savings of £ (23k) in salaries in HR due to structure changes, and a £ (90k) favourable variance on the Apprentices due to 2 year contracts starting midway though 2012/13 rather than at the beginning.
20. Law and Governance is projecting an £80k overspend at year-end. The forecast overspend includes a £75k pressure on employees costs due to a base budget shortfall of £79k and maternity cover costs that have been partly offset by £ (4k) of in-year vacancy savings. In addition there are pressures against unachievable income targets in Democratic Services and Elections Services totalling £5k.

## **CORPORATE ACTIVITIES**

21. Whilst there are some significant in-year variances associated with the Local Cost of Benefits caused by the volatility associated with collection rate, volume of overpayments, credits recovered from previous years and rates of Discretionary Housing Payment spend, there is still a reluctance to recommend any variance from the budgeted position.

## **ACHIEVEMENT OF SAVINGS AND EFFICIENCIES**

22. The Council's budget identifies £1,761k of efficiencies, £290k of service reductions and £1,193k of additional fees and charges for 2012/13. As at the end of September it is anticipated these will be delivered with the following exceptions: £179k efficiencies within Customer Services, £5k of Law and Governance income, £8k of Policy, Culture and Communications income and £30k of HR and Facilities Management income. Mitigating savings of £8k have been identified for the lower PCC income

23. So far service areas have achieved £1,588k (52%) of efficiencies, savings and fees and charges as at the end of September.

24. Table 2 below details the forecast outturn position relating to savings and efficiencies at the half year stage.

**Table 2 – Savings and Efficiencies as at 30th September 2012**

	Efficiencies				Service Reductions				Fees and Charges				
	Approved Savings	Projected outturn	Variance	Savings made to date	Approved Savings	Projected outturn	Variance	Savings made to date	Approved Savings	Projected outturn	Variance	Savings made to date	
	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's	%
Policy, Culture & Communications									(17)	(9)	8	(4)	21%
<b>Chief Executive</b>									(17)	(9)	8	(4)	21%
Finance	(225)	(225)		(56)	(72)	(72)		(72)			0	0	0%
Business Improvement & Technology	(125)	(125)		(52)							0	0	0%
Law & Governance	(33)	(33)		(33)	(53)	(53)		(53)	(5)	0	5	0	0%
Human Resources & Facilities	(72)	(72)		(70)					(30)	0	30	0	0%
Customer Services	(247)	(68)	179	(68)							0	0	0%
<b>Organisational Development and Corporate Services</b>	<b>(702)</b>	<b>(523)</b>	<b>179</b>	<b>(279)</b>	<b>(125)</b>	<b>(125)</b>		<b>(125)</b>	<b>(35)</b>	<b>0</b>	<b>35</b>	<b>0</b>	<b>0%</b>
Direct Services	(120)	(120)		(58)					(836)	(836)	0	(566)	68%
Leisure & Parks	(310)	(310)		(229)	(35)	(35)		(35)	(54)	(54)	0	(20)	36%
Environmental Development	(12)	(12)		(5)	(98)	(98)		(67)	(10)	(10)	0	0	0%
<b>Community Services</b>	<b>(442)</b>	<b>(442)</b>		<b>(292)</b>	<b>(133)</b>	<b>(133)</b>		<b>(102)</b>	<b>(900)</b>	<b>(900)</b>	<b>0</b>	<b>(586)</b>	<b>65%</b>
City Development	(5)	(5)		(2)	(16)	(16)		(16)	(191)	(191)	0	(191)	100%
Housing and Communities	(192)	(192)		(49)	(16)	(16)		(16)			0	0	0%
Corporate Property	(420)	(420)		(120)					(50)	(50)	0	(50)	100%
<b>City Regeneration</b>	<b>(617)</b>	<b>(617)</b>		<b>(170)</b>	<b>(32)</b>	<b>(32)</b>		<b>(32)</b>	<b>(241)</b>	<b>(241)</b>	<b>0</b>	<b>(241)</b>	<b>100%</b>
Mitigating Savings													
<b>Total</b>	<b>(1,761)</b>	<b>(1,582)</b>	<b>179</b>	<b>(741)</b>	<b>(290)</b>	<b>(290)</b>		<b>(259)</b>	<b>(1,193)</b>	<b>(1,150)</b>	<b>43</b>	<b>(830)</b>	<b>70%</b>

## CONTINGENCIES, RESERVES AND BALANCES

25. Within the approved General Fund budget for 2012/13 the Council has provided £3.1m of contingencies. As at the end of September only £331k had been used mainly relating to the cumulative cost to date of redundancy and severance payments.

26. The forecast outturn also makes provision for a transfer from earmarked reserves of £1.6m to the 2012/13 working balance to fund in-year expenditure. This is still being projected as at the end of September.

## HRA OUTTURN

27. The summarised HRA position as at 30th September 2012 is set out in Table 3 and detailed in the attached Appendix 3. The table below exemplifies the major movements commented on in the following paragraphs.

**Table 3 – Summary Housing Revenue Account (HRA)**

<b>HRA Outturn Report @ Q2 30th September, 2012</b>		<b>Latest Budget</b>	<b>Actual YTD</b>	<b>% Budget Spent to 30th Sept,2012 (Q2)</b>	<b>Projected Outturn @ Q2 30th Sept, 2012</b>	<b>Outturn Variance to Latest Budget</b>	<b>Outturn Variance to Previous Month</b>	<b>Projected Outturn @ Q1</b>
		<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'001</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
<b>Income</b>								
	Dwelling Rent	(36,508)	(17,902)	49%	(36,508)			
	Service Charges	(956)	(472)	49%	(956)		(110)	
	Shops/Garages/Furn/Other Rent	(2,208)	(1,362)	62%	(2,256)	(48)		(48)
	Fees/Other	(721)	(303)	42%	(621)	100		100
	<b>Net Income</b>	<b>(40,393)</b>	<b>(20,038)</b>	<b>50%</b>	<b>(40,341)</b>	<b>52</b>	<b>(110)</b>	<b>52</b>
<b>Expenditure</b>								
	Rent/Income Collection	361	89	25%	361			
	Tower Blocks and Flats	600	229	38%	601	1	31	1
	Management/Infrastructure	1,839	902	49%	1,825	(14)	35	(14)
	Depreciation	8,147	4,074	50%	8,147			
	ICT services	281	141	50%	281			
	Contact Centre	786	393	50%	786			
	Rent Team	499	249	50%	499			
	Tenant's Participation	208	79	38%	208		(42)	
	Furnished Tenancies	473	210	44%	543	70		70
	Local Housing Management	835	393	47%	835		(129)	
	Major Projects/Policy/Technical	626	291	47%	626			
	Bad Debt Provision	410	34	8%	410			
	Decant Costs	201	49	24%	200	(1)		(1)
	<b>Sub Total Tenancy Management</b>	<b>15,266</b>	<b>7,133</b>	<b>47%</b>	<b>15,322</b>	<b>56</b>	<b>(105)</b>	<b>56</b>
	Caretaking Service	941	471	50%	941			
	Garden Scheme	268	134	50%	268			
	Void Property officers/Garage team	248	124	50%	248			
	Day to Day Responsive	4,450	2,266	51%	4,463	13		13
	Planned Maintenance	4,938	2,516	51%	4,938		(265)	
	Capital	636	141	22%	740	104		104
	<b>Sub Total Direct Services</b>	<b>11,481</b>	<b>5,652</b>	<b>49%</b>	<b>11,598</b>	<b>117</b>	<b>(265)</b>	<b>117</b>
	<b>Total Expenditure</b>	<b>26,747</b>	<b>12,784</b>	<b>48%</b>	<b>26,920</b>	<b>173</b>	<b>(370)</b>	<b>173</b>
<b>Appropriations</b>								
	Net Transfer To/From Reserves	(317)	(317)	100%	(317)			
	Interest On Balances	(35)	(18)	50%	(35)			
	Interest Payable	8,055	3,550	44%	7,100	(955)		(955)
	CDC, Pensions & Retirement Costs	74	31	42%	74			
	Employers Pension Adjustment	37	21	58%	37			
	Revenue Contribution to Capital	383	192	50%	383			
		<b>8,197</b>	<b>3,459</b>	<b>42%</b>	<b>7,242</b>	<b>(955)</b>		<b>(955)</b>
<b>Total HRA (Surplus)/Deficit</b>		<b>(5,449)</b>	<b>(3,795)</b>	<b>70%</b>	<b>(6,179)</b>	<b>(730)</b>	<b>(480)</b>	<b>(730)</b>

28. The HRA continues to show a £ (730k) favourable variance with the year-end surplus being £ (6,179k).

### Income

29. Additional service charge income of £ (110k) is the reason for the movement from the previous month. The movement from Q1 relates to lower recharges from the Major Projects Team of £100k to capital projects due to vacancies within the team that are unlikely to be filled, offset by £ (48k) of projected additional income from the Furnished Tenancies scheme.

### Expenditure

30. In the main the reasons for the £ (370k) outturn variance from the previous month's projected outturn relate to £ (129k) of reductions in Local Housing Management costs and £ (265k) relating to movements in planned maintenance expenditure. There is also an anticipated favourable variance of £ (955k) shown within the Appropriations section of the HRA between Q1 and Q2. This refers to the reduced borrowing costs (interest) associated

with the PWLB loans procured in relation to the £198.5m self-financing debt acquired at the beginning of the financial year.

31. It is expected that further in-year revisions could be undertaken before March 2013 that will form part of the HRA Business Plan budget setting for 2013/14 and beyond.

## **CAPITAL PROGRAMME**

### **General Fund and HRA Capital Programme**

32. A capital budget position, approved for the General Fund and HRA Capital Programme for 2012/13 is shown in summary at Table 4 below. Appendix 2 attached shows the Capital Programme on a scheme by scheme basis..

33 As at the end of September the Capital Programme shows a net favourable variance of £ (263k) against the latest budget. This is made up of a net £ (211k) reduction in GF schemes and a net reduction of £ (52k) in HRA capital projects.

#### **34 City Development**

Appendix 2 shows an outturn spend of £658k for City Development capital projects. These are all associated with s106 agreements therefore funding is provided.

#### **35 Housing and Communities**

There is an anticipated overspend of £213k against the Old Fire Station project. This has occurred following a re-evaluation of previously approved works which uncovered that a number of additional unbudgeted retention payments were now due. It is proposed that the current budget provision for this scheme along with in-year savings from other capital projects is vired to accommodate this overspend. The capital schemes where savings have been identified are the CCTV Replacement Programme £ (84k) and Ramsay House Cooling System £ (100k).

#### **36 Corporate Property**

A recent review of the current capital programme for this service area indicates that project slippages amounting to £964k have been identified. In the main they relate to:

- Town Hall – Conference System Refurbishment £300k
- Town Hall – Ventilation works, Toilets and other refurbishments £297k
- Rose Hill Community Centre £126k
- Covered Market Improvements £240k

37 The Town Hall delays primarily relate to the listed building requirements associated with the Town Hall itself. This is true for the Covered Market renovations as well. Details regarding the new facility at Rose Hill are still being developed and as such spend on this project will effectively begin next financial year. There is an overspend associated with the Offices for the Future.

#### **38 City Leisure**

Similarly underspends/slippages associated with capital projects within this service area have been identified, namely;

- Sports Pavilions £200k
- Playground Refurbishment £115k
- Cycle Oxford £60k

39 To attain synergies it had been planned to start the pavilions project with Blackbird Leys Pavilion in tandem with work on the new pool. The Town Green application at Blackbird Leys Park has meant that the profiled expenditure for Blackbird Leys Pavilion needs to move back to 2013/14. While works have progressed the leisure centre improvement works at Barton and the Ice Rink, the main part of the improvement works at Ferry are currently delayed as members requested further options to be explored due to concerns with the loss of a squash court.

**Table 4 – Capital Programme as at 30th September 2012**

Capital Scheme	Latest Budget September 2012	Profiled Budget	Spend as at 30th September 2012	Variance to Profiled Budget	% Spend Against Approved Budget	Projected Outturn at 30th September 2012	Outturn Variance to Latest Budget	Outturn Variance due to Slippage	Outturn variance due to Over/Under spend
	£	£	£	£	%	£	£	£	£
City Development	0	365,400	366,907	1,507	0%	658,414	658,414	0	658,414
Environmental Development	800,000	102,080	124,609	22,529	16%	800,000	0	0	0
Communities and Housing	252,302	60,000	61,740	1,740	24%	315,000	62,698	(39,285)	101,983
Corporate Assets	5,099,288	1,457,403	1,458,137	734	29%	4,295,586	(803,702)	(963,702)	160,000
Customer Services	126,958	0	19	19	0%	126,958	0	0	0
City Leisure	2,182,589	362,857	301,856	(61,001)	14%	2,054,589	(128,000)	(260,000)	132,000
Direct Services	2,569,051	523,789	501,964	(21,825)	20%	2,569,051	0	0	0
Business Transformation	625,860	230,536	227,414	(3,122)	36%	625,860	0	0	0
<b>GF Total</b>	<b>11,656,048</b>	<b>3,102,065</b>	<b>3,042,646</b>	<b>(59,419)</b>	<b>26%</b>	<b>11,445,459</b>	<b>(210,589)</b>	<b>(1,262,987)</b>	<b>1,052,398</b>
Housing Revenue Account	8,395,000	3,270,007	3,942,070	672,063	47%	8,342,500	(52,500)	(1,282,000)	1,229,500
<b>Grand Total</b>	<b>20,051,048</b>	<b>6,372,072</b>	<b>6,984,716</b>	<b>612,644</b>	<b>35%</b>	<b>19,787,959</b>	<b>(263,089)</b>	<b>(2,544,987)</b>	<b>2,281,898</b>

## PERFORMANCE INFORMATION

40. There are a number of additional key performance indicators that need to be assessed along with the financial performance information to provide an overall financial health check position for the authority as at the end of September 2012. These additional indicators are detailed as follows:

## The Level of Debtors

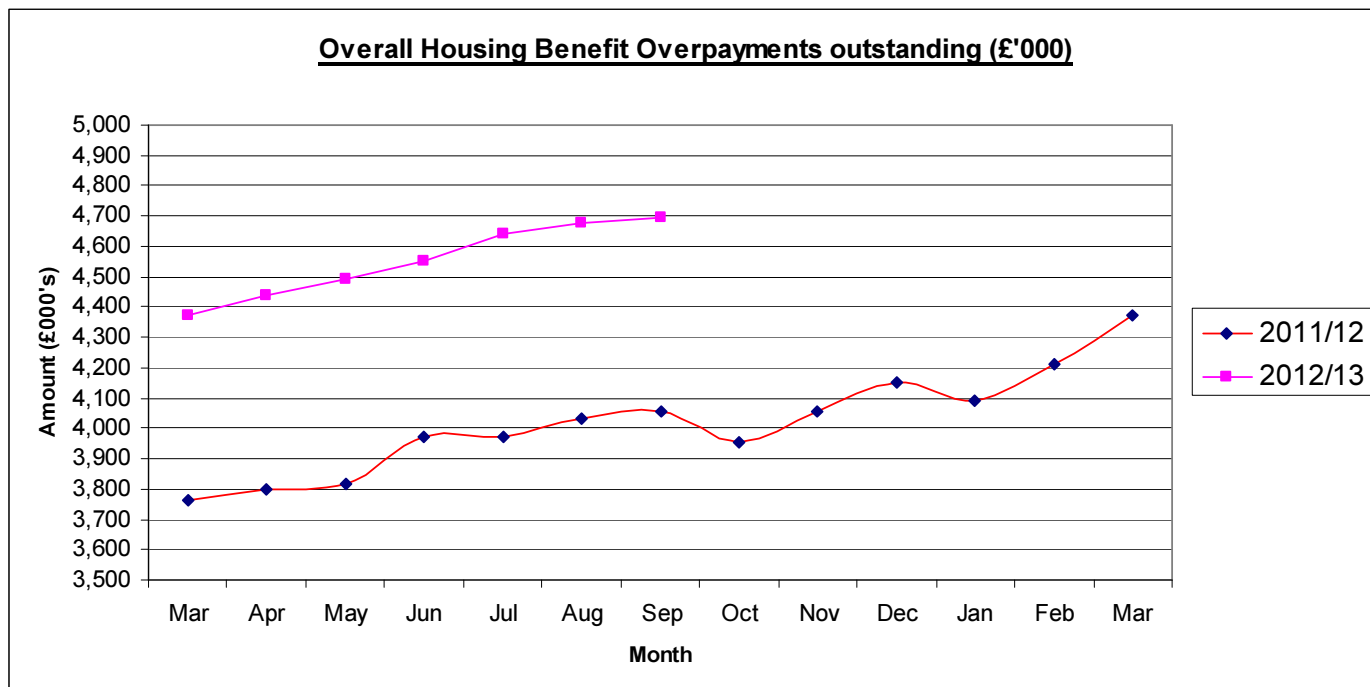
Table 5 – General Fund Debtors as at 30th September 2012

September	Sundry Debtors	% of Total	Periodic Income & Service Charges	% of Total	Community Charge	Housing Benefit Overpayments	% of Total	City Works, Parks & OCH Debtors	% of Total	Grand Total
Not Due	18,434	1%	97,257	6%	(25)	0	0%	33,942	5%	149,608
1-30 Days	159,911	10%	1,280,269	79%	0	0	0%	492,689	71%	1,932,870
31-90 Days	336,387	21%	33,274	2%	0	0	0%	72,501	10%	442,162
91-180 Days	869,259	55%	66,883	4%	0	0	0%	24,305	3%	960,447
<1 Year	152,836	10%	80,277	5%	0	924,641	20%	16,314	2%	1,174,068
<2 Years	9,455	1%	43,069	3%	0	1,246,849	27%	10,185	1%	1,309,558
<3 Years	1,368	0%	14,102	1%	0	720,198	15%	15,536	2%	751,193
<4 Years	3,427	0%	620	0%	(110)	506,881	11%	11,931	2%	522,750
<5 Years	7,336	0%	50	0%	(154)	386,338	8%	4,448	1%	398,019
<6 Years	2,368	0%	125	0%	(143)	234,989	5%	150	0%	237,489
Over 6 Years	8,476	1%	2,678	0%	159,782	672,935	14%	15,786	2%	859,656
<b>Total</b>	<b>1,569,247</b>	<b>100%</b>	<b>1,618,603</b>	<b>100%</b>	<b>159,350</b>	<b>4,692,831</b>	<b>100%</b>	<b>697,788</b>	<b>100%</b>	<b>8,737,818</b>

41. The Council's total General Fund debtors aged 31 days or more stands at £8.7m. As at 30th September 2012 £2.8m or 32% of the debt is aged 3 years or over.

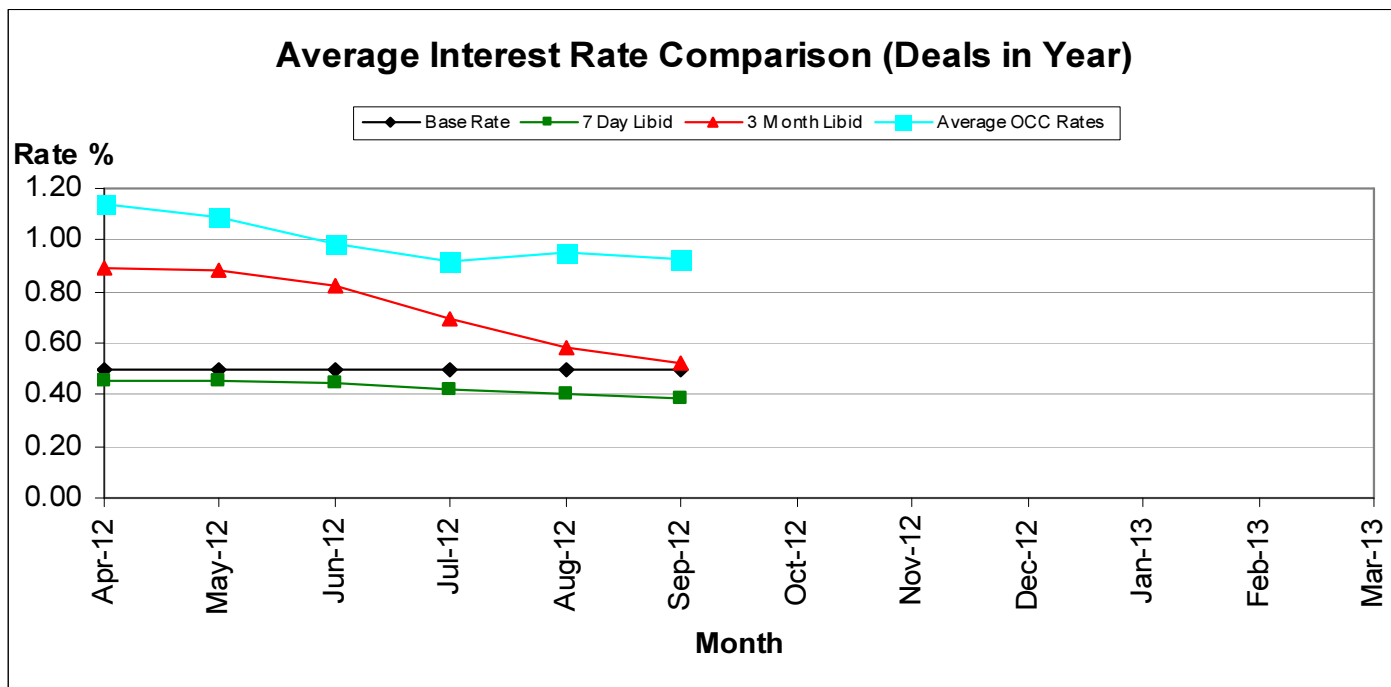
42. The Housing Benefit Overpayments arrears increased slightly during September from £4,675k at the start of the month to £4,693k at the end. The gross total of overpayments raised in the month was £271k whilst total overpayments recovered during the month, either by deductions/offsets of Housing Benefit or by payments received, totalled £246k. In addition there were write offs processed totalling £7k. The overall balance outstanding at the end of September was 15.74% higher than that of 12 months earlier.

### Housing Benefit Overpayments





## Investment Performance



43. The cumulative average rate of return on investments to 30<sup>th</sup> September 2012 was 0.99%. The cumulative investment return has now dropped below the Council's internally set treasury performance indicator of 1.00%, namely 50 basis points above the Bank of England's Base Rate, which is currently 0.50%.

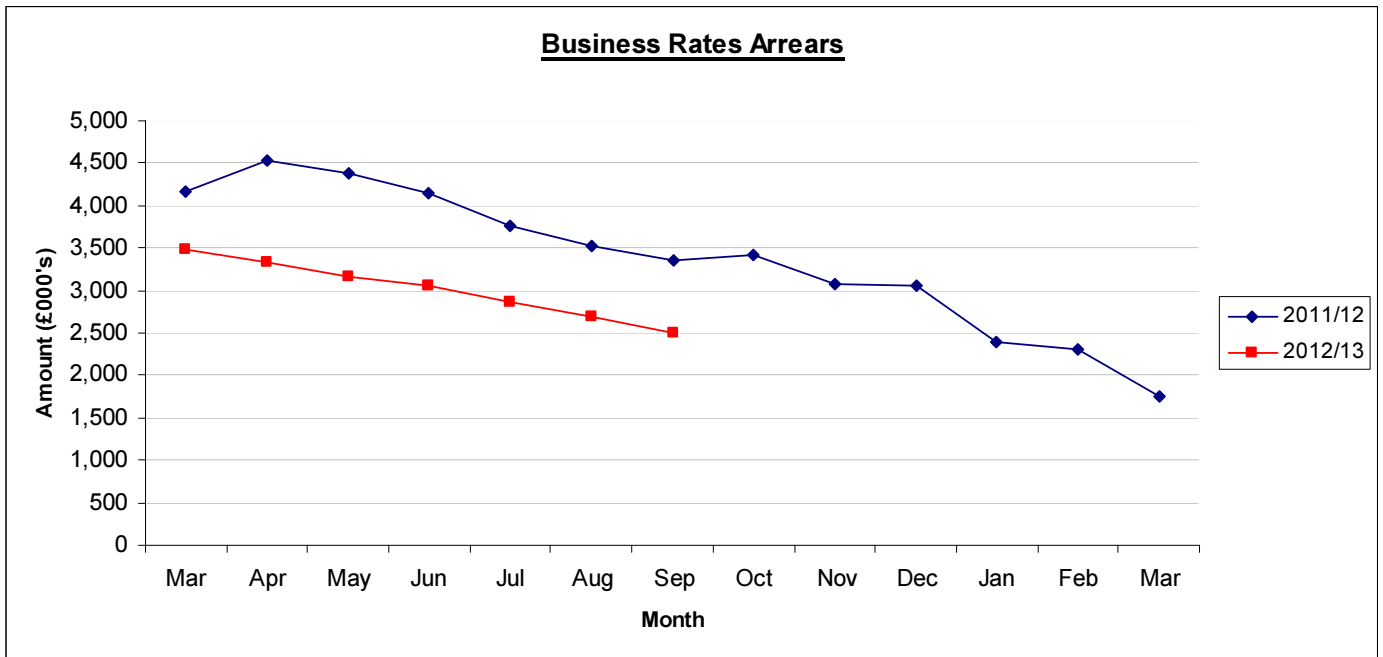
44. The reduction in monthly investment return over recent months simply reflects the downturn in current market conditions. This has consequently led to a reduction in lending options and an increase in average investment balances. There is no indication that this decline in return will not continue over the next few months.

## Business Rates

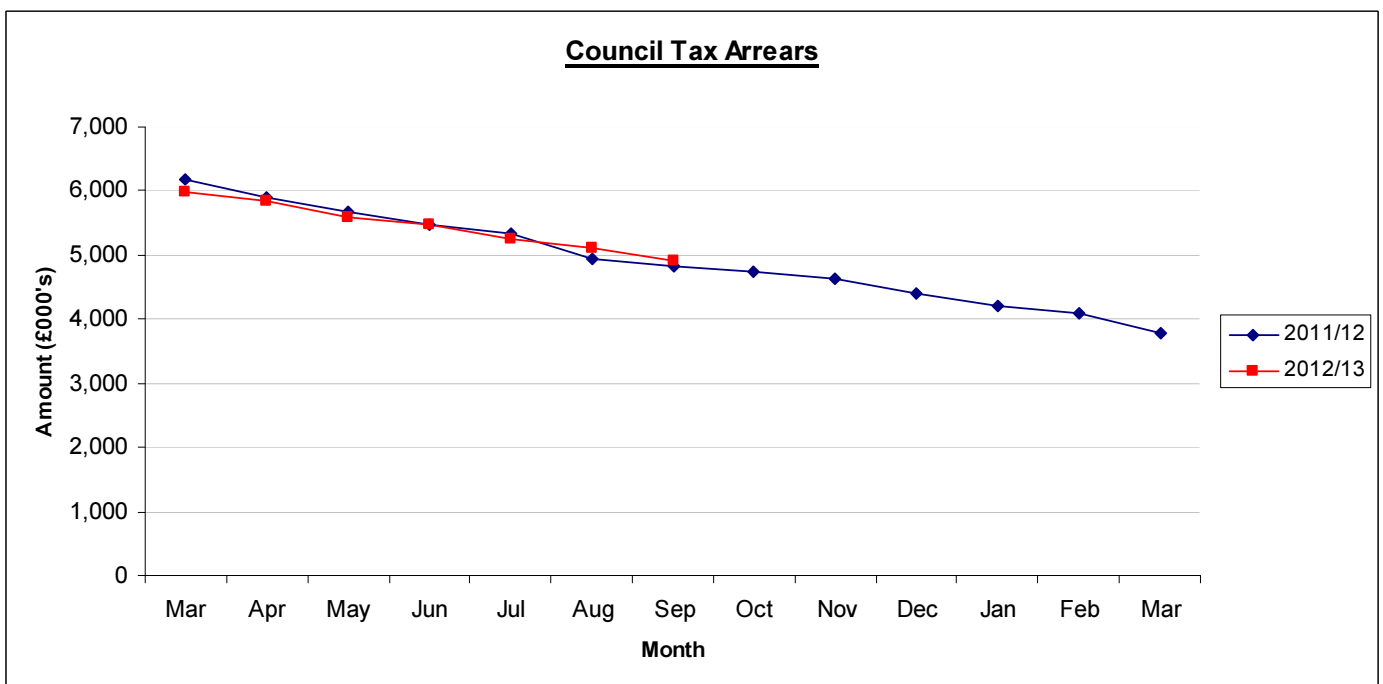
45 The arrears total at the beginning of the 2012/13 financial year was £3,490k. This had fallen to £2,492k as at the end of September 2012, a reduction of 28.6%. This figure is 25.9% lower than the total arrears 12 months earlier.

46. During September we received arrears payments of £116k making total arrears cash received in 2012/13 £785k as at the half year stage. Retrospective credit adjustments of £110k were made in September (RV reductions, backdated exemptions etc.), with a total of £18k being refunded. It is fair to say that whilst the arrears collection rate is significantly improved the "cash" collection position has not been the main reason for the drop in arrears. As mentioned above significant retrospective adjustments and backdated RV debit changes with the resultant effect of reducing arrears has been the main reason.

47. The collection rate at the end of 2011/12 was 97.75%. As at year end of September it was 98.56%. The 2012/13 collection rate was 60.18% at the end of September, up on last year's equivalent of 60.48%



**Council Tax Arrears Collection**



48. The arrears carried forward at the beginning of 2012/13 of £5,985k had dropped to £4,898k by the end of September. This represents an overall reduction in the year to date of 18.16%. The arrears at the end of September were 1.5% up on the equivalent twelve months ago.

49. Over September the arrears fell by £222k. This was in the main due to payments being received totalling £71k (net of refunds), write-offs amounting to £73k and debit adjustments (retrospective discounts, exemptions etc) equating to £72k.

50. As at the end of September arrears cash received totalled £898k. Last year's collection rate had moved on from 96.80% to 97.54%. The current year cumulative collection rate is 56.80% which was slightly down on last year's equivalent of 57.05% and is £133k down on our profiled collection target for September (57%).

## Creditor Payment Times

51 During September 2012 the percentage of creditor invoices paid on time was 93.78%. This is a significant improvement on the previous month that stood at 89.61%. The year to date position for the half year period is 92.92%, again slightly up on August. In percentage terms Business Improvement and Human Resources and Facilities have the lowest performance of ensuring their creditors are paid within 30 days. The Payments Team will continue to work with these Services areas and others to improve performance.

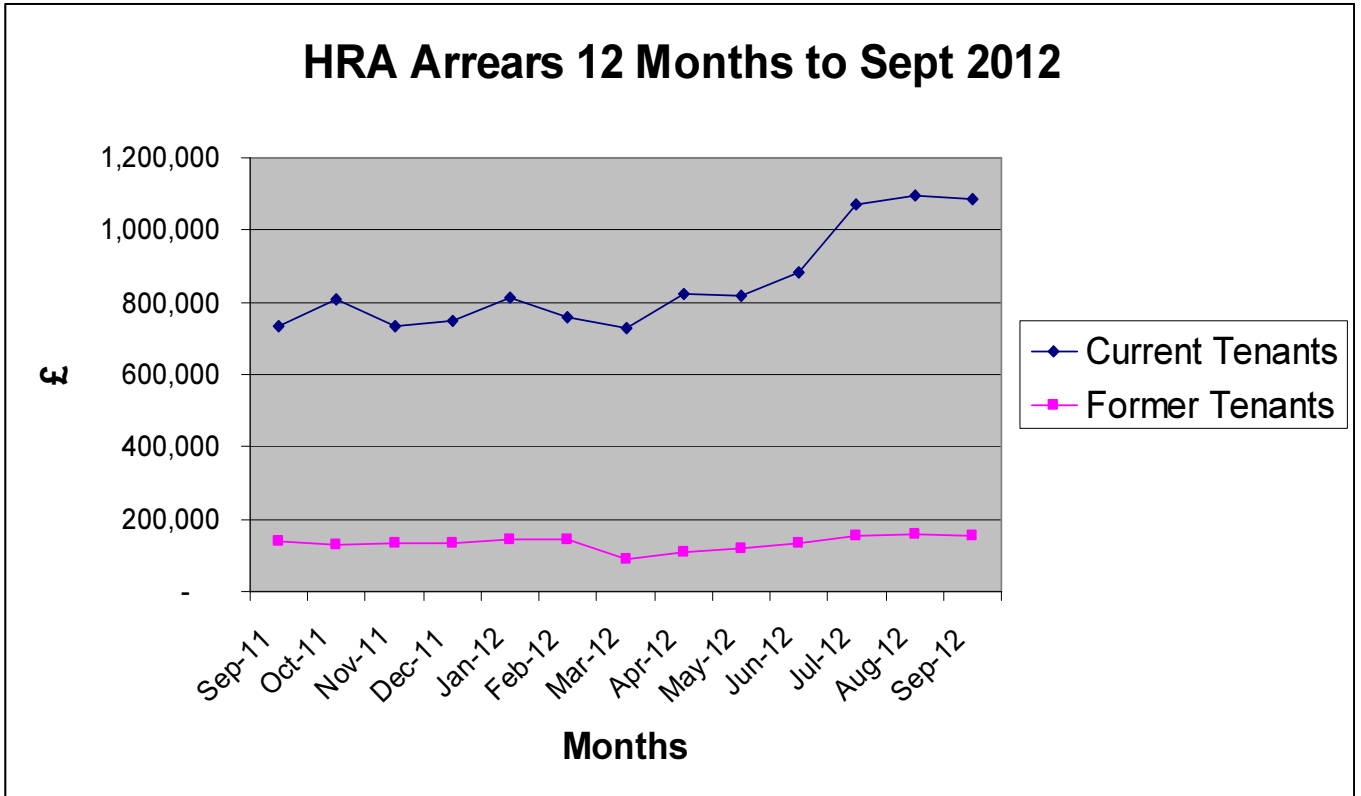
**Table 6 – Creditor Payment Times as at 30th September 2012**

Service Area	September					Year to Date				
	Total Invoices	Undisputed	Over 30 days	% Over	% Intime	YTD Total Invoices	YTD Undisputed	YTD Over 30 Days	YTD % Over	YTD % Intime
S01 Policy, Culture & Communications	24	24	7	29.17%	70.83%	279	277	38	13.72%	86.28%
S02 Executive Support	15	15	2	13.33%	86.67%	54	51	8	15.69%	84.31%
S03 Business Improvement	22	18	4	22.22%	77.78%	204	196	46	23.47%	76.53%
S11 City Development	31	30	1	3.33%	96.67%	214	206	22	10.68%	89.32%
S12 Environmental Development	50	49	4	8.16%	91.84%	328	317	30	9.46%	90.54%
S13 Housing	113	111	2	1.80%	98.20%	720	710	75	10.56%	89.44%
S14 Corporate Property	105	102	2	1.96%	98.04%	842	802	44	5.49%	94.51%
S21 Customer Services	15	15	0	0.00%	100.00%	115	112	18	16.07%	83.93%
S22 Leisure & Parks	147	137	8	5.84%	94.16%	992	942	68	7.22%	92.78%
S23 Direct Services	1,192	1,127	74	6.57%	93.43%	8,056	7,906	371	4.69%	95.31%
S24 Housing Revenue Account	110	104	4	3.85%	96.15%	1,193	1,155	159	13.77%	86.23%
S31 ICT	0	0	0	0.00%	0.00%	7	4	0	0.00%	100.00%
S32 Finance	43	42	1	2.38%	97.62%	231	227	6	2.64%	97.36%
S33 Human Resources & Facilities	76	76	8	10.53%	89.47%	480	474	92	19.41%	80.59%
S34 Law & Governance	14	14	0	0.00%	100.00%	668	663	18	2.71%	97.29%
S41 Community Development	34	34	1	2.94%	97.06%	370	355	25	7.04%	92.96%
<b>Total</b>	<b>1,991</b>	<b>1,898</b>	<b>118</b>	<b>6.22%</b>	<b>93.78%</b>	<b>14,753</b>	<b>14,397</b>	<b>1,020</b>	<b>7.08%</b>	<b>92.92%</b>

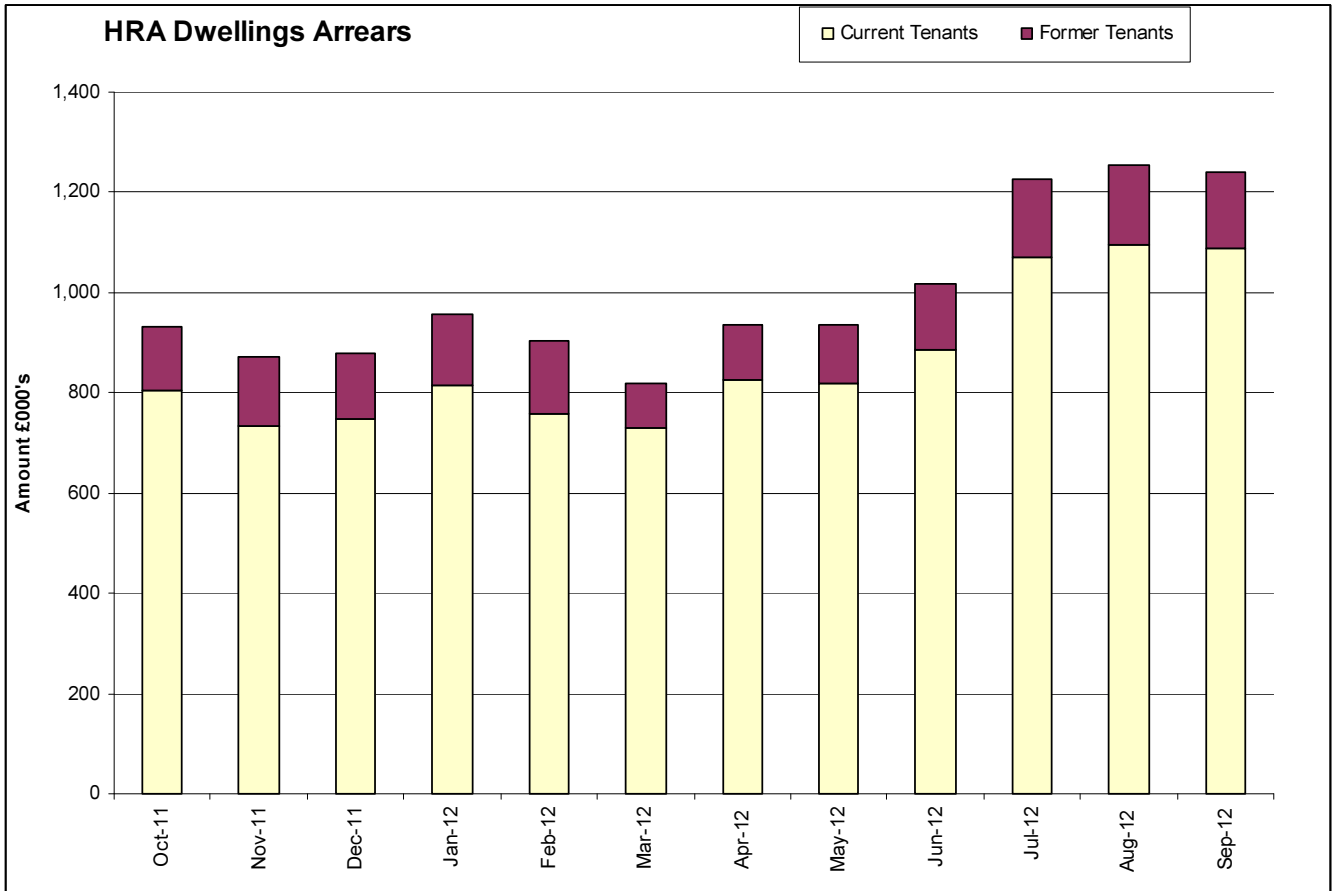
## Housing Rent Arrears

52. Analysis of current and former tenant rent arrears is shown below for the 12 month period ending 30th September 2012.

**Analysis 1 - HRA Rent Arrears (Current Tenants and Former Tenants)**



**Analysis 2 - HRA Rent Arrears (Current Tenants and Former Tenants)**



53. Total arrears stands at £1,241k, slightly down from the £1.255k reported for August. The overall total is £368k more than that reported 12 months ago. This equates to a 42% increase, mainly from current tenants. The average dwelling rent increase for 2012/13 was only 7.64%. Therefore, performance has significantly worsened in this area during the last year caused initially when the Council adopted Direct Payments in July 2012. Attempts are being made to bring arrears down to more acceptable levels
54. Of the current arrears value of £978k at the end of September 2012, £907k (93%) is less than 6 months old.
55. Former tenant arrears stood at £154k as at the end of September 2012, which is £8k less than that reported for August 2012 (this data is not aged and has not been included above).
56. The Council has estimated a bad debt provision of up to £410k in 2012/13 against HRA dwelling debt.

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<b>GF Outturn Report @ Q2 30th September, 2012</b>	Latest Budget	Expenditure	Income	Actual YTD	% Budget Spent to 30th Sept,2012 (Q2)	Projected Outturn @ Q2 30th Sept, 2012	Outturn Variance to Latest Budget	Outturn Variance to Previous Month	Projected Outturn @ Q1	Outturn Variance Movement from, Q1 to Q2
	£000's	£000's	£000's	£000's	%	£000's	£000's	£000's	£000's	£000's
<b>Directorates</b>										
Policy, Culture & Communication	1,438	725	(195)	530	37%	1,438				
<b>Chief Executive</b>	1,438	725	(195)	530	37%	1,438				
City Development	1,326	1,724	(941)	783	59%	1,322	(4)	(4)		(4)
Housing	3,397	2,359	(865)	1,494	44%	3,397				
Corporate Property	(3,646)	2,129	(5,333)	(3,204)	88%	(4,170)	(524)	(6)		(524)
<b>City Regeneration</b>	1,077	6,212	(7,138)	(927)	(86%)	549	(528)	(10)		(528)
Environmental Development	1,771	1,659	(1,018)	641	36%	1,771				
Leisure & Parks	3,771	2,764	(721)	2,043	54%	3,782	11	11		11
Direct Services	(896)	11,115	(11,150)	(35)	4%	(1,246)	(350)	(90)	(114)	(236)
Community Development Team	3,867	2,078	(192)	1,886	49%	3,716	(151)	(151)		(151)
<b>Community Services</b>	8,513	17,615	(13,080)	4,535	53%	8,023	(490)	(230)	(114)	(376)
Transformation Fund	926	249		249	27%	926				
Business Improvement & Technology	3,804	1,700	(59)	1,642	43%	3,804				
Customer Services	2,785	2,240	(604)	1,636	59%	2,907	122	(108)	226	(104)
Finance	2,186	1,091	(94)	997	46%	2,150	(36)			(36)
Human Resources & Facilities	1,557	1,287	(382)	905	58%	1,664	107	(32)	207	(100)
Law & Governance	2,569	1,427	(114)	1,313	51%	2,649	80		80	
<b>Organisational Dev &amp; Corp Services</b>	13,827	7,994	(1,253)	6,741	49%	14,100	273	(140)	513	(240)
<b>Directorate Total Excl SLA's &amp; Capital Charges</b>	<b>24,855</b>	<b>32,546</b>	<b>(21,666)</b>	<b>10,879</b>	<b>44%</b>	<b>24,110</b>	<b>(745)</b>	<b>(380)</b>	<b>399</b>	<b>(1,144)</b>
<b>SLA's &amp; Capital Charges</b>	<b>(1,264)</b>	<b>342</b>	<b>(80)</b>	<b>263</b>	<b>(21%)</b>	<b>(1,264)</b>				
<b>Corporate Accounts</b>	1,696	21,630	(33,626)	(11,996)	(707%)	1,696				
<b>Contingencies</b>	2,820		(40)	(40)	(1%)	2,820				
<b>Total Corporate Accounts &amp; Contingencies</b>	<b>4,515</b>	<b>21,630</b>	<b>(33,666)</b>	<b>(12,036)</b>	<b>()</b>	<b>4,515</b>				
<b>Net Expenditure Budget</b>	<b>28,107</b>	<b>54,518</b>	<b>(55,412)</b>	<b>(894)</b>	<b>()</b>	<b>27,362</b>	<b>(745)</b>	<b>(380)</b>	<b>399</b>	<b>(1,144)</b>
Transfer to / (from) GF working balances	(1,622)					(1,622)				
Transfer to / (from) Earmarked Reserves	(2,372)	(2,372)		(2,372)	100%	(2,372)				
<b>Net Budget Requirement</b>	<b>24,113</b>	<b>52,146</b>	<b>(55,412)</b>	<b>(3,266)</b>	<b>()</b>	<b>23,368</b>	<b>(745)</b>	<b>(380)</b>	<b>399</b>	<b>(1,144)</b>
<b>Funding</b>										
External Funding	11,719		5,979	5,979	51%	11,719				
Council tax	12,587		6,294	6,294	50%	12,587				
Less Parish Precepts	(193)	(97)		(97)	50%	(193)				
<b>Total Funding Available</b>	<b>24,113</b>	<b>(97)</b>	<b>12,273</b>	<b>12,176</b>	<b>50%</b>	<b>24,113</b>				
<b>(Surplus) / Deficit for year</b>		<b>52,243</b>	<b>(67,685)</b>	<b>(15,442)</b>		<b>(745)</b>	<b>(745)</b>	<b>(380)</b>	<b>399</b>	<b>(1,144)</b>

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## Capital Budget

Capital Scheme	Latest Budget September 2012	Profiled Budget	Spend as at 30th September 2012	Variance to Profiled Budget	% Spend Against Approved Budget	Projected Outturn at 30th September 2012	Outturn Variance to Latest Budget	Outturn Variance due to Slippage	Outturn variance due to Over/ Under spend
		£	£	£	%	£	£	£	£
F1323 Bridge Over Fiddlers Stream	0	121,000	120,691	(309)	0%	200,000	200,000		200,000
F6013 Bullingdon Community Centre -Enhancement	0	2,000	2,008	8	0%	4,807	4,807		4,807
F6015 Slade Area Public Work of Art	0	3,200	3,150	(50)	0%	3,379	3,379		3,379
F7008 Landscaping Work at Lamarsh Road	0	0	0	0	0%	13,441	13,441		13,441
F7019 Work of Art at Rose Hill	0	1,000	3,116	2,116	0%	3,200	3,200		3,200
F7021 St Lukes Church Community Facilities	0	10,200	10,204	4	0%	16,362	16,362		16,362
M5014 West End Partnership	0	228,000	227,737	(263)	0%	417,225	417,225		417,225
<b>City Development</b>	<b>0</b>	<b>365,400</b>	<b>366,907</b>	<b>1,507</b>	<b>0%</b>	<b>658,414</b>	<b>658,414</b>	<b>0</b>	<b>658,414</b>
E3511 Renovation Grants	50,000	6,380	6,784	404	14%	50,000	0	0	0
E3521 Disabled Facilities Grants	750,000	95,700	117,824	22,124	16%	750,000	0	0	0
E3553 Carbon Reduction									
<b>Environmental Development</b>	<b>800,000</b>	<b>102,080</b>	<b>124,609</b>	<b>22,529</b>	<b>16%</b>	<b>800,000</b>	<b>0</b>	<b>0</b>	<b>0</b>
G1013 Dawson Street Gardens	19,000	0	0	0	0%	0	(19,000)	(19,000)	0
G3013 Diamond Place car park footpath extension	6,324	0	0	0	0%	0	(6,324)	(6,324)	0
G3014 East Oxford Community Association Improveme	2,550	0	0	0	0%	0	(2,550)	(2,550)	0
G4006 Florence Park CC Kitchen	1,411	0	0	0	0%	0	(1,411)	(1,411)	0
G6010 Mount Place Square Refurbishment	383	0	0	0	0%	0	(383)	0	(383)
G6011 St Lukes Church Hall Extension	10,000	0	0	0	0%	0	(10,000)	(10,000)	0
G6012 South Oxford Community Centre Main Hall Rep	9,238	0	0	0	0%	0	(9,238)	0	(9,238)
G3015 NE Marston Croft Road Recreation Ground	25,000	6,000	5,700	(300)	23%	25,000	0	0	0
G3016 Peat Moors all weather pitch	17,000	0	0	0	0%	0	(17,000)	0	(17,000)
G3017 CCTV Replacement Programme	84,271	0	0	0	0%	0	(84,271)	0	(84,271)
M5015 Old Fire Station	77,125	54,000	56,040	2,040	73%	290,000	212,875	0	212,875
<b>Communities and Housing</b>	<b>252,302</b>	<b>60,000</b>	<b>61,740</b>	<b>1,740</b>	<b>24%</b>	<b>315,000</b>	<b>62,698</b>	<b>(39,285)</b>	<b>101,983</b>
A4808 Blackbird Leys LC Improvements	0	0	0	0	0%	0	0	0	0
A4812 Building Improvements (GF Leisure)	0	0	0	0	0%	0	0	0	0
A4813 Hinksey Pools main pool liner	110,000	110,000	110,000	0	100%	110,000	0	0	0
A4814 Leisure Centre substantive repairs	242,326	83,714	83,714	0	35%	242,326	0	0	0
<b>Offices for the Future</b>									
Q2000 Offices for the Future	383,347	361,800	361,439	(362)	94%	543,347	160,000	0	160,000
<b>Community Centres</b>									
B0022 DDA East Oxford Community Centre Lift	109,083	95,840	96,140	300	88%	109,083	0	0	0
B0033 Community Centres	315,765	11,000	10,423	(577)	3%	315,765	0	0	0
B0034 Rose Hill Community Centre	148,000	22,000	21,825	(175)	15%	22,000	(126,000)	(126,000)	0
<b>Covered Market</b>									
B0010 Covered Market signage improvements	42,941	3,100	2,986	(114)	7%	42,941	0	0	0
B0027 Covered Market - Improvements & Upgrade to I	76,061	2,600	2,590	(10)	3%	76,061	0	0	0
B0028 Covered Market - New Roof Structures to High	115,000	0	0	0	0%	25,000	(90,000)	(90,000)	0
B0036 Investment ~ Covered Market	232,251	52,251	51,983	(268)	22%	182,251	(50,000)	(50,000)	0
B0063 Covered Market Replacement Sprinkler System	150,000	5,500	5,475	(25)	4%	50,000	(100,000)	(100,000)	0
B0064 Covered Market - Improvements to Emergency	50,000	500	475	(25)	1%	50,000	0	0	0
<b>Investment Properties</b>									
B0003 Roof Repairs & Ext Refurbishment 44-46 Georg	30,000	0	0	0	0%	30,000	0	0	0
B0040 Investment ~ Broad Street	167,500	0	0	0	0%	167,500	0	0	0
B0041 Investment - Misc City Centre Properties	7,000	0	0	0	0%	7,000	0	0	0
B0042 Investment - Gloucester Green	5,500	0	0	0	0%	5,500	0	0	0
B0044 Investment - Outer City	15,000	0	0	0	0%	15,000	0	0	0
B0045 Investment ~ St. Michael's Street	43,000	0	0	0	0%	43,000	0	0	0
B0046 Investment - Ship Street	20,000	0	0	0	0%	20,000	0	0	0
B0070 Ramsay House Replacement Comfort Cooling !	300,000	48,800	48,242	(558)	16%	300,000	0	0	0
<b>Miscellaneous Council Properties</b>									
B0031 Miscellaneous Admin Buildings	25,000	0	0	0	0%	0	(25,000)	0	(25,000)
B0035 Miscellaneous Civic Properties	52,218	50,300	49,703	(597)	95%	52,218	0	0	0
B0037 Car Parks	135,380	16,900	16,881	(19)	12%	135,380	0	0	0
B0039 Houses and Lodges	16,423	0	0	0	0%	16,423	0	0	0
B0052 Miscellaneous Properties	75,000	0	0	0	0%	75,000	0	0	0
B0053 Public Toilets	489	0	0	0	0%	0	(489)	0	(489)
B0055 Property Surveys	74,600	74,600	79,735	5,135	107%	100,089	25,489	0	25,489
B0059 FIT Panels on Leisure Buildings	1,150	1,150	1,150	0	100%	1,150	0	0	0
B0060 Feasibility Studies Depot Relocation	250,000	28,000	27,416	(584)	11%	250,000	0	0	0
B0069 Corporate Property Planned Maintenance Progr	0								
<b>Parks &amp; Cemeteries</b>									
B0048 Leisure - Cemeteries	13,500	6,500	5,851	(649)	43%	13,500	0	0	0
B0030 Consolidation of parks Depot - South Park to Ci	0		0		0%	0	0	0	0
B0050 Leisure ~ Depots	74,000	14,000	15,954	1,954	22%	74,000	0	0	0
B0051 Leisure - Pavilions	110,500	0	0	0	0%	110,500	0	0	0
B0065 Parks & Cemetery - Masonry Walls & Path Impr	40,000	17,100	16,237	(863)	41%	40,000	0	0	0
B0067 Fencing Repairs across the City	150,000	0	0	0	0%	150,000	0	0	0
B0071 Parks properties (H&S works)	54,648	2,348	2,314	(34)	4%	54,648	0	0	0
A4823 Cemetery Development	15,000	500	499	(1)	3%	15,000	0	0	0
<b>Town Hall</b>									
B0054 Town Hall	697,702	142,000	141,664	(336)	20%	400,000	(297,702)	(297,702)	0
B0056 City Centre Office Security	75,904	9,400	9,227	(173)	12%	75,904	0	0	0
B0057- Town Hall Fire Alarm	275,000	275,000	274,089	(911)	100%	275,000	0	0	0
B0068 Town Hall - Conference System Refurbishment	400,000	22,500	22,127	(374)	6%	100,000	(300,000)	(300,000)	0
<b>Budget Approved for Future Years - To be allocated</b>									
Refurbishment of Council Buildings	0	0	0	0	0%	0	0	0	0
<b>Corporate Assets</b>	<b>5,099,288</b>	<b>1,457,403</b>	<b>1,458,137</b>	<b>734</b>	<b>29%</b>	<b>4,295,586</b>	<b>(803,702)</b>	<b>(963,702)</b>	<b>160,000</b>

## Capital Budget

Capital Scheme	Latest Budget September 2012	Profiled Budget	Spend as at 30th September 2012	Variance to Profiled Budget	% Spend Against Approved Budget	Projected Outturn at 30th September 2012	Outturn Variance to Latest Budget	Outturn Variance due to Slippage	Outturn variance due to Over/ Under spend
C3041 New server for telephone system	11,288	0	0	0	0%	11,288	0	0	0
C3042 Customer First Programme	115,670	0	19	19	0%	115,670	0	0	0
<b>Customer Services</b>	<b>126,958</b>	<b>0</b>	<b>19</b>	<b>19</b>	<b>0%</b>	<b>126,958</b>	<b>0</b>	<b>0</b>	<b>0</b>
A1300 Playground Refurbishment	414,797	325,000	250,800	(74,200)	60%	299,797	(115,000)	0	(115,000)
A1301 Play Barton	113,538	0	0	0	0%	113,538	0	0	0
A4810 New Build Completion Pool	82,254	21,000	21,337	337	26%	82,254	0	0	0
A4824 Contribution to Skate Park	50,000	0	0	0	0%	280,000	230,000	0	230,000
Z3010 Rosehill/Iffley Play Sites	38,000	0	0	0	0%	38,000	0	0	0
A4815 Leisure Centre Improvement Work	700,000	8,000	7,955	(45)	1%	700,000	0	0	0
A4817 Develop new burial space	0	0	0	0	0%	0	0	0	0
A4818 Lye Valley & Chiswell Valley Walkways	62,000	8,857	0	(8,857)	0%	62,000	0	0	0
A4816 Sports Pavilions	450,000	0	0	0	0%	250,000	(200,000)	(200,000)	0
A4819 Rose Hill Cemetery Water Leak	8,000	0	0	0	0%	8,000	0	0	0
A4820 Upgrade Existing Tennis Courts	50,000	0	0	0	0%	50,000	0	0	0
A4821 Upgrade Existing Multi-Use Games Area	76,000	0	21,765	21,765	29%	93,000	17,000	0	17,000
A4822 Recycling & Bin Improvement (City Parks)	38,000	0	0	0	0%	38,000	0	0	0
F0015 Cycle Oxford	100,000	0	0	0	0%	40,000	(60,000)	(60,000)	0
<b>City Leisure</b>	<b>2,182,589</b>	<b>362,857</b>	<b>301,856</b>	<b>(61,001)</b>	<b>14%</b>	<b>2,054,589</b>	<b>(128,000)</b>	<b>(260,000)</b>	<b>132,000</b>
F0011 Pay & Display Parking in the Car Parks	84,000	0	0	0	0%	84,000	0	0	0
F0012 P & R Purchase of Capital Items - Peartree, Rex	191,644	0	0	0	0%	191,644	0	0	0
F0014 Purchase of ANPR for use in car park enforcem	50,000	50,000	32,037	(17,963)	64%	50,000	0	0	0
R0005 MT Vehicles/Plant Replacement Programme.	1,500,500	272,882	272,882	0	18%	1,500,500	0	0	0
T2266 Purchase of Brown Bins Waste Recycling	7,907	7,907	7,907	0	100%	7,907	0	0	0
T2267 Purchase of two hand operated street sweepers	30,000	0	0	0	0%	30,000	0	0	0
T2268 Purchase of two vehicles for garden waste colle	155,000	0	0	0	0%	155,000	0	0	0
T2269 Toilet improvements	190,000	45,000	33,541	(11,459)	18%	190,000	0	0	0
T2270 Bin stores for council flats to assist recycling	325,000	148,000	155,597	7,597	48%	325,000	0	0	0
T2271 Low emission vehicle for litter bin collection	20,000	0	0	0	0%	20,000	0	0	0
T2272 Wyatt Road Resurfacing Works	15,000	0	0	0	0%	15,000	0	0	0
<b>Direct Services</b>	<b>2,569,051</b>	<b>523,789</b>	<b>501,964</b>	<b>(21,825)</b>	<b>20%</b>	<b>2,569,051</b>	<b>0</b>	<b>0</b>	<b>0</b>
C3039 ICT Infrastructure	260,434	65,110	65,108	(2)	25%	260,434	0	0	0
C3043 ICT Development	200,000	0	0	0	0%	200,000	0	0	0
C3044 Software Licences	165,426	165,426	162,306	(3,120)	98%	165,426	0	0	0
<b>Business Transformation</b>	<b>625,860</b>	<b>230,536</b>	<b>227,414</b>	<b>(3,122)</b>	<b>36%</b>	<b>625,860</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>GF Total</b>	<b>11,656,048</b>	<b>3,102,065</b>	<b>3,042,646</b>	<b>(59,419)</b>	<b>26%</b>	<b>11,445,459</b>	<b>(210,589)</b>	<b>(1,262,987)</b>	<b>1,052,398</b>
<b>External Contracts</b>									
N6384 Foresters Towers	1,000,000	2,000	2,140	140	0%	50,000	(950,000)	(950,000)	0
N6387 Controlled Entry	0	10,000	8,972	(1,028)	0%	210,000	210,000	0	210,000
N6393 External Doors	200,000	80,000	77,431	(2,569)	39%	200,000	0	0	0
N7020 External Adaptations	0	25,000	54,185	29,185	0%	250,000	250,000	0	250,000
N7021 Extensions	0	0	(0)	(0)	0%	0	0	0	0
N7018 Minox	0	0	0	0	0%	19,500	19,500	0	19,500
N6394 Windows	300,000	200,000	199,066	(934)	66%	250,000	(50,000)	(50,000)	0
N6389 Damp-proof works (K&B)	0	32,250	29,705	(2,545)	0%	90,000	90,000	0	90,000
N6392 Roofing	250,000	101,000	91,048	(9,952)	36%	150,000	(100,000)	(100,000)	0
N6386 Structural	0	17,292	15,896	(1,396)	0%	125,000	125,000	0	125,000
N7010 Headley House - Refurbishment	0	0	0	0	0%	0	0	0	0
N6427 Shops	0	25,688	18,863	(6,825)	0%	69,000	69,000	0	69,000
N6396 Sheltered Blocks	0	0	109	109	0%	0	0	0	0
N7028 Non Dwelling HRA Assets	117,000	0	0	0	0%	48,000	(69,000)	(69,000)	0
N7026 Communal Areas	150,000	0	0	0	0%	150,000	0	0	0
N7027 Environmental Improvements	100,000	0	0	0	0%	100,000	0	0	0
New Contingency	19,000	0	0	0	0%	0	(19,000)	(19,000)	0
New Fees	94,000	0	0	0	0%	0	(94,000)	(94,000)	0
<b>New Build</b>									
N7011 Cardinal House - Refurbishment	0	0	2,000	2,000	0%	0	0	0	0
N7019 Lambourn Road	0	0	8,950	8,950	0%	0	0	0	0
N7029 HCA New Build	0	0	0	0	0%	466,000	466,000	0	466,000
<b>Internal Contracts</b>									
N6385 Adaptations for disabled	900,000	224,100	272,883	48,783	30%	900,000	0	0	0
N6390 Kitchens & Bathrooms	2,850,000	1,552,439	2,023,086	470,647	71%	2,850,000	0	0	0
N6391 Heating	1,256,000	695,706	805,114	109,408	64%	1,256,000	0	0	0
N6388 Major Voids	850,000	136,000	156,006	20,006	18%	850,000	0	0	0
N6395 Electrics	309,000	168,532	176,614	8,082	57%	309,000	0	0	0
<b>Housing Revenue Account</b>	<b>8,395,000</b>	<b>3,270,007</b>	<b>3,942,070</b>	<b>672,063</b>	<b>47%</b>	<b>8,342,500</b>	<b>(52,500)</b>	<b>(1,282,000)</b>	<b>1,229,500</b>
<b>Grand Total</b>	<b>20,051,048</b>	<b>6,372,072</b>	<b>6,984,716</b>	<b>612,644</b>	<b>35%</b>	<b>19,787,959</b>	<b>(263,089)</b>	<b>(2,544,987)</b>	<b>2,281,898</b>

HRA Outturn Report @ Q2 30th September, 2012		Approved Budget 12/13	Latest Budget	Actual YTD	% Budget Spent to 30th Sept,2012 (Q2)	Projected Outturn @ Q2 30th Sept, 2012	Outturn Variance to Latest Budget	Outturn Variance to Previous Month	Projected Outturn @ Q1	
		£'000	£'000	£'000	£'000	£'001	£'000	£'000	£'000	
Income	Dwelling Rent	(36,508)	(36,508)	(17,902)	49%	(36,508)				
	Service Charges	(956)	(956)	(472)	49%	(956)		(110)		
	Shops/Garages/Furn/Other Rent	(2,208)	(2,208)	(1,362)	62%	(2,256)	(48)		(48)	
	Fees/Other	(721)	(721)	(303)	42%	(621)	100		100	
		<b>(40,393)</b>	<b>(40,393)</b>	<b>(20,038)</b>	<b>50%</b>	<b>(40,341)</b>	<b>52</b>	<b>(110)</b>	<b>52</b>	
Expenditure	Rent/Income Collection	361	361	89	25%	361				
	Tower Blocks and Flats	598	600	229	38%	601	1	31	1	
	Management/Infrastructure	1,839	1,839	902	49%	1,825	(14)	35	(14)	
	Depreciation	8,147	8,147	4,074	50%	8,147				
	ICT services	281	281	141	50%	281				
	Contact Centre	786	786	393	50%	786				
	Rent Team	499	499	249	50%	499				
	Tenant's Participation	208	208	79	38%	208		(42)		
	Furnished Tenancies	473	473	210	44%	543	70		70	
	Local Housing Management	835	835	393	47%	835		(129)		
	Major Projects/Policy/Technical	626	626	291	47%	626				
	Bad Debt Provision	410	410	34	8%	410				
	Decant Costs	201	201	49	24%	200	(1)		(1)	
	<i>Sub Total Tenancy Management</i>	<b>15,264</b>	<b>15,266</b>	<b>7,133</b>	<b>47%</b>	<b>15,322</b>	<b>56</b>	<b>(105)</b>	<b>56</b>	
	Expenditure	Caretaking Service	941	941	471	50%	941			
		Garden Scheme	268	268	134	50%	268			
		Void Property officers/Garage team	248	248	124	50%	248			
Day to Day Responsive		4,450	4,450	2,266	51%	4,463	13		13	
Planned Maintenance		4,938	4,938	2,516	51%	4,938		(265)		
Capital		636	636	141	22%	740	104		104	
<i>Sub Total Direct Services</i>		<b>11,481</b>	<b>11,481</b>	<b>5,652</b>	<b>49%</b>	<b>11,598</b>	<b>117</b>	<b>(265)</b>	<b>117</b>	
		<b>26,746</b>	<b>26,748</b>	<b>12,784</b>	<b>48%</b>	<b>26,921</b>	<b>173</b>	<b>(370)</b>	<b>173</b>	
Appropriations	Net Transfer To/From Reserves		(317)	(317)	100%	(317)				
	Interest On Balances	(35)	(35)	(18)	50%	(35)				
	Interest Payable	8,055	8,055	3,550	44%	7,100	(955)		(955)	
	CDC, Pensions & Retirement Costs	74	74	31	42%	74				
	Employers Pension Adjustment	37	37	21	58%	37				
	Revenue Contribution to Capital	383	383	192	50%	383				
		<b>8,514</b>	<b>8,197</b>	<b>3,459</b>	<b>42%</b>	<b>7,242</b>	<b>(955)</b>		<b>(955)</b>	
<b>Total HRA (Surplus)/Deficit</b>	<b>(5,133)</b>	<b>(5,449)</b>	<b>(3,795)</b>	<b>70%</b>	<b>(6,179)</b>	<b>(730)</b>	<b>(480)</b>	<b>(730)</b>		

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Subjective Analysis of YTD spend as at Q2 30th September, 2012

	Latest Budget			Latest Budget			Latest Budget			Latest Budget			Latest Budget			Latest Budget			Latest Budget			Latest Budget					
	Actual	Actual	Var	Actual	Actual	Var	Actual	Actual	Var	Actual	Actual	Var	Actual	Actual	Var	Actual	Actual	Var	Actual	Actual	Var	Actual	Actual	Var			
	Employees	Premises	Transport	Supplies & Services	External Income	Internal Income	Other	Total																			
Policy Culture and Comms	328	351	23	1	2	1	1	1	0	257	370	113	(27)	(195)	(168)	0	0	0	0	0	0	0	0	0	560	529	(31)
<b>Chief Executive</b>	<b>328</b>	<b>351</b>	<b>23</b>	<b>1</b>	<b>2</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>0</b>	<b>257</b>	<b>370</b>	<b>113</b>	<b>(27)</b>	<b>(195)</b>	<b>(168)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>560</b>	<b>529</b>	<b>(31)</b>
City Development	1,422	1,365	(57)	0	0	0	16	8	(8)	362	351	(11)	(980)	(941)	39	0	0	0	0	0	0	0	0	0	820	783	(37)
Housing	1,235	1,148	(87)	46	51	5	16	13	(3)	989	987	(2)	(867)	(865)	2	0	0	0	165	160	(5)	0	0	0	1,584	1,494	(90)
Corporate Property	625	609	(16)	880	984	104	15	16	1	275	337	62	(4,893)	(5,333)	(440)	0	0	0	183	183	0	0	0	0	(2,915)	(3,204)	(289)
<b>City Regeneration</b>	<b>3,282</b>	<b>3,122</b>	<b>(160)</b>	<b>926</b>	<b>1,035</b>	<b>109</b>	<b>47</b>	<b>37</b>	<b>(10)</b>	<b>1,626</b>	<b>1,675</b>	<b>49</b>	<b>(6,740)</b>	<b>(7,139)</b>	<b>(399)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>348</b>	<b>343</b>	<b>(5)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(511)</b>	<b>(927)</b>	<b>(416)</b>
Environmental Development	1,072	1,360	288	7	28	21	28	21	(7)	214	251	37	(614)	(967)	(353)	(43)	(51)	(8)	0	0	0	0	0	0	664	642	(22)
Leisure & Parks	1,270	1,224	(46)	339	389	50	243	279	36	574	474	(100)	(867)	(672)	195	(41)	(48)	(7)	486	398	(88)	0	0	0	2,004	2,044	40
Direct Services	5,272	5,008	(264)	2,123	2,191	68	1,978	1,901	(77)	1,849	1,988	139	(6,188)	(6,262)	(74)	(4,880)	(4,888)	(8)	27	27	0	0	0	0	181	(35)	(216)
Community Development	899	862	(37)	75	78	3	14	15	1	1,028	1,122	94	(81)	(192)	(111)	0	0	0	0	0	0	0	0	0	1,935	1,885	(50)
<b>Community Services</b>	<b>8,513</b>	<b>8,454</b>	<b>(59)</b>	<b>2,544</b>	<b>2,686</b>	<b>142</b>	<b>2,263</b>	<b>2,216</b>	<b>(47)</b>	<b>3,665</b>	<b>3,835</b>	<b>170</b>	<b>(7,750)</b>	<b>(8,093)</b>	<b>(343)</b>	<b>(4,964)</b>	<b>(4,987)</b>	<b>(23)</b>	<b>513</b>	<b>425</b>	<b>(88)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>4,784</b>	<b>4,536</b>	<b>(248)</b>
4 Transformation	99	80	(19)	0	0	0	0	1	1	135	168	33	0	0	0	0	0	0	0	0	0	0	0	0	234	249	15
Bus Improvement & Technology	759	769	10	0	4	4	1	2	1	943	925	(18)	(23)	(59)	(36)	0	0	0	0	0	0	0	0	0	1,680	1,641	(39)
Customer Services	1,935	2,012	77	19	23	4	4	3	(1)	255	202	(53)	(473)	(604)	(131)	0	0	0	0	0	0	0	0	0	1,740	1,636	(104)
Finance	866	864	(2)	0	(7)	(7)	2	1	(1)	310	233	(77)	(93)	(94)	(1)	0	0	0	0	0	0	0	0	0	1,085	997	(88)
Human Resources & Facilities	1,028	980	(48)	22	54	32	(34)	2	36	247	251	4	(459)	(382)	77	0	0	0	0	0	0	0	0	0	804	905	101
Law and Governance	1,232	1,273	41	14	22	8	5	0	(5)	175	131	(44)	(135)	(114)	21	0	0	0	0	0	0	0	0	0	1,291	1,312	21
<b>Org Dev &amp; Corp Services</b>	<b>5,919</b>	<b>5,978</b>	<b>59</b>	<b>55</b>	<b>96</b>	<b>41</b>	<b>(22)</b>	<b>9</b>	<b>31</b>	<b>2,065</b>	<b>1,910</b>	<b>(155)</b>	<b>(1,183)</b>	<b>(1,253)</b>	<b>(70)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>6,834</b>	<b>6,740</b>	<b>(94)</b>
<b>Grand Total</b>	<b>18,042</b>	<b>17,905</b>	<b>(137)</b>	<b>3,526</b>	<b>3,819</b>	<b>293</b>	<b>2,289</b>	<b>2,263</b>	<b>(26)</b>	<b>7,613</b>	<b>7,790</b>	<b>177</b>	<b>(15,700)</b>	<b>(16,680)</b>	<b>(980)</b>	<b>(4,964)</b>	<b>(4,987)</b>	<b>(23)</b>	<b>861</b>	<b>768</b>	<b>(93)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>11,667</b>	<b>10,878</b>	<b>(789)</b>

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**To:** City Executive Board

**Date:** 5<sup>th</sup> December 2012

**Report of:** Head of Finance

**Title of Report:** Treasury Management Mid Year Review

### **Summary and Recommendations**

**Purpose of report:** To report performance of the treasury management function for the period April to September 2012 and to outline the investment strategy for the remainder of the financial year.

**Key decision? No**

**Executive lead member: Councillor Ed Turner**

**Policy Framework: Sustaining Financial Stability**

**Recommendations: The City Executive Board are asked to:**

- 1) Note the performance of the treasury management function for the first six months of 2012/13; and
- 2) Agree the Investment Strategy for the remainder of 2012/13 and the continuation of the operational strategy as highlighted in para 37

### **Appendices**

1. Appendices to the report are listed below:
  - Appendix 1 – Current list of investments
  - Appendix 2 – Prudential indicators
  - Appendix 3 – Risk register

### **Introduction**

2. The Chartered Institute of Public Finance and Accountancy's (CIPFA) Code of Practice for Treasury Management 2009 requires that elected members should be provided with regular monitoring reports on treasury management activities at least twice in each financial year. In addition to the Annual Strategy Report and Annual Out-turn Report, the Council is undertaking further regular reporting on a quarterly basis. This ensures the Council is embracing Best Practice in

accordance with CIPFA's Code of Practice. The CIPFA Revised Code of Practice on Treasury Management was adopted by the Council on 3rd February 2010.

3. This mid year report has been prepared in compliance with the Code of Practice, and covers the following:
  - An economic update including an interest rate forecast
  - A review of the Treasury Management Strategy Statement and Annual Investment Strategy
  - A review of the Council's investment portfolio for 2012/13
  - A review of the Council's borrowing strategy for 2012/13
  - A review of compliance with Treasury and Prudential Limits for 2012/13

## **A. Economic Update**

The following overview provides information on the Global Economy for the last 6 months together with an outlook on the Eurozone and the UK for the next 6 months and the view of the Council's Treasury advisors, Sector, going forward

### **Global Economy**

4. During the six months ended 30 September 2012:
  - Indicators suggest that economic growth returned after three quarters of recession;
  - Retail sales held up well and spending off the high street strengthened;
  - Employment continued to rise at a strong pace;
  - Inflation failed to make further downward progress;
  - The Monetary Policy Committee (MPC) announced more asset purchases;
  - UK equity and government bond prices rose;
  - The US economy continued to recover, but at a disappointingly slow pace.

### **Outlook for the next six months of 2012/13**

#### **Eurozone**

5. Greece is still failing to meet the demands of the austerity programme in cutting government expenditure, increasing tax revenue and selling off public sector assets. This is creating further anxiety for the Eurozone members. If Germany were to withdraw its financial support, then Greece will run out of cash within the next couple of months. Markets are currently predicting that Greece will eventually be forced to exit (dubbed "Grexit") the Eurozone and return to the drachma.
6. Sovereign bond yields for both Spain and Italy have risen sharply to levels previously deemed unsustainable. Spain is now actively seeking acceptable terms for a bailout and surrendering national sovereignty to external oversight by the IMF.
7. One possible, but very unlikely, solution to the Eurozone debt crisis would be the issue of Eurobonds. These would collectivise all debt in the Eurozone and reduce the Greek element in total Eurozone debt to an almost insignificant percentage.
8. Austerity programmes in various European countries are reducing gross domestic product (GDP) growth rates.



## UK

9. The UK has suffered its worst and slowest recovery from recession since 1930.
10. The Bank of England August 2012 Inflation Report again pushed back the timing of a return to trend growth and the rate at which inflation will fall back towards the target rate of 2%.
11. 40% of UK GDP is dependent on overseas trade; high correlation of UK growth to US and EU GDP growth means that the UK economy is likely to register weak growth in the next two years.
12. Consumers are likely to remain focused on paying down debt and weak consumer sentiment and job fears will all act to keep consumer expenditure suppressed. Consequently, it is likely to take a lot longer to eliminate the structural budget deficit than the current plans of the Coalition government suggest. These plans need to be updated to incorporate the impact of weak growth in the Eurozone and US which are depressing growth in UK GDP and resulting in lower tax revenues than anticipated.
13. The Coalition Government and the Bank of England have put in place a programme of action to improve the availability of credit in the economy. However, it will take time for this to feed through and have significant positive impact on GDP.
14. There is little sign of a coordinated strategy for the private sector to finance a major expansion of infrastructure investment to boost UK growth.
15. Eurozone concerns and the potential for further quantitative easing (QE) to stimulate GDP growth are likely to keep gilt yields depressed during the next twelve months.
16. However, there are improvements in the prospects for the UK economy, though there is still a long way to go.
  - UK banks have made huge progress since 2008 in correcting their over-extended balance sheets.
  - Consumers have also made progress in correcting their personal over-borrowed balance sheets so that personal debt relative to incomes is now down to the lowest level since 2004. However, at 146%, it still remains the highest of any G7 nation.
  - The car industry is well on track to increase production. This is expected to see an increase from about 1m cars per annum in 2009 to 2.25m by 2016, much of which will be exported. In addition, car component firms are moving production to the UK in order to cost effectively meet the consequent increase in demand for their products. The car industry has also made steady progress in reducing its labour costs to be below those of Germany, France, Italy and Spain.

- The fall in price inflation relative to increases in pay inflation meant that household disposable income was less affected in quarter ended June, the biggest improvement in three years. Recent increases in employment also strengthen consumer expenditure, tax receipts and reduce Government expenditure on benefits.
- The UK has a competitive currency.

### Sector's forward view

17. Economic forecasting remains difficult with so many external influences weighing on the UK. Key areas of uncertainty include:

- The impact of the Eurozone crisis on financial markets and the banking sector;
- The impact of the UK Government's austerity plan on confidence and growth;
- Monetary policy action failing to stimulate growth in western economies;
- The potential for weak growth or recession in the UK's main trading partners - the EU and US;

18. Economic growth is more likely to be below current forecasts. Sector believes that in the long term gilt yields and Public Work Loans Board (PWLB) rates will rise due to the high volume of gilts issued in the UK, and the high volume of debt in other major western countries. However, in the short term, quantitative easing is likely to depress yields and further quantitative easing thereafter may lead to a reassessment of Sector's central forecast.

19. Given the weak outlook for economic growth, Sector sees the prospects for interest rate changes before early 2014 as very limited. There is potential for the start of Bank Rate increases to be even further delayed if growth disappoints.

### Interest Rate Forecasts

20. The table below shows Sector's (the Council's treasury advisor) current interest rate forecasts:

	Now	Dec 2012	March 2013	June 2013	Sept 2013	Dec 2013	March 2014	June 2014	Sept 2014	Dec 2014
Bank Rate	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.75%
5 year PWLB rate	1.74%	1.50%	1.50%	1.50%	1.60%	1.70%	1.80%	1.90%	2.00%	2.10%
10 year PWLB rate	2.73%	2.50%	2.50%	2.50%	2.60%	2.70%	2.80%	2.90%	3.00%	3.20%
25 year PWLB rate	4.04%	3.70%	3.70%	3.70%	3.80%	3.80%	3.90%	4.00%	4.10%	4.20%
50 year PWLB rate	4.22%	3.90%	3.90%	3.90%	4.00%	4.00%	4.10%	4.20%	4.30%	4.40%

21. Sector undertook a review of its interest rate forecasts following the issue of the Bank of England Inflation Report for August 2012. Consequently, it pushed back the first rise in Bank Rate from Q1 2014 to Q4 2014, as well as lowering the pace of rises in gilt yields.

22. The Bank of England forecasts of the speed and strength of recovery and rate of reduction of CPI inflation over the last four years had been attracting increasing criticism for being consistently over optimistic. In this latest Inflation Report, the Bank changed its position significantly as it markedly downgraded its forecasts for the strength and speed of recovery in GDP growth. Whereas previously it had consistently been forecasting a strong recovery to over 3% p.a., it was now only forecasting growth to recover to around 2% during the period from early 2013 to the end of 2015.

#### **B. Current year performance to date**

23. Although the rate of investment returns have decreased as forecast over the first six months of 2012/13, the Council is predicted to exceed its budgeted investment income target for the financial year and is currently achieving cumulative investment returns that are significantly above its benchmark London Interbank Bid Rate (LIBID) rates and the Bank of England's Base Rate (0.50%). However, the cumulative average rate of return has recently dropped to 0.99%, which is below the Council's performance indicator target of 1.00% (50 basis points above the Bank of England's Base Rate). The cumulative rate of return has dropped by approximately eight basis points during the second quarter.

24. The reduction in the average rate of monthly investment return over the last six months has been due to worsening market conditions, which has led to a reduction in lending options and a significant decrease in LIBID rates offered by the remaining counterparties on the Council's Treasury Management Lending List. There has also been a steady increase in average investment balances, which has led to new deposits placed in the last few months being invested at lower interest rates than they would have been at the beginning of the financial year. The decline in the rate of investment return was predicted and taken into account when setting the investment income budget target of £252,550, which the Council is forecast to achieve, as it has already accrued approximately £222,000 of interest from investments held during the first half of the year (see paragraph 29 for interest breakdown). The decline in the rate of investment return is forecast to continue for the remainder of 2012/13.

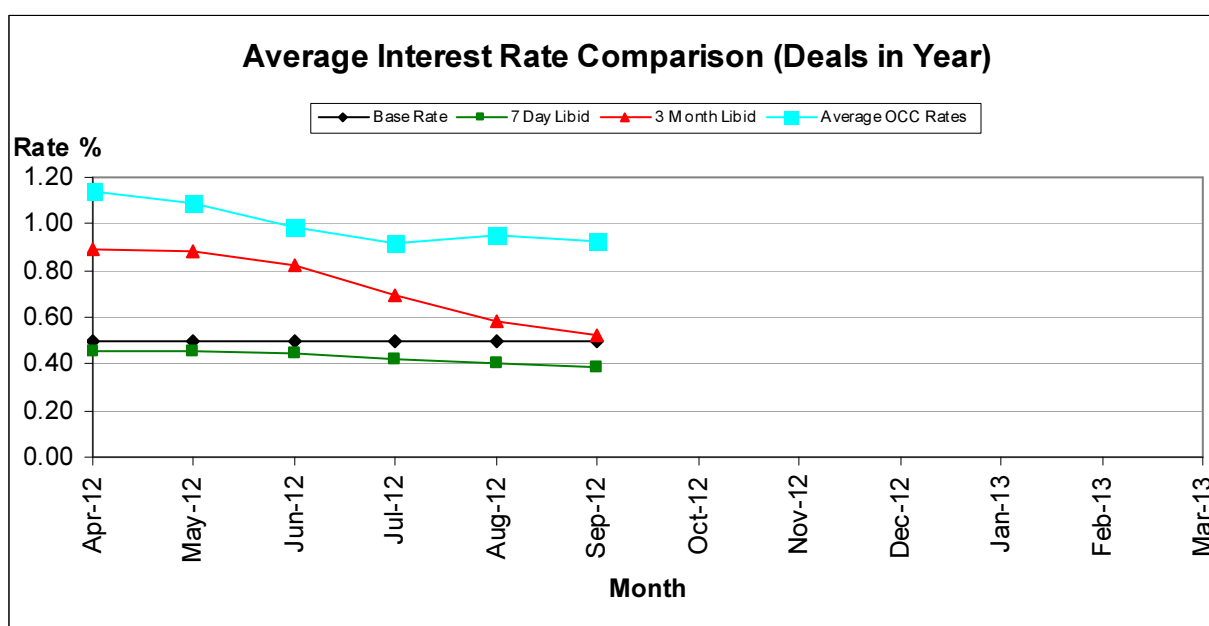
25. 2012/13 first half year investment balances and average returns are set out below:

Month	Average Balances	Average Return	Interest
April 2012	£36.28 million	1.14%	£34,000
May 2012	£40.90 million	1.09%	£38,000
June 2012	£41.36 million	0.98%	£33,000
July 2012	£48.54 million	0.92%	£36,000
August 2012	£48.36 million	0.91%	£35,000
September 2012	£47.14 million	0.93%	£36,000
<b>Period Averages</b>	<b>£44.55 million</b>	<b>0.99%</b>	<b>£222,000</b>

\* Table above excludes Icelandic Investments

### Average Interest Rate Comparison graph

26. The graph below compares our in-house average rate of return to the Bank of England's Base Rate and our benchmark interest rates:



### **Icelandic Investments**

27. In October 2008, the Icelandic banks Landsbanki, Kaupthing and Glitnir collapsed and the UK subsidiaries of the banks, Heritable and Kaupthing Singer and Friedlander went into administration. The authority had £4.5 million deposited across 2 of these institutions, with varying maturity dates and interest rates.

28. The original terms plus the amounts currently outstanding are shown in the table below:

Counterparty	Original Principal	Interest Rate	Maturity Date	Interest Received	Principal Repaid	Exchange Rate Loss	Total Repaid	Total Outstanding as at 30.09.12
Glitnir	£1.5m	5.51%	28/01 2009	£81,172.63	£1,213,800	(£45,238.57)	£1,249,734.06	£305,339.56
Heritable	£1.0m	5.83%	09/12 2008	£3,811.04	£745,621		£749,432.04	£255,679.19
Heritable	£1.0m	6.04%	05/01 2009	£14,860.49	£745,621		£760,481.49	£260,037.96
Heritable	£1.0m	6.18%	30/04 2009	£9,130.65	£745,621		£754,751.65	£257,777.66
<b>Total</b>				<b>£108,974.82</b>	<b>£3,450,663</b>	<b>(£45,238.57)</b>	<b>£3,514,399.25</b>	<b>£1,078,834.38</b>

29. Heritable Bank have repaid approximately 75% of the initial deposit plus interest. The last repayment was made in July 2012. It is still expected that we will receive up to 90% of the original deposit.

30. On 15th March, we received four of the five foreign currency repayments due from Glitnir Bank totalling £1,249,734.06. The repayment date of the fifth currency (in Icelandic Krona (ISK)) is still to be confirmed. We are awaiting the resolution of changes to Icelandic law which may allow ISK to be transferred out of Iceland. Once this has been resolved, it is expected that we will receive close to 100% of our initial deposit.

### **The Treasury Management Counterparty List**

31. The Council's approved Treasury Management Counterparty List is based upon Sector's recommended counterparty lending list. This list is determined by current counterparty credit ratings provided by the three main credit rating agencies and by changes to their credit default swap spreads. The credit default swap spread gives an indication of the market's perception of the likelihood of an institution defaulting on the repayment of its loans. Officers review the lending list on a weekly basis, or more frequently if additional information is released. There have been no breaches to the approved limits within the Annual Investment Strategy during the first half of 2012/13.

32. In July, Council agreed to increase its money market fund total investment limit from £15 million to £20 million. This has assisted the Council to secure increased investment return and reduce its need to utilise the Debt Management Account Deposit Facility. At the same meeting, the Council also agreed to amend the Treasury Investment Strategy to add other public bodies, such as police authorities, to the approved Treasury Management Counterparty List with the same lending limits as applied to other local authorities. Since their addition, there have been no opportunities to lend to other public bodies (other than other local authorities).

33. There have been no other changes to the Council's approved Treasury Management Counterparty List during the first half of 2012/13.

34. Below is the Counterparty List as at 30th September 2012 (this is further restricted with operational limits):

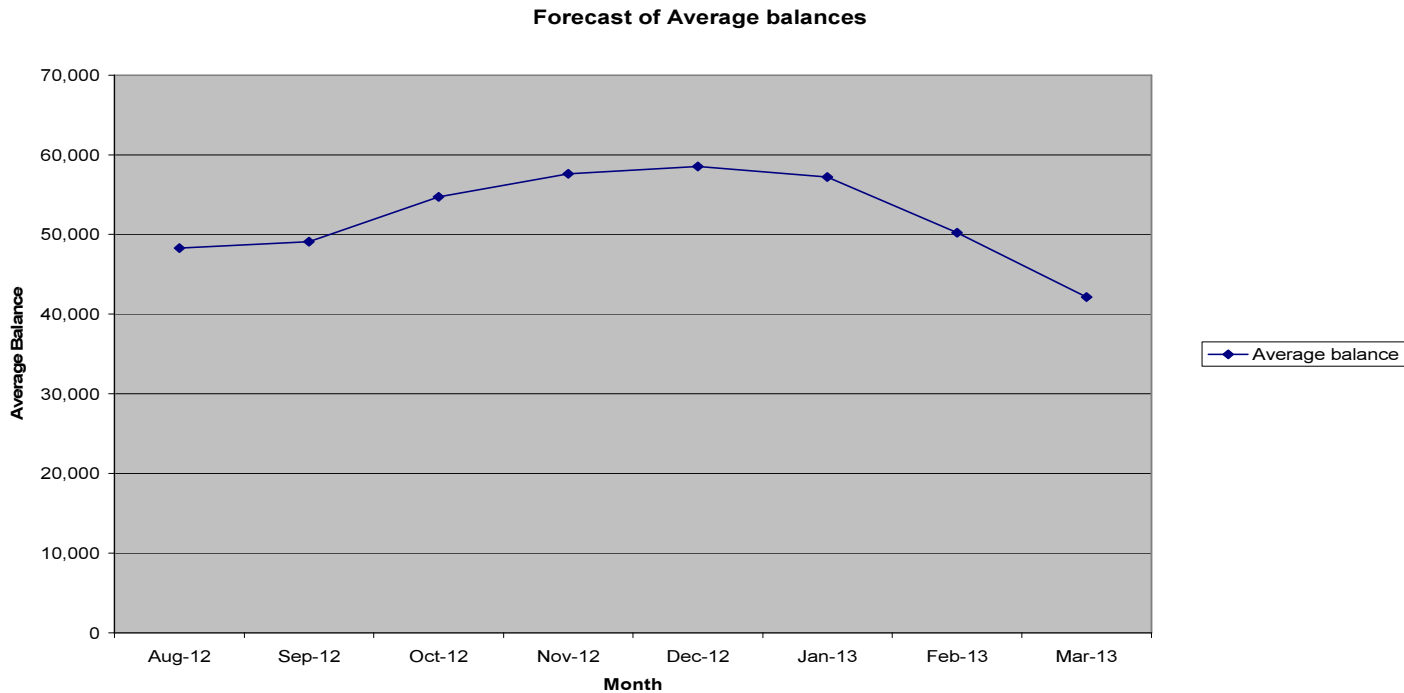
Counterparty Name	Group	Maximum Limit £M's	Maximum Period Days
<b>SPECIFIED</b>			
Barclays Bank plc		10.0	180
Co-operative		0.5	Call
HSBC Bank plc	HSBC Group	10.0	90
Standard Chartered Bank		10.0	90
Sumitomo Mitsui Banking Corporation Europe Ltd		10.0	90
Nationwide BS		10.0	180
Bank of Scotland Plc	Lloyds Banking Group plc	10.0	364
Lloyds TSB Bank Plc	Lloyds Banking Group plc	10.0	364
National Westminster Bank Plc	Royal Bank of Scotland Group Plc	10.0	364
The Royal Bank of Scotland Plc	Royal Bank of Scotland Group Plc	10.0	364
Ulster Bank Ltd	Royal Bank of Scotland Group Plc	10.0	364
<b>NON SPECIFIED</b>			
Yorkshire Building Society		3.0	90
Coventry Building Society		3.0	90
Skipton Building Society		3.0	90
Leeds Building Society		3.0	90
<b>OTHERS</b>			
Debt Management Office		Unlimited	364
Local Authorities and other public bodies (such as, Police Authorities)		10.0	364
Money Market Funds		20.0	

This is subject to change in line with credit rating changes, credit rating and outlook watches, and changes to CDS spreads. Specified investments are Sterling investments of not more than one-year maturity, or those which could be for a longer period but where the Council has the right to be repaid within 12 months if it wishes. These are considered low risk assets where the possibility of loss of principal or investment income is small. Non-specified investments are any other type of investment which cannot be categorised as specified. They are potentially higher risk investments; although the loss of principal or investment income is still minimal with the institutions listed above.

### Investment Balances as at 30<sup>th</sup> September 2012

35. A full list of investments held as at 30<sup>th</sup> September 2012 is shown in Appendix 1 to this report. These investments comply with the Council's lending list criteria and are held in highly credit rated Government backed banks, building societies, call accounts and money market funds. The list excludes the Icelandic bank investments.

36. The chart below shows the forecast increase and later decline of our investment balances. The forecast increase is largely increasing housing revenue account balances and the later decline is due to the cyclical drop in Council tax revenue and grants at year end and is due to pick up again at the beginning of 2013/14:



### Investment Strategy

37. It is recommend that we continue the operational investment strategy instigated during the first quarter of the year, with the majority of deposits being kept short (up to 3 months) with highly credit rated institutions through the money markets and on money market funds, instant access and notice accounts. To safely improve the maturity profile and investment return, it is recommended that the Council continues to place further deposits for six months to 364 day periods with either highly rated semi-nationalised banks or other public sector bodies. This should help protect the Council against interest rate risk and slow the reduction in investment return. This will enable us to effectively manage the fluctuations in the Council's balances.

38. This operational strategy is in line with the 2012/13 Overall Treasury Management Strategy approved by Council in February and subsequently amended in July 2012.

### Debt and Borrowing

39. The Council's capital financing requirement (CFR) as at 1<sup>st</sup> April 2012 was £221.21 million. The CFR denotes the Council's underlying need to borrow for capital purposes. If the CFR is positive the Council may borrow from the PWLB or the market (external borrowing) or from internal balances on a temporary basis (internal borrowing). The balance between external and internal borrowing is largely driven by market conditions.

40. The Council's external debt as at 30th September 2012 was approximately £201.8 million and therefore internal cash reserves of approximately £20k are being utilised. This external debt includes approximately £198.5 million borrowed from the Public Work Loans Board (PWLB) to buy out the Housing Revenue Account (HRA) from the subsidy system. The debt is held at fixed rates, with varying lengths of time before maturity. The debt is wholly related to Housing with the interest being met by the Housing Revenue Account. Restructuring and premature repayment of the old debt has been considered and ruled out because the Council would incur a large premium as these debts are at very high interest rates.

41. The table below shows the structure of all external loans:

£m	Period	Years	Maturity Date	Interest Rate
1.2	7 years	7	26/09/2015	11.25%
2.1	7 years	7	27/10/2015	11.38%
20.0	9 years	9	28/03/2021	2.21%
20.0	14 years	14	28/03/2026	2.92%
40.0	20 years	20	28/03/2032	3.30%
40.0	25 years	25	28/03/2037	3.44%
40.0	30 years	30	28/03/2042	3.50%
38.5	45 years	45	28/09/2057	3.50%
<b>201.8</b>	<b>Weighted Average Interest Rate</b>			<b>3.39%</b>

42. The Council also has a long-term liability/ outstanding debt with South Oxfordshire District Council (£1.2m) which is held at a variable interest rate.

43. The Council continues to monitor borrowing interest rates and forecasts on a regular basis to ensure we are in a position to take on new external debt to fund the current Capital Programme commitments.

44. There was no new borrowing undertaken by the Council during the first six months of the financial year 2012/13.

#### **Prudential Indicators**

45. In accordance with the CIPFA code of Practice on Treasury Management and the CIPFA Prudential Code the Council's Treasury Management Strategy sets out how the Council's treasury service supports capital decisions taken, the day to day treasury function and the limitations on activity, i.e the prudential indicators. The key prudential indicator is the Authorised Limit, i.e. the maximum amount of debt the Council could afford in the short term, but which would not be sustainable in the longer term. The Affordable Borrowing limit required by S3 of the Local Government Act 2003 is the sustainable borrowing limit.

46. In the year to date the Council has complied with its Treasury Management Practices and operated within and in accordance with the prudential indicators set out in the Council's Treasury Management Strategy Statement. The Council's Prudential and Treasury Indicators are shown in Appendix 2.



47. Note to table 2 of appendix 2: The reduction in this year's planned capital expenditure is mainly due to the slippage of the competition pool expenditure (£6.3 million) from the current year into 2013/14. Furthermore, this capital expenditure will now be financed through the use of capital receipts rather than by prudential borrowing.

**Risk**

48. The attached risk register at Appendix 3 considers the risks associated with this report.

**Name and contact details of author:-**

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**Investment Balances as at 30th September 2012** (excluding Icelandic Investments)

Counterparty Name	Group Name	Principal Amount	Interest Rate	Start Date	Maturity Date	Days to Maturity	Broker / Non Broker
		£	%				
<b>Building Societies</b>							
Nationwide Building Society		1,000,000	0.45%	14-Aug-12	12-Oct-12	12	Tradition
Nationwide Building Society		2,000,000	0.54%	12-Sep-12	11-Dec-12	72	Tradition
Nationwide Building Society		2,000,000	0.48%	19-Sep-12	04-Dec-12	65	Sterling
Coventry Building Society		1,500,000	0.72%	16-Jul-12	16-Oct-12	16	Tradition
Coventry Building Society		1,500,000	0.67%	23-Jul-12	23-Oct-12	23	Tradition
Skipton Building Society		1,500,000	0.43%	14-Sep-12	22-Nov-12	53	Sterling
Leeds Building Society		1,500,000	0.49%	06-Aug-12	08-Oct-12	8	RP Martin
Leeds Building Society		1,500,000	0.52%	31-Aug-12	30-Nov-12	61	Tradition
<b>Banks</b>							
Barclays Bank		2,000,000	0.76%	16-Jul-12	16-Oct-12	16	Non Broker
Barclays Bank		1,800,000	0.65%	14-Aug-12	12-Oct-12	12	Non Broker
Barclays Bank		3,000,000	0.59%	17-Sep-12	17-Dec-12	78	Non Broker
Lloyds TSB Bank Plc	Lloyds Banking Group Plc	2,000,000	2.65%	18-May-12	17-May-13	229	Non Broker
Bank of Scotland Plc	Lloyds Banking Group Plc	3,500,000	3.00%	12-Jul-12	04-Jul-13	277	Non Broker
Bank of Scotland Plc	Lloyds Banking Group Plc	1,300,000	1.35%	14-Aug-12	13-Nov-12	44	Non Broker
Co-op Bank PSR Account		0	0.18%		Instant Access	0	Non Broker
Santander UK 95 Day Notice A/c - suspended		0	1.25%		95 Days Notice	0	Non Broker
Santander UK BR A/c - suspended		0	0.60%		Instant Access		Non Broker
SMBCE - suspended		0				0	Non Broker
Natwest Liquidity Select A/c	Royal bank of Scotland Group	6,800,000	0.91%		Instant Access	1	Non Broker
Clydesdale Notice A/c - Suspended		0	0.85%		30 Days Notice	0	
<b>Money Market Funds</b>							
Ignis MMF		6,800,000	0.65%		Instant Access	1	Non Broker
Prime Rate MMF		5,760,000	0.56%		Instant Access	1	Non Broker
DB Advisors MMF		0	0.51%		Instant Access	1	Non Broker
Goldman Sachs MMF		0	0.48%		Instant Access	1	Non Broker
<b>Debt Management Office</b>							
DMADF		0	0.25%				
<b>Local Authorities</b>							
Other Local Authorities		0					
<b>Investments Total</b>		<b>45,460,000</b>					

**Investment Balances Classified by Financial Intermediary**

<b>Broker / Non Broker</b>	<b>Principal Outstanding</b>	<b>Percentage split</b>	<b>Number of Loans / Facilities</b>
	£	%	
Non Broker	32,960,000	72.50%	9
Tradition	7,500,000	16.50%	4
Prebon	0	0.00%	0
RP Martin	1,500,000	3.30%	1
Sterling	3,500,000	7.70%	2
<b>Investments Total</b>	<b>45,460,000</b>	<b>100.00%</b>	<b>16</b>

**Investment Maturity Profile**

<b>Period from 30th September 2012 to Maturity</b>	<b>Fixed Deposits</b>	<b>Call Accounts</b>	<b>Money Market Funds</b>	<b>Total</b>	<b>Percentage split</b>
	£	£	£	£	%
Overnight	0	6,800,000	12,560,000	<b>19,360,000</b>	42.59%
2 Days - 1 Month	9,300,000	0	0	<b>9,300,000</b>	20.46%
1 month - 2 months	4,300,000	0	0	<b>4,300,000</b>	9.46%
2 months - 3 months	7,000,000	0	0	<b>7,000,000</b>	15.40%
3 months - 4 months	0	0	0	<b>0</b>	0.00%
4 months - 6 months	0	0	0	<b>0</b>	0.00%
6 months - 9 months	2,000,000	0	0	<b>2,000,000</b>	4.40%
9 months - 364 days	3,500,000	0	0	<b>3,500,000</b>	7.70%
<b>Total</b>	<b>26,100,000</b>	<b>6,800,000</b>	<b>12,560,000</b>	<b>45,460,000</b>	<b>100.00%</b>

## Prudential Indicators – 2012/13

Table 1	Principal	Average Rate
	£'000	%
Fixed Rate Funding	PWLB 201,769	3.39%
Variable Rate Funding	PWLB 0	
Other Long Term Liabilities	1,158	0.82%
Gross Debt	202,927	
Total Investments	45,460	0.99%
Net Debt	157,467	

Table 2: Prudential Indicators	2011/12	2012/13	2012/13
Extract from budget and rent setting report	Actual	Original Estimate	Probable Outturn
	£'000	£'000	£'000
<b>Capital Expenditure</b>			
General Fund	12,435.0	19,473.0	10,895.0
HRA	8,577.0	8,395.0	8,343.0
TOTAL	21,012.0	27,868.0	19,238.0
<b>Ratio of financing costs to net revenue stream</b>			
General	-1.3%	2.1%	27.3%
HRA	1.6%	19.3%	15.5%
<b>Net borrowing requirement</b>			
brought forward 1 April	26,044.0	221,206.0	221,206.0
carried forward 31 March	221,206.0	228,951.0	222,756.0
in year borrowing requirement	195,162.0	7,745.0	1,550.0
<b>In year Capital Financing Requirement</b>			
General Fund	-3,366.0	7,745.0	1,550.0
HRA	198,528.0	0.0	0.0
TOTAL	195,162.0	7,745.0	1,550.0
<b>Increment impact of capital investment decisions</b>	£ p	£ p	£ p
Increase in Council Tax (band D) per annum*	16.26	17.92	11.56
Increase in average housing rent per week	22.66	20.98	20.51

<b>Table 3: Treasury Management Indicators</b>	<b>2011/12</b>	<b>2012/13</b>	<b>2012/13</b>
<b>Extract from budget and rent setting report</b>	<b>Actual</b>	<b>Original Estimate</b>	<b>Probable Outturn</b>
	£'000	£'000	£'000
<b>Authorised Limit for External Debt -</b>			
Borrowing	2,000	2,000	2,000
HRA	243,000	243,000	243,000
other long term liabilities	1,500	1,500	1,500
<b>TOTAL</b>	<b>246,500</b>	<b>246,500</b>	<b>246,500</b>
<b>Operational Boundary for external debt -</b>			
Borrowing	2,000	8,000	8,000
HRA	234,000	234,000	234,000
other long term liabilities	1,500	1,500	1,500
<b>TOTAL</b>	<b>237,500</b>	<b>243,500</b>	<b>243,500</b>
<b>Actual External Debt</b>	<b>£202,927,023</b>		
<b>Upper limit for fixed interest rate exposure</b>			
Net principal re fixed rate borrowing and investments	100%	100%	100%
<b>Upper limit for variable interest rate exposure</b>			
Net principal re variable rate borrowing and investments	100%	100%	100%
<b>Upper limit for total principal sums invested for over 364 days (per maturity date)</b>	<b>0</b>	<b>0</b>	<b>0</b>

<b>Table 4: Maturity structure of new fixed rate borrowing during 2011/12</b>	<b>Upper Limit</b>	<b>Lower Limit</b>
	%	%
Under 12 months	30	0
12 months and within 24 months	30	0
24 months and within 5 years	80	0
5 years and within 10 years	100	0
10 years and above	100	0

<b>Table 5: Comparison of Gross and Net Debt Positions at Year End</b>	<b>2011/12</b>	<b>2012/13</b>
	<b>Actual</b>	<b>Probable Outturn</b>
	£'000	£'000
Actual External Debt (gross)	203,324	201,350
Cash Balances	32,000	45,000
<b>Net Debt</b>	<b>171,324</b>	<b>156,350</b>

## Appendix 3

Risk ID	Risk						Corporate Objective		Gross Risk		Residual Risk		Current Risk		Owner	Date Risk Reviewed
							1 to 6	I	P	I	P	I	P			
Category-000-Service Area Code	Risk Title	Opportunity/Threat	Risk Description	Risk Cause	Consequence	Date raised	1 to 6	I	P	I	P	I	P			
TMS-001	Loss of capital investment	T	Loss of capital investment – if counterparty invested in collapses and is unable to repay the original investment	Collapse of counterparty, counterparty unable to repay investments	The Council will lose money which could potentially have an adverse effect on operational funding	1-Oct-12	6	3	2	3	1	3	1	Anna Winship	31-Dec-12	
TMS-002	Interest Rates	O/T	Interest Rates – Although interest rates are currently at an all time low, the period of time that they remain at this level is to be considered. A prolonged period will affect the long term returns for the organisation.	No change to base rate and associated market investment rates, or rates that only move upwards slowly over a prolonged period of time	The Council will not be able to realise the returns on investment as previously projected in the budget	1-Oct-12	6	2	2	2	1	2	1	Anna Winship	31-Dec-12	
TMS-003	Fraudulent activity	T	Potential fraud by staff	Fraudulent activity	Loss of money	1-Oct-12	6	2	2	2	1	2	1	Anna Winship	31-Dec-12	
TMS-004	Money Laundering	T	Money laundering by external parties	Pay cash for transactions into council, claims refund	Fine/imprisonment	1-Oct-12	6	4	2	4	1	4	1	Nigel Kennedy	31-Dec-12	



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**To: City Executive Board**

**Date: 5<sup>th</sup> December 2012**

**Item No:**

**Report of: Head of City Development**

**Title of Report: Annual Monitoring Report 2011/12**

### **Summary and Recommendations**

**Purpose of report:** To approve the Annual Monitoring Report for publication

**Key decision?** No

**Executive lead member:** Councillor Colin Cook

**Policy Framework:** The Annual Monitoring Report enables an assessment to be made of the effectiveness of the planning policies in the Local Development Framework.

**Recommendation(s):** That the City Executive Board is asked to:

1. Approve the Annual Monitoring Report 2011/12 for publication;
2. Authorise the Head of City Development to make any necessary editorial corrections to the document prior to publication.

Appendix 1 – Annual Monitoring Report 2011/12

Appendix 2 – Risk Assessment

## **Introduction**

1. The City Executive Board is asked to consider the Annual Monitoring Report before it is published. This is the City Council's eighth monitoring report to assess the effectiveness of planning policies of the Local Development Framework. It covers the period 1<sup>st</sup> April 2011 to 31<sup>st</sup> March 2012 and is a factual document.
2. The former requirement under the Planning and Compulsory Purchase Act for every local planning authority to submit an annual monitoring report to the Secretary of State has been removed by the Localism Act 2011. However, Section 113 of the Localism Act still requires local planning authorities to publish monitoring reports at least yearly in the interests of transparency. Regulations require this monitoring information to be made available online and in council offices as soon as possible after the information becomes available. The monitoring data is currently only collected annually, but it may be possible in future to publish some data during the year if it becomes available more frequently.
3. The Annual Monitoring Report (AMR) provides feedback to Members, stakeholders and residents on the performance of planning policies and whether the objectives of those policies are being achieved. In so doing, monitoring enables the City Council to respond more quickly to changing priorities and circumstances. In addition, statutory plans are assessed at independent examination on whether the policies are founded on a robust and credible evidence base, and whether there are clear mechanisms for implementation and monitoring.

## **Monitoring indicators**

4. The Localism Act retains the requirement for monitoring reports to set out information relating to the implementation of the Local Development Scheme and the extent to which the policies set out in local development documents are being achieved. However, there is no longer any formal national guidance, nor any national core output indicators. Local planning authorities can decide what to include in their monitoring reports, while ensuring that they are prepared in accordance with relevant UK and EU legislation.
5. Most of the indicators and targets selected in the Annual Monitoring Report (AMR) are required because the City Council made a commitment to monitor such data in the adopted Core Strategy or the West End Area Action Plan. Once the Barton Area Action Plan and the Sites and Housing Plan are adopted, additional monitoring indicators arising from those plans will be added to future AMR's.
6. In addition, many of the former national indicators have been retained because they continue to provide useful information, for instance in

relation to the housing trajectory and land developed for employment uses.

### Findings of 2011/12 Annual Monitoring Report

7. The AMR includes sections setting out key facts about Oxford, progress against the Local Development Scheme, monitoring of policies and implementation of the Statement of Community Involvement.
8. During the 2011/12 monitoring year, an updated Local Development Scheme (LDS) for the period 2011-14 was approved by City Executive Board in September 2011. Good progress was made on the Barton Area Action Plan and the Sites and Housing Plan during the year, with production of the two plans running almost in parallel. Consultation on preferred options took place during the early summer of 2011, and the two draft submission documents were agreed at the same Council meeting in December 2011. These documents were published for consultation in February/March 2012. Evidence gathering for the Community Infrastructure Levy also began during the year, but work on the Northern Gateway Area Action Plan did not commence in January 2012 as had originally been intended.
9. In relation to policy monitoring, a traffic light approach has been applied to reflect performance against targets and objectives. The vast majority of indicators are either green or amber:

	Green (on-target or progressing towards it)	Amber (new indicator or policy needs close attention next year)	Red (under performance against target)
Citywide indicator	29	9	2
West End AAP indicator	10	5	0

10. There are two indicators not performing against target, shown as red:

**Indicator 5 - Affordable housing completions (gross) and tenure**

The number of affordable housing completions dropped to 18, significantly below the target of 200 in the Core Strategy monitoring framework. The large schemes at Rose Hill were completed in the previous monitoring year and no substantial sites have been completed this monitoring year. The continued economic uncertainty has undoubtedly had an effect. The City Council has actions in place to reverse this trend in future years including bringing forward the strategic site at Barton; identifying some new large housing sites in the Sites and Housing Plan; developing affordable housing on its own land;

and taking financial contributions towards affordable housing from small housing sites and student accommodation developments.

**Indicator 27 - Appeals allowed where conservation policies cited as a reason for refusal.** There were three cases where decisions were refused with conservation policies cited as a reason for refusal and all three of them were allowed (to varying degrees) by the Planning Inspectorate. The three cases were all small schemes and given the wider context of the large number of applications affecting the historic environment, although this indicator scores red it is not a matter of serious concern.

11. Indicators shown as amber include those relating to development complying with Natural Resource Impact Analysis (NRIA) requirements and student accommodation. The NRIA indicator scored amber as some schemes did not precisely meet the requirements. The reason that these schemes did not meet the requirements is that they produced an energy strategy which was site specific and focused on saving energy as opposed to renewable or low carbon solutions.
12. The Annual Monitoring Report includes an annual update on the progress made by each of the two universities against the policy threshold that no more than 3,000 full-time students live in the community (not in accommodation provided by the relevant university). Both universities were just above the 3,000 target during the 11/12 monitoring year, as at 31<sup>st</sup> March 2012. Notwithstanding this, it is appropriate to update Members with the current position given the fact that the data quoted in the attached monitoring report was gathered in December 2011.
13. Oxford Brookes University had 3,381 students in the community in December 2011, falling to 3,220 in February 2012. For the 12/13 academic year, the university reports that there are an additional 438 places available at the Dorset House and Westminster Hall developments, whilst taking account of losses at Harcourt Hill. This brings the university below the 3,000 threshold. In addition, Oxford Brookes report that their initial estimate is that there has been a fall in the student intake in the 12/13 academic year.
14. The University of Oxford had 3,401 students in the community in December 2011. For the 12/13 academic year, an additional 154 places are available arising from recent developments including Pembroke College. A further 279 places are currently under construction. This will bring the university below the 3,000 threshold.
15. Given that this is a critical policy in the Core Strategy and that both universities count student numbers and places of university accommodation in December, officers will work with the universities to prepare a within-academic year update to the student accommodation section of the AMR. This will take into account the number of students

at each university in the 12/13 academic year, and will be published in spring 2013.

16. The 11/12 monitoring year needs to be assessed in the context of the continuing economic downturn. Nationally, the downturn has seen reduced economic output and an increase in numbers of people out of work with an adverse impact on the construction industry in particular. Oxford continues to experience a challenging economic environment. This years report show that Oxford has been affected by the recession, but there have however been some positive findings:
  - a. 228 dwellings (net) were completed during 2011/12, which is a modest improvement on the previous year and may indicate that the housing market in Oxford is improving.
  - b. Planning permission granted for major research and development uses including significant redevelopments within the University Science area (Physical and Theoretical Chemistry and a new Physics Building), amounting to 26,710 sqm gross.
  - c. Planning permission granted in the health sector for a new building 3,928 sqm gross at the Nuffield Orthopaedic centre
  - d. The City and District centres continue to perform well with relatively low vacancy rates.
  
17. Despite the economic downturn, the indicators for Quality of Life and Regeneration scored positively with significant progress being made during the monitoring period towards the delivery of new healthcare and education facilities despite problems with funding streams. Oxford's biodiversity resource also remains strong. The majority of SSSIs are in favourable condition, and Oxford maintains a healthy number of UKBAP priority species.

#### **Level of risk**

18. A risk assessment has been undertaken and the risk register is attached (Appendix 2). All risks have been mitigated to an acceptable level.

#### **Climate change/environmental impact**

19. There are no direct climate change or environmental impacts arising from this report. However, Section 4 of the Annual Monitoring Report provides information about a range of environmental indicators, including data on biodiversity, heritage issues and compliance with Natural Resources Impact Analysis (NRIA) requirements.

#### **Equalities impact**

20. There are no direct equality impacts arising from this report.

**Financial implications**

21. There are no direct financial implications arising from this report.

**Legal implications**

22. There are no direct legal implications arising from this report.

**Name and contact details of author:-**

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Service Area / Department: City Development

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**List of background papers:** None

**Version number:** 1

**Appendix 2 – Risk Assessment**

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Risk ID	Risk						Corporate Objective	Gross Risk		Residual Risk		Current Risk		Owner	Date Risk Reviewed	Proximity of Risk (Projects/ Contracts Only)
Category-000-Service Area Code	Risk Title	Opportunity/Threat	Risk Description	Risk Cause	Consequence	Date raised	1 to 6	I	P	I	P	I	P			
CEB-001-CD	Reputational risk	T	Failure to achieve planning policy targets	There could be a range of causes, some of which may be external (e.g. the state of the economy) and some internal (failure to properly implement policies)	Reputation of the City Council could be adversely affected in the eyes of the community and stakeholders	5 Dec 2012	1, 2, 3, 4, 5	2	1	2	1	2	1	Michael Crofton-Briggs		





# Local Development Framework

## Annual Monitoring Report

April 2011 - March 2012



Planning Policy  
City Development  
Oxford City Council

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Published December 2012

### Translations available

অনুবাদের ব্যবস্থা আছে  
提供有翻譯本  
तरजमे उपलब्ध है  
उवजमे मिल सकते हन  
ترجمہ دستیاب ہے

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If you would like a copy of the document in larger print, Braille or audio tape, please contact the Planning Policy team.

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# Introduction

(i) This is Oxford City Council's seventh Annual Monitoring Report of planning policies of the Local Development Framework. It covers the 12 month period 1st April 2011– 31st March 2012.

(ii) Monitoring is essential to establish what is happening now and what may happen in the future and to compare these trends against existing policies and targets to determine what needs to be done. It provides a crucial feedback loop and information on the performance of policy and its surrounding environment. As the delivery of sustainable development and sustainable communities is a key focus of planning, monitoring provides a check on whether those aims are being achieved. Monitoring will also enable the City Council to respond more quickly to changing priorities and circumstances.

(iii) This report covers the following aspects of planning policy monitoring:

- **Local Development Scheme monitoring** - This reviews whether the targets and milestones for Local Development Document preparation as set out in the Local Development Scheme have been met
- **Policy monitoring** - Policies will be monitored in order to assess:
  - whether policies and related targets have been met or progress is being made towards meeting them, or if not, the reasons why;
  - what impact the policies are having in respect of national, regional and local policy targets, and any other targets identified in Local Development Documents;
  - whether policies in the Local Development Documents need adjusting, or replacing, because they are not working as intended;
  - whether the policies need changing to reflect changes in national or regional policy; and
  - if policies or proposals need changing, the actions needed to achieve this.

(iv) Oxford has adopted an objectives-policies-targets-indicators approach to ensure relevant and effective monitoring. The Government has now withdrawn its formal guidance on Annual Monitoring Reports, including the national core output indicators. Accordingly, the opportunity has been taken to review the former national indicators and to remove some that were not particularly relevant in the Oxford context. However, most of the former national indicators have been retained because they continue to provide useful information, for instance in relation to the housing trajectory and land developed for employment uses.

(v) A number of new targets and indicators contained within the Core Strategy and its accompanying sustainability appraisal were added last year to the Annual Monitoring Report. This is the first full year that the Core Strategy policies have been monitored so it is likely that we will begin to see their effectiveness. Although given that the time period is only a year it is likely that meaningful conclusions will begin to be drawn over time.

(vi) As of next year the Barton Area Action Plan and Sites and Housing Plan will also be included in the Annual Monitoring Report.

- (vii) The data sources for compiling this report includes information from:
- planning applications granted permission;
  - information from site visits of developments that have commenced and been completed;
  - vacancy rates of business premises;

- retail surveys in city and district centres;
- information from other sources such as Thames Valley Environmental Records Centre, the Environment Agency, University of Oxford and Oxford Brookes University.

## Snapshot of Oxford

At the time of writing, the majority of the 2011 Census data had not yet been published. As such this snapshot uses the most up-to-date data available.

<b>Area</b>	17.6 square miles, 46 sq km	
<b>Population</b>	151,900 total population (2011) <sup>1</sup> approximately 32,000 full-time university students	
<b>Housing</b>	Approximate number of private households in Oxford	55,400
	Households (2001) <sup>2</sup> (owner-occupied)	54.9%
	Households (private rented)	20.8%
	Households (social rented)	21.2%
	Homelessness Households living in temporary accommodation that the council provides in the city (Dec 2011)	144
	City Council's waiting list figures (Dec 2011)	Over 6,000
	House prices (2009) <sup>3</sup> Mean house price	£369,408
	Median house price	£271,000
<b>Economy, retail &amp; tourism</b>	Employee jobs by sector <sup>4</sup> Private sector	52,900
	Public sector	32,100
	Higher education	22,100
	Total	107,100
	Approximate number of businesses in Oxford	3,545
	Unemployment <sup>5</sup>	5.7%
	Jobseekers allowance claimants <sup>6</sup>	2.0%
	No qualifications <sup>7</sup>	28.7%
<b>Economy, retail &amp; tourism</b>	VAT Registered businesses (2007) <sup>8</sup>	9.2%
	Number of Super Output Areas in Oxford among the 20% most deprived in England	10
	Visitors to Oxford per year <sup>9</sup>	9.5 million

<sup>1</sup> 2011 Census

<sup>2</sup> 2001 Census – update for 2011 Census

<sup>3</sup> CLG Housing live tables

<sup>4</sup> ONS Business Register and Employment Survey 2009

<sup>5</sup> ONS NOMIS official labour market statistics July 2011-June 2012

<sup>6</sup> ONS NOMIS official labour market statistics Oct 2012

<sup>7</sup> People with no qualifications 2001 Census

<sup>8</sup> ONS NOMIS official labour market statistics

Environment & Quality of life	% of Green Belt land (much of this being flood plain)	27%
	Carbon emissions per capita (tonnes per resident) (2007) <sup>10</sup>	6.1%
	Life expectancy gap between the best and worst wards in Oxford (2002-2006) <sup>11</sup>	10.7 yrs
Transport	% of Oxford's workforce travelling to work by car (lowest proportion in the South East)	38%
	% of Oxford's workforce living outside Oxford's boundary (approx)	50%

## Objectives

### Corporate Plan

The City Council has identified five corporate priorities that aim to make Oxford a 'world-class city' for everyone; these are:

- a vibrant and sustainable economy;
- meeting housing needs;
- strong and active communities;
- cleaner greener Oxford;
- an efficient and effective Council.

### Oxford's Sustainable Community Strategy

The Oxford Strategic Partnership's Sustainable Community Strategy vision is that Oxford will be a world class city for everyone. The key priorities of the Partnership are to:

- strengthen the local economy;
- tackle the need for more affordable housing;
- improve health and social welfare;
- improve the public realm for residents and visitors; and
- build a safer, stronger and more equal city.

<sup>9</sup> The Economic Impact of Tourism: Oxford 2008, Tourism South East

<sup>10</sup> Local Authority Carbon Dioxide figures, Department for Energy and Climate Change, 2009

<sup>11</sup> Decision Support Team, Oxfordshire Primary Care Trust





## Summary of Key Findings

(viii) The following symbols are used to show how the indicator is achieving in relation to the target:



**Green:** Targets and objectives have either been met or data indicates progression towards targets/objectives.






**Amber:** The policy needs close attention in the following monitoring year or where there are new indicators, there has not been sufficient information to make an assessment of policies against performance.



**Red:** The data indicates under-performance against targets and objectives.

(ix) The table below shows that the majority of the indicators are on target:

**Figure Int.1** Indicator scores in 2011/12

			
Main Indicators	29	9	2
West End	10	5	0

(x) The 11/12 monitoring year needs to be assessed in the context of the continuing economic downturn. Nationally, the downturn has seen reduced economic output and an increase in numbers of people out of work with an adverse impact on the construction industry in particular. Oxford continues to experience a challenging economic environment. This years report shows that Oxford has been affected by the recession, but there have however been some positive findings:

- 228 dwellings (net) were completed during 2011/12, which is a modest improvement on the previous year and may indicate that the housing market in Oxford is improving;
- Planning permission granted for major research and development uses including significant redevelopments within the University Science area (Physical and Theoretical Chemistry and a new Physics Building), amounting to 26,710 sqm gross;
- Planning permission granted in the health sector for a new building 3,928 sqm gross at the Nuffield Orthopaedic centre;
- The City and District centres continue to perform well with relatively low vacancy rates.

(xi) Despite the economic downturn, the indicators for Regeneration scored generally positively with significant progress being made during the monitoring period towards the delivery of new healthcare and education facilities despite problems with funding streams. Transport indicators also scored well and Oxford's biodiversity resource also remains strong. In fact, the majority of SSSIs are in favourable condition, and Oxford maintains a healthy number of UKBAP priority species.

(xii) There are 2 indicators not performing against target, shown as red:

**Indicator 5 - Affordable Housing Completions (Gross) and Tenure** The number of affordable housing (gross) completions dropped to 18, which is significantly below the target of 200 in the Core Strategy monitoring framework. The large schemes at Rose Hill were completed in the previous monitoring

year and no substantial sites have been completed this monitoring year. There has been no major policy change in the run up to 2011/12 that might have affected large sites that would normally deliver affordable housing. However, the continued economic uncertainty has undoubtedly had an effect. The City Council has actions in place to reverse this trend in future years including the strategic site at Barton, identifying large housing sites in the Sites and Housing Plan, developing affordable housing on its own land and taking financial contributions towards affordable housing from small housing sites and student accommodation developments.

### **3.1 Indicator 27 - Appeals Allowed Where Conservation Policies Cited as a Reason for Refusal.**

There were three cases where decisions were refused with conservation policies cited as a reason for refusal and all three of them were allowed (to varying degrees) by the Planning Inspectorate. This is the second year that this indicator has scored poorly. The three cases were all small schemes and given the wider context of the large number of applications affecting the historic environment, although it scores red, it is not a serious concern. The indicator will be reviewed again next year and if the situation has not changed then action will be needed.

(xiii) The indicators shown as amber are indicators such as development complying with natural resource impact analysis (NRIA) requirements and the section on monitoring the policies of the West End Area Action Plan. The NRIA indicator scored amber as a number of schemes did not precisely meet the requirements. The reason that these schemes did not meet the requirements is that they produced an energy strategy which was site specific and focussed on saving energy as opposed to renewable or low carbon solutions.

# Local Development Scheme

(xiv) This section addresses progress on the various documents that make up the Local Development Framework. It examines the extent to which the Development Plan Documents (DPDs) and Supplementary Planning Documents (SPDs) have progressed in relation to the targets set out in the Local Development Scheme.

(xv) During this monitoring period, the Government continued with a programme of planning reforms. The Localism Act received Royal Assent in November 2011. This prevents any new regional strategies being created, although the existing South East England Regional Spatial Strategy has yet to be formally revoked pending the completion of an environmental assessment of the impacts of so doing. The Localism Act includes powers for neighbourhood forums and parish councils to be able to establish general planning policies for the development and use of land in a neighbourhood through the preparation of a 'neighbourhood development plan.'

(xvi) The Government also streamlined national planning guidance into the National Planning Policy Framework (NPPF), a single document of approximately 50 pages in length. A draft NPPF was published for consultation in July, with the final version published in March 2012. The NPPF does not change the statutory status of the development plan as the starting point for decision taking, and emphasises that up-to-date plans should be in place as soon as practicable. It includes a presumption in favour of sustainable development in relation to both plan-making and decision taking. The NPPF states that local planning authorities should positively seek opportunities to meet the development needs of their area and that plans should meet objectively assessed needs, with sufficient flexibility to adapt to rapid change. The exception would be where any adverse impacts would significantly and demonstrably outweigh the benefits, when assessed against the policies in the Framework as a whole, or where specific policies in the Framework indicate development should be restricted.

(xvii) Oxford's Local Development Scheme sets out the work programme for, and resources required to prepare the documents that will form part of the Local Development Framework. During this monitoring period the Local Development Scheme 2008-2011 was replaced by the Local Development Scheme 2011-14. The 2011-14 Local Development Scheme was approved by the City Council's City Executive Board in September 2011, and was then submitted to the Secretary of State before coming into effect four weeks later.

## Monitoring period April 2011 to end March 2012

(xviii) During this period work took place on the following documents:

- ***Barton Area Action Plan (AAP)***

Work commenced on this AAP in the summer of 2010, with consultation on an issues document in June 2010, evidence gathering and community engagement. This included the establishment of a Barton and Northway Working Group to act as an advisory group during the development of the project. The Preferred Options document was published for consultation in May 2011. Following this consultation, the proposed submission document was drawn up and agreed at Council in December 2011. This document was published for consultation in February 2012. Since the end of the 2011/12 monitoring year, the Barton AAP was submitted to the Secretary of State in April 2012, and was subject to independent examination hearings in July and September 2012. The Inspectors Report is anticipated before the end of 2012.

### - *Sites and Housing Plan*

Work commenced in earnest on this DPD in the autumn of 2010, with pre-options consultation community events being held across the city in November and December 2010. The Preferred Options document was published for consultation in June 2011. Following this consultation, the proposed submission document was drawn up and agreed at Council in December 2011. This document was published for consultation in February 2012. Since the end of the 2011/12 monitoring year, the Sites and Housing Plan was submitted to the Secretary of State in May 2012, and was subject to independent examination hearings in September 2012. The Inspectors Report is anticipated in early 2013.

### - *Community Infrastructure Levy (CIL)*

Introduction of a Community Infrastructure Levy will enable the City Council to raise money from new building projects that can be used to fund a wide range of infrastructure needed as a result of development. Although the levy is voluntary, if it is not in place by April 2014 then regulations restrict the use of Section 106 planning obligations for pooled contributions that may be funded by the levy. The City Council commenced evidence gathering relating to infrastructure needs and viability analysis during the 2011/12 monitoring year. It also received advice and guidance from the Planning Advisory Service as one of a second wave of CIL frontrunner authorities. Since the end of the monitoring year, the City Council has published its Preliminary Draft Charging Schedule for consultation in July 2012.

(xix) The 2011-14 Local Development Scheme originally indicated that work on the Northern Gateway Area Action Plan would commence in January 2012. Amendments to the Local Development Scheme were agreed by City Executive Board in April 2012, which put back the start of work on this AAP until July 2012. However, at the time of preparing this Annual Monitoring Report no formal start had been made on this AAP, in part because of the absence of external funding to bring forward this plan and in part because of the need to establish that there are deliverable solutions to the transport impacts which can be tested through the AAP process.

(xx) No work took place on any SPD's during the monitoring period because the City Council's priority was to direct the resources of the Planning Policy team towards the adoption of key development plan documents. During the 2012/13 monitoring year, work will commence on a Section 106 and Affordable Housing SPD (to replace the existing Planning Obligations and Affordable Housing SPD's). This SPD is required to provide updated guidance in light of the future introduction of CIL and the affordable housing policies in the Sites and Housing Plan.

### **Duty to cooperate**

(xxi) The Localism Act 2011 introduced the Duty to Cooperate in relation to planning of sustainable development. This duty requires local planning authorities to co-operate with other local planning authorities, county councils and other prescribed bodies (as defined by the Town and Country Planning (Local Planning) (England) Regulations 2012) in maximising the effectiveness of the preparation of development plan documents. The requirement came into force on 15<sup>th</sup> November 2011.

(xxii) The City Council has maintained an ongoing dialogue with the bodies covered by the Duty to Cooperate during the preparation of the Barton AAP and the Sites and Housing Plan, and has responded to concerns raised by these bodies by amending policies and proposals where appropriate. The City Council provided evidence of how it had complied with the Duty to Cooperate in its soundness self-assessment that accompanied the two submitted plans, and subsequently in its topic papers prepared for the examination hearings.

### Conclusions

(xxiii) The City Council has shown a strong commitment to delivering its Local Development Framework, becoming the first local planning authority in Oxfordshire to have an adopted Core Strategy. While the length of the Core Strategy examination had a knock-on effect on the original overall Local Development Framework programme, good progress has been made on the Barton Area Action Plan and the Sites and Housing Plan in the year following the adoption of the Core Strategy. Work is also progressing on the Community Infrastructure Levy.

(xxiv) The City Council has to date adopted the following documents:

- Oxford Local Plan 2001-2016 – saved policies from 11<sup>th</sup> November 2008
- Oxford Core Strategy 2026 – adopted March 2011
- West End Area Action Plan – adopted June 2008
- Affordable Housing SPD – adopted November 2006
- Natural Resources Impact Analysis SPD – adopted November 2006
- Parking Standards, Transport Assessments and Travel Plans SPD – adopted February 2007
- Telecommunications SPD – adopted September 2007
- Planning Obligations SPD – adopted April 2007
- Balance of Dwellings SPD – adopted January 2008
- Statement of Community Involvement – adopted October 2006

# 1 Housing

## Indicator 1

**HOUSING TRAJECTORY (PLANNED HOUSING & PROVISION, NET ADDITIONAL DWELLINGS IN PREVIOUS YEARS, THE REPORTING YEAR & IN FUTURE YEARS PLUS THE MANAGED DELIVERY TARGET)**

*Target 8,000 dwellings between 2006 and 2026 as set out in the Core Strategy*

On target?



**1.1** Figure 1.1 shows the housing target being 8,000 dwellings between 2006 and 2026. This target is taken from the adopted Core Strategy.

**1.2** Net additional dwellings are provided in Figure 1.2 since the start of the Core Strategy period in 2006/07. Net additional dwellings include new build completions, minus demolitions, including any gains or losses through change of use and conversions. 228 dwellings (net) were completed during 2011/12, which is an improvement on the previous year and may indicate that the housing market in Oxford is improving.

**1.3** The Core Strategy has a total target of 8,000 dwellings over the 20 year period from 2006-26. The first 6 years of the Core Strategy period delivered 2,700 dwellings as shown in Figure 1.2. Subtracting these from the 8,000 target leaves 5,300 dwellings needed. With 14 years remaining until 2026, this equates to 378 dwellings per year annual requirement, and 1,890 over 5 years which is the residual requirement.

**Figure 1.1** Plan period and housing targets

Core Strategy plan period	Total dwelling target
01/04/2006 - 31/03/2026	8000

**Figure 1.2** Net additional dwellings in previous years and the reporting year

Year	Dwelling completions (net)
2001/02	439
2002/03	267
2003/04	578
2004/05	669
2005/06	943
Start of Core Strategy period	
2006/07	821
2007/08	529
2008/09	665
2009/10	257
2010/11	200
<b>2011/12</b>	<b>228</b>
<b>Total (06-12)</b>	<b>2,700</b>

**1.4** The National Planning Policy Framework requires that the City Council must manage land to ensure a continuous rolling five year supply of land of deliverable sites. The first five year period is 2012/13 – 2016/17.

**1.5** That Strategic Housing Land Availability Assessment (SHLAA) (2012) will show that there are enough deliverable sites in Oxford to provide 2,482 dwellings over the first 5 years, the figures for which are replicated in Figure 1.3. This is without relying on windfalls.

**Figure 1.3** Potential net additional dwellings from deliverable sites between 2012/13-2016/17 (position at 31<sup>st</sup> March 2012). See SHLAA Dec 2012 for further detail on the sites that contribute to these categories.

Site category	Dwellings between
Sites and Housing DPD allocated sites	1,271
West End AAP sites	108
Core Strategy strategic sites (Barton and Northern Gateway)	675
Other identified sites	29
Commitments: large identified sites	125
Commitments: small	259
Sites where permission refused but principle acceptable	10
Suitable sites pending decision	5
Total	2,482

**1.6** The formula for calculating the supply of ready to develop housing sites as requested by the Department for Communities and Local Government (DCLG) in December each year is shown in Figure 1.4.

**Figure 1.4** Formula for calculating 'Ready to develop housing sites'

$$(x/y)*100$$

where:

x = the amount of housing that can be built on deliverable sites for the five year period (net additional dwellings)

y = the planned housing provision required for the 5 year period (net additional dwellings)

$$(2,482/1,890)*100 = 131.3\%$$

**1.7** The housing trajectory shows the distribution of sites across the Plan period. The trajectory and housing monitor graphs are replicated from the SHLAA (Dec 2012) at Figures 1.5-1.7.

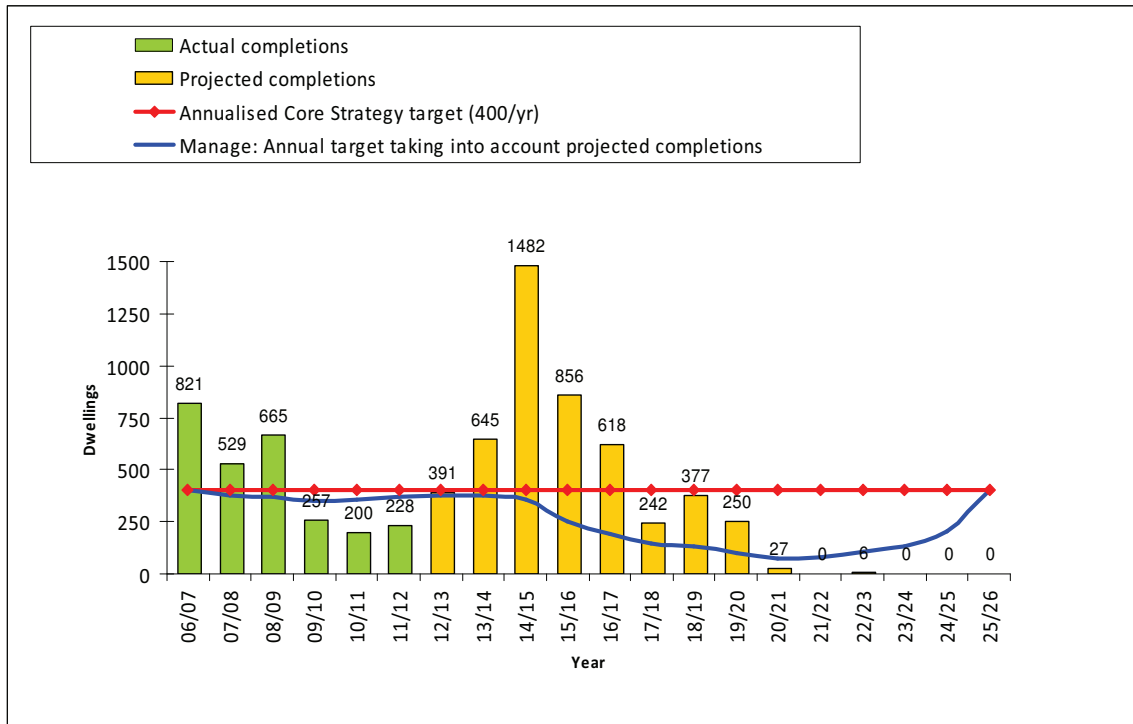
**Theme: Housing**

**Figure 1.5 Housing trajectory data against Core Strategy target of 8,000 dwellings from 2006-26 (excluding windfalls). See SHLAA Dec 2012 for further detail on the sites that contribute to these categories.**

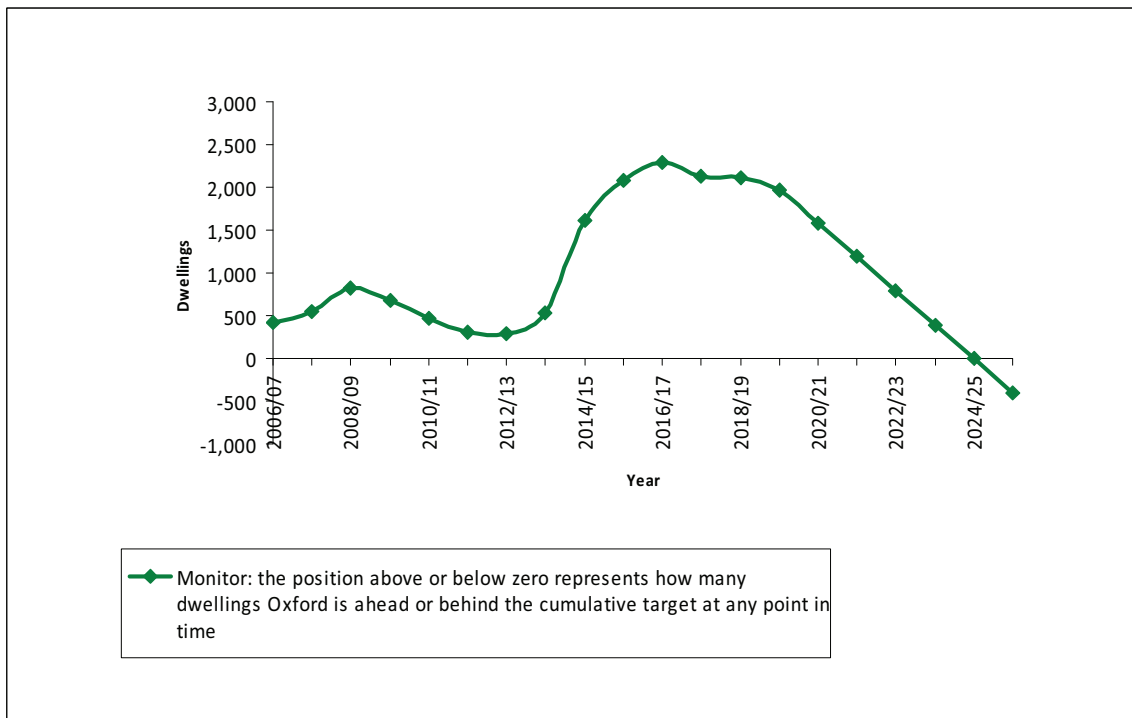
	2006/ 07	2007/ 08	2008/ 09	2009/ 10	2010/ 11	2011/ 12	2012/ 13	2013/ 14	2014/ 15	2015/ 16	2016/ 17	2017/ 18	2018/ 19	2019/ 20	2020/ 21	2021/ 22	2022/ 23	2023/ 24	2024/ 25	2025/ 26	Totals
Sites and Housing allocations (deliverable)							4	549	618		100										1271
Sites and Housing allocations (developable)									161	391	220	42	67	100			6				987
West End AAP sites								40	403	80	98		65		27						713
Core Strategy strategic site (Barton)									100	175	200	200	175	150							1000
Core Strategy strategic site (Northern Gateway)										200											200
Other identified sites								44	200	10			70								324
Commitments (large sites)							118	7													125
Commitments (small sites)							259														259
Sites where permission refused but principle acceptable							10														10
Stable sites pending decision								5													5
Windfall sites																					0
Actual completions	821	529	665	257	200	228	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2700
Total projected completions	-	-	-	-	-	-	391	645	1482	856	618	242	377	250	27	0	6	0	0	0	4894
Cumulative completions	821	1350	2015	2272	2472	2700	3091	3736	5218	6074	6692	6934	7311	7561	7588	7588	7594	7594	7594	7594	7594
Housing target	400	400	400	400	400	400	400	400	400	400	400	400	400	400	400	400	400	400	400	400	8000
Cumulative requirement	400	800	1200	1600	2000	2400	2800	3200	3600	4000	4400	4800	5200	5600	6000	6400	6800	7200	7600	8000	8000
Monitor	421	550	815	672	472	300	291	536	1618	2074	2292	2134	2111	1961	1588	1188	794	394	-6	-406	
Manage	400	378	369	352	358	369	379	378	355	253	193	145	133	98	73	82	103	135	203	406	406



**Figure 1.6** Housing trajectory against Core Strategy target of 8,000 dwellings from 2006-26 (excluding windfalls)



**Figure 1.7** Housing monitor against Core Strategy target of 8,000 dwellings from 2006-26 (excluding windfalls)



## Indicator 2

### PERCENTAGE OF ALL NEW DWELLING COMPLETIONS (GROSS) ON PREVIOUSLY DEVELOPED LAND (PDL)

On target?

**Target** 90%+ new housing on PDL (Oxford Core Strategy)



**1.11** The definition of previously developed land was amended in July 2010 by the coalition Government to exclude private residential gardens. This does not mean that private residential gardens are necessarily greenfield land, as there is no formal national definition of greenfield land since the revocation of the Town and Country Planning (Residential Development on Greenfield Land) (England) Direction 2000 in 2007. Figure 1.8 shows the number of dwellings completed on Previously Developed Land (PDL), greenfield land and garden land.

**1.12** The National Planning Policy Framework contains no target for development on PDL but leaves it to local authorities to determine the most appropriate target. The Core Strategy includes a target of 90% of new housing on PDL during the period 2009-14 to reflect the desire to focus development in the early years of the Core Strategy on PDL. This target was set out when garden land was considered PDL and therefore the local target is monitored on that basis.

**1.13** During 2011/12, 100% of housing completions (gross) were on PDL or garden land as shown in Figure 9. Of these about one quarter of dwellings were built on garden land demonstrating that this type of development is an important source of new dwellings for Oxford's housing supply. In this context, 'garden land' includes all development within the curtilage of existing dwellings. These houses may have been built on areas that were previously occupied by buildings and/or hardstanding, rather than on gardens in the sense of areas of greenery.

**Figure 1.8** Number of dwellings completed on Previously Developed Land (PDL), greenfield land and garden land

	PDL	Garden land	Greenfield
2010/11	199 (75.4%)	65 (24.6%)	0 (0%)
<b>2011/12</b>	<b>203 (74.3%)</b>	<b>70 (25.6%)</b>	<b>0 (0%)</b>

# Indicator 3

## MIX OF HOUSING COMPLETED BY SIZE

Target 95% of schemes to comply with Balance of Dwellings SPD

On target?



### Overall mix delivered

1.14 Figure 1.9 shows dwelling completions by the number of bedrooms. The net number of 1 bed dwellings was the most common, with completions for 2 and 3-bed dwellings being at a similar level to each other; and the least common being 4 and 5-bed dwellings. The losses shown in Figure 10 are mainly demolitions within council housing estates, and losses through redevelopment of sheltered accommodation and other social housing blocks.

1.15 The Balance of Dwellings SPD was adopted in January 2008, the aim of which was to prevent the loss of family dwellings and their supply in new developments. Figure 1.10 shows that during 2011/12 there has been a noticeable shift towards 1 bed dwellings and a drop in 3 bed dwellings back to the proportion seen in 2009/10. This is disappointing as previous years had been showing a steady improvement in the proportion of dwellings sizes overall. This is most likely due to the fact that there have been few large sites delivered where a balanced mix of dwellings can be achieved whilst the delivery of small dwellings through conversions on very small sites continues to make up a significant proportion of new dwellings.

Figure 1.9 Dwelling completions by number of bedrooms in 2011/12

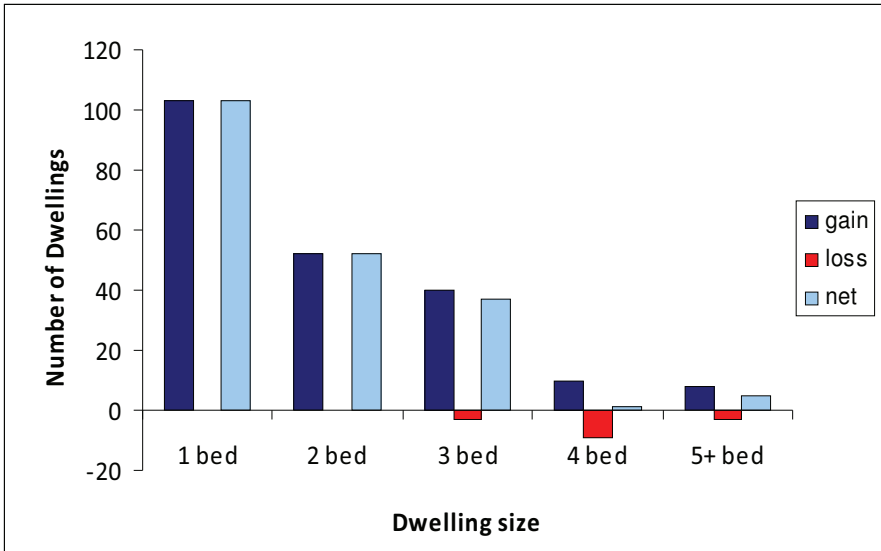
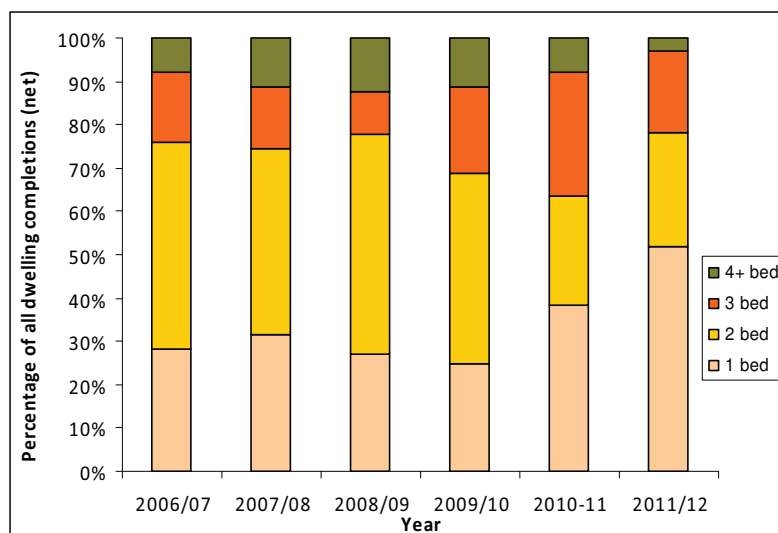


Figure 1.10: Mix of dwellings trend over time



### Compliance with the Balance of Dwellings SPD

**1.16** The Balance of Dwellings SPD (BoDs) sets out ranges of dwellings sizes expected of sites, varying with location and pressures on family housing. Figure 1.11 shows the proportion of completed sites that accorded with the mix set out in the SPD appropriate to the location and size of the development. The analysis also notes sites that have achieved within 5% of the required proportion to allow for cases where site specific factors meant that full compliance was very difficult. Figure 1.11 excludes sites of 1-3 dwellings as these have no specific mix except for a ‘no net loss in family dwellings’ policy. It also excludes certificate of lawful use completions (1) and phased completions (1).

**Figure 1.11** Proportion of completed sites that accorded with the mix set out in the SPD appropriate to the location and size of the development

	Number of completed sites assessed	Proportion in full compliance	Proportion within 5% of compliance	Proportion not in compliance
City centre	0	-	-	-
District centre	0	-	-	-
Strategic sites	0	-	-	-
Red area	4	0%	25%	75%
Amber area	16	14%	29%	57%
Green area	0	-	-	-

**1.17** A closer analysis of the data in Figure 1.11 reveals that two out of the three sites not in compliance with the SPD in the red area were granted permission prior its adoption. The only site not in compliance with the SPD therefore was a constrained redevelopment above the shops in North Parade.

**1.18** Taking a closer look at the completions in the amber area in table 11 reveals that of the 10 sites not in compliance with the SPD, nine were granted planning permission prior to the adoption of the SPD. The one site that was not in compliance with the SPD had an extant permission for a mix that involved no three bed dwellings. Given this extant permission included a three bed dwelling, it was considered that the additional 1-bed unit in the scheme compared to the extant permission did not cause sufficient material harm for the scheme to be refused. This scheme was satisfactory in all other respects.

**1.19** The proportion of sites complying with the SPD in Figure 1.11 is considered acceptable when the completions data is looked at on a site by site basis. In combination with the increased proportion of

smaller dwellings compared to family dwellings overall, the indicator is judged to be amber against targets and objectives.

## Indicator 4

### DENSITY OF DEVELOPMENT

**Target** City and District centres to deliver higher density residential development than within the wider District areas (Oxford Core Strategy)

On target?



**1.20** The Core Strategy target is for the City and District centres to deliver higher density residential development than in other parts of Oxford. However, it is not possible to make any meaningful measurement of this indicator in 2010/11 because there were no significant housing schemes within the City or District centres. All of the residential developments of 10 or more dwellings (3 sites) were outside of the City and District centres. Those developments had an average density of 59.5 dwellings per hectare, which is well above the 40 dwellings per hectare figure set out in saved Local Plan policy CP.6.

## Indicator 5

### AFFORDABLE HOUSING COMPLETIONS (GROSS) AND TENURE

**Target** 2011/12: 200 affordable dwellings per year. Tenure split of affordable housing should be 80% social rented, 20% shared ownership (Core Strategy and Affordable Housing Supplementary Planning Document)

On target?



**1.21** There is no current target for affordable dwellings in Oxford's Corporate Plan, although the Core Strategy included a monitoring target of 200 dwellings for 2011/12.

**1.22** The delivery of affordable housing has fluctuated over past years with 2011/12 showing a significant drop in completions compared to the previous two years. There has been no major policy change in the run up to 2011/12 that might have affected large sites that would normally deliver affordable housing. It is worth noting that there were few large housing sites under construction in the city in the last year.

Figure 1.12: Affordable housing completions

Year	Gross affordable dwelling completions
2006/07	267
2007/08	73
2008/09	231
2009/10	192
2010/11	105
<b>2011/12</b>	<b>18</b>

**1.23** Since 2008 the national economic crisis has led to uncertainty in the building industry. Coupled with the Oxford housing market remaining buoyant with land at a premium, this has meant that there have been very few larger schemes coming forward. This year’s affordable housing completions reflect this.

**1.24** The City Council has identified a number of actions to assist with increasing the delivery of affordable housing in the future. The Sites and Housing Plan pro-actively identifies larger housing sites and we will be working with landowners to identify barriers to development and overcome constraints. Barton is being progressed with a view for development to commence in 2014-15. The City Council is actively looking for opportunities for developing affordable housing on its own sites across the city, for instance the Northway and Cowley Community Centres project. The housing policies in the Sites and Housing Plan provide a mechanism for obtaining financial contributions for affordable housing from smaller housing sites and student accommodation. The City Council will use these financial contributions to provide off-site affordable housing across Oxford. Financial contributions have been agreed on several schemes in relation to these policies. Only one scheme granted permission in the monitoring year 2011-12 and that secured just under £200K in affordable housing contributions. There have been several more schemes that have already secured affordable housing contributions for the next monitoring year.

**1.25** The indicator requires that gross affordable housing completions are recorded shown by social rented and intermediate housing which is at Figure 1.13. The aim is to achieve no less than 80% as social rented. The tenure mix did not achieve this but was an improvement on the previous year and is not far off the target.

**Figure 1.13:** Tenure of affordable dwellings completed during 2009/10 against SPD guidance

	Social rented dwellings (gross)	Intermediate dwellings (gross)
2011/12	72.2%	27.8%
Policy requirement	80%	20%

## Indicator 6

### PROPORTION OF AFFORDABLE HOUSING PERMISSIONS WHERE THERE IS A POLICY REQUIREMENT

**Target** 50% provision of affordable housing on qualifying sites. Contributions from commercial development where there is a need for affordable housing created. (Oxford Core Strategy).

On target?



**1.26** One site was fully completed during the 2011/12 monitoring year which had a policy requirement for affordable housing. This site achieved 30% affordable housing which is lower than the Core Strategy requirement of 50%. This is because the outline planning permission was granted in 2003 when there was a requirement for 30% affordable housing.

**1.27** There were no financial contributions received from commercial schemes during the monitoring period.

## Indicator 7

### STUDENTS AND PURPOSE BUILT STUDENT ACCOMMODATION

**Target** *That no increase in academic floorspace is allowed if there are more than 3,000 students outside of accommodation provided by the relevant university (Oxford Core Strategy)*

On target?



**1.28** It is difficult to gather data on student numbers and student accommodation as the Annual Monitoring Report (April to March) does not coincide with the period which the universities use to complete their returns to government, which is linked to the academic year. The data used was submitted by the two universities as relevant to the monitoring year.

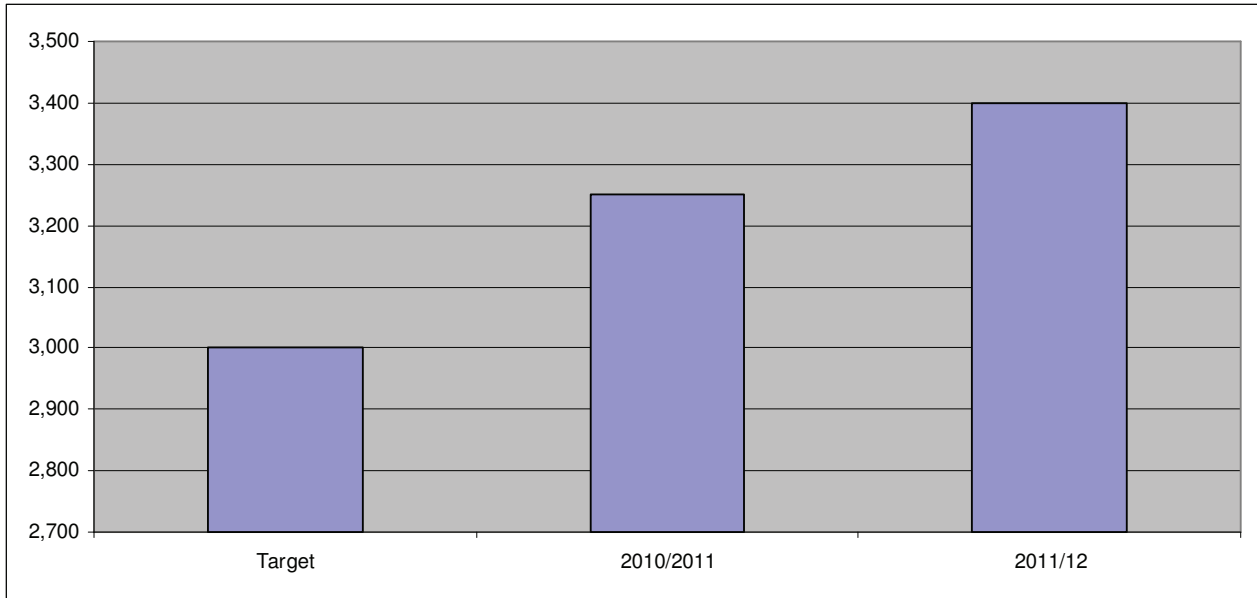
**1.29** Core Strategy Policy CS25 requires each university to have no more than 3,000 full-time students living in Oxford outside of university-provided accommodation. The policy is intended to reduce the pressures from students on the private rental market. To avoid worsening the situation, all increases in student numbers at the two universities should be matched at least by an equivalent increase in student accommodation. All applications for new or redeveloped academic floorspace will be assessed in this light.

**1.30** The Sites and Housing Plan contains a more detailed policy about the location of new student accommodation, building on the strategic policy in the Core Strategy. It identifies that accessibility by public transport is important as students in purpose built accommodation do not have access to a private car. It recognises that it is also important to locate student accommodation in a way that avoids great increases in activity along quieter residential streets. The Sites and Housing Plan also seeks to address the issue that new student halls are often proposed on sites that would otherwise be developed for housing. The proposed policy therefore sets out how accommodation proposals should contribute to affordable housing delivery.

#### University of Oxford

**1.31** The University of Oxford state that there was a total of 21,922 students attending the university in December 2011. There are a number of exclusions as follows: students who don't live in OX1, 2, 3 or 4 postcodes (413); local students already in Oxford who do not therefore amount to a net increase in people, of their age, living in Oxford (387); visiting students or those not attending the institution (517); part time students (1,840); postgraduate research students past year 4 of study or assumed to be writing up (591); students working full time for the NHS (56); specific course exclusions e.g. BTh Theology (89); students who are also members of staff (222); students living with parents (42); students on year abroad (317). This leaves 17,448 full-time students with accommodation requirements. At 1 December 2011 there were 14,047 units of university (or college) provided accommodation. This means that there were 3,401 students at the University of Oxford without a place in provided accommodation.

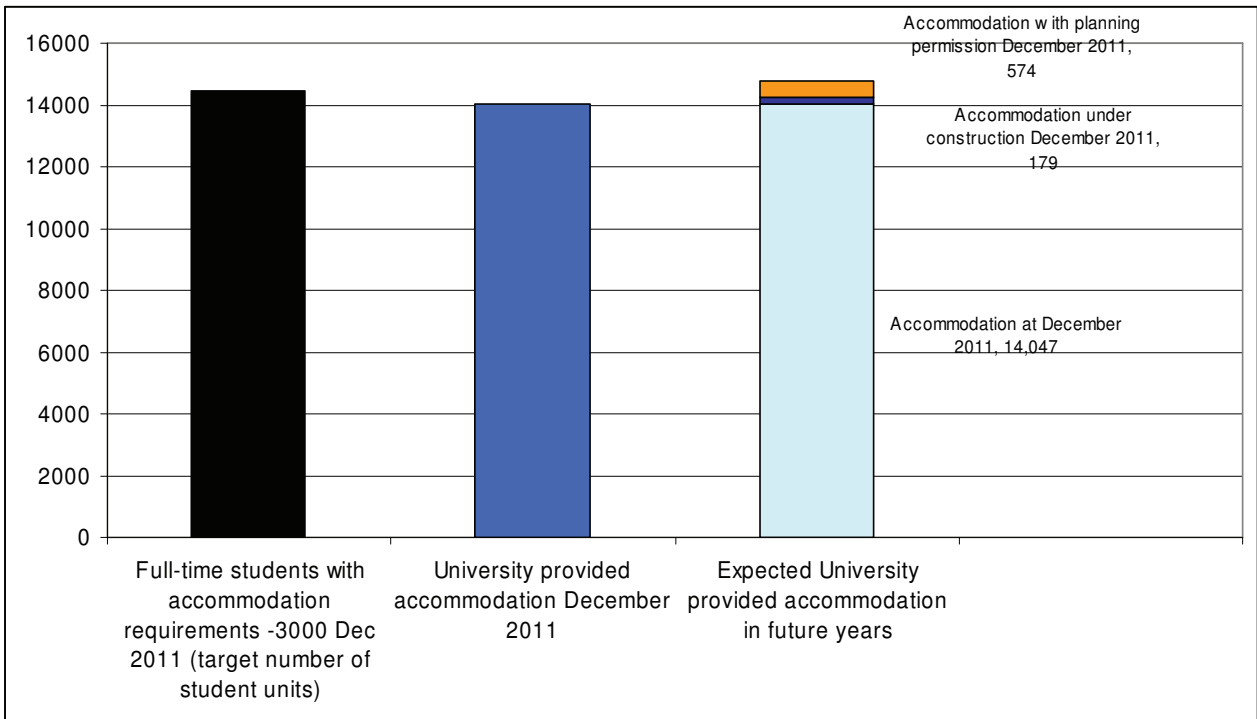
**Figure 1.15** Number of students outside university provided accommodation as at 1 December 2011



(Source: University of Oxford)

1.32 The University has pointed out that, as at 1 December 2011, there were another 179 accommodation units under construction, most of which were completed during the monitoring year. There were also 574 accommodation units with planning permission at December 2011. The following graph shows that, with provision of this accommodation, the target to have fewer than 3000 students outside of University provided accommodation would have been met.

Figure 1.16 Number of students outside university provided accommodation as at 1 December 2011



(Source: University of Oxford)



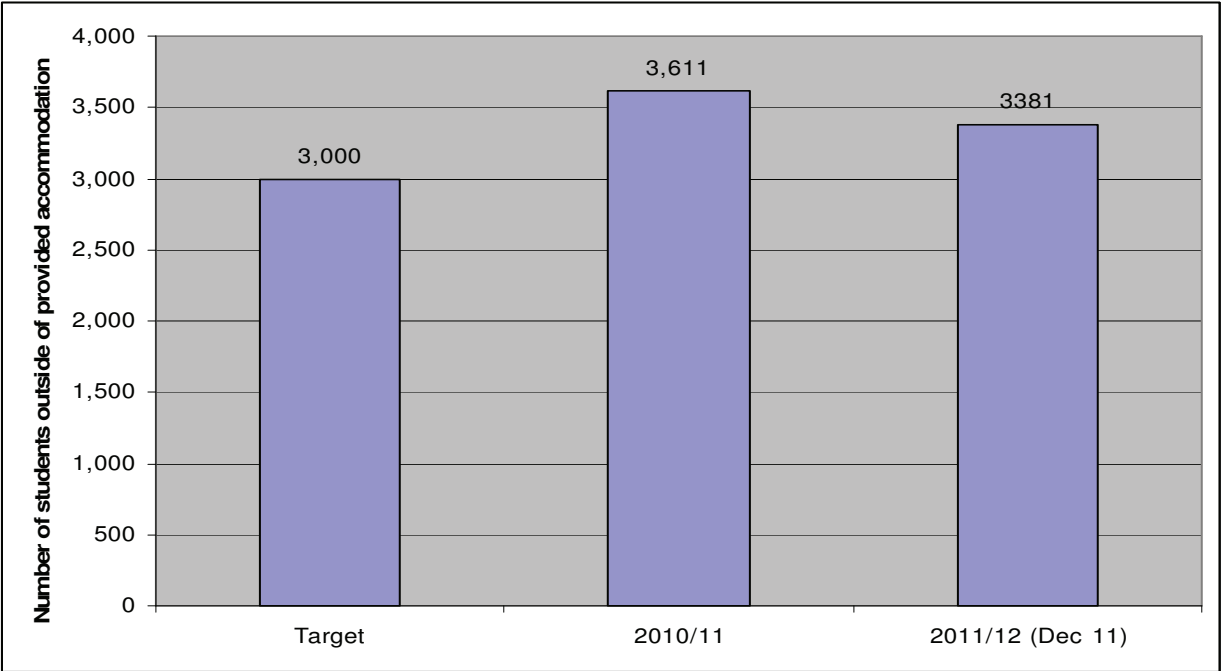
**Oxford Brookes University**

**1.33** Oxford Brookes University state that there were a total of 17,811 students attending the university in December 2011. There are a number of exclusions as follows: students who don't live in Oxford or local students already in Oxford who do not therefore amount to a net increase in people, of their age, living in Oxford (4,166); part time students (3,315); students studying at franchise institutions (1,625); students studying at the Swindon campus (279); placement students away from the university (394). This results in 8,032 students with accommodation requirements. The other exclusions that apply to the University of Oxford (visiting students; postgraduate research students past year 4 of study; students working full time for the NHS; and students who are also members of staff) do not affect the figures for Oxford Brookes.

**1.34** In November 2011, there were 4,651 places in accommodation provided by Oxford Brookes, which is an increase of 157 places (3.4%) from the previous year. The accommodation comprised 3,588 places in university halls of residence, 628 places in private halls of residence with Oxford Brookes nomination agreements, and 435 places in other properties managed by the university. This means that there were 3,381 students at Oxford Brookes University without a place in provided accommodation, above the target of 3,000 but down from the figure of 3,611 in 2010/11.

**1.35** The University has also been able to provide some additional data from February 2012 which is not the usual basis for the monitoring but is also within the monitoring period. The February 2012 data indicates that there is a reduction in the total number of students with accommodation requirements by 2% to 7,871. This means that in February 2012 there were 3,220 students at Oxford Brookes without a place in provided accommodation.

**Figure 1.17** Number of students outside university provided accommodation as at December 2011



(Source: Oxford Brookes University)

## Conclusion: Housing

**1.36** 228 dwellings (net) were completed during 2011/12, which is an improvement on the previous year and may indicate that the housing market in Oxford is improving albeit slowly. The City Council is taking pro-active steps to bring forward new housing, for instance through the Barton Area Action Plan and the Sites and Housing Development Plan Document, so it is anticipated that housing delivery will increase in future years. A residual target of 378 dwellings is required per year in order to achieve the Core Strategy 8,000 target by 2026. The data from the Strategic Housing Land Availability Assessment shows that the City Council has enough sites to exceed its five and ten year housing land supply without relying upon windfalls

**1.37** In this year's Annual Monitoring Report, we have distinguished the number of gross completions on garden land as well as on previously developed and greenfield land. This change follows the Government's decision to exclude private residential gardens from the definition of previously developed land. Similarly to last year, there were no houses built on greenfield land in 2011/12, with about one quarter on garden land. In this context, 'garden land' includes all development within the curtilage of existing dwellings. These houses may have been built on areas that were previously occupied by buildings and/or hardstanding, rather than on gardens in the sense of areas of greenery.

**1.38** There has been an increase in the proportion of smaller dwellings compared to family dwellings overall which is disappointing considering that the balance had been improving in previous years. However, the proportion of sites complying with the Balance of Dwellings SPD is promising when the completions data is looked at on a site by site basis. A low proportion of completed sites complied with the Balance of Dwellings on site mix of dwelling sizes. This reflects the fact that the majority of completions were from permissions prior to the adoption of the SPD.

**1.39** The number of affordable housing (gross) completions dropped to 18, which is significantly below the target of 200 in the Core Strategy monitoring framework. The large schemes at Rose Hill were completed in the previous monitoring year and no substantial sites have been completed this monitoring year. There has been no major policy change in the run up to 2011/12 that might have affected large sites that would normally deliver affordable housing. However, the continued economic uncertainty has undoubtedly had an effect. The City Council has actions in place to reverse this trend in future years including the strategic site at Barton, identifying large housing sites in the Sites and Housing Plan, developing affordable housing on its own land and taking financial contributions towards affordable housing from small housing sites and student accommodation developments.

## 2 Economy

### Indicator 8

#### AMOUNT OF LAND DEVELOPED FOR EMPLOYMENT BY TYPE AND IN ALLOCATED SITES

**Target.** Strengthen and diversify the economy and provide a range of employment opportunities (Oxford Core Strategy)

On target?



**2.1** The table in Figure 2.1 shows the amount of floorspace developed for employment uses by type. These figures are taken from completed development on all employment sites. Only 651 sq m of B class employment development took place during 2011/12, all of which was B1a office use. This development was on sites other than protected or allocated sites.

**Figure 2.1** Amount of gross external and internal floorspace m<sup>2</sup> completions by use class type in 2010/12 and comparison years

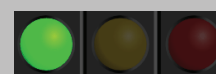
	<sup>12</sup> B1a Offices	B1b Research & Development	B1c Light Industrial	B2 General Industrial	B8 Warehousing	Total
2011/12 gross external floor space m <sup>2</sup>	651	0	0	0	0	651
2010/11 gross external floorspace* m <sup>2</sup>	2066	0	253	0	0	2319
20010/11 gross internal floorspace m <sup>2</sup>	1983	0	243	0	0	2226
2009/10 gross internal floorspace m <sup>2</sup>	566	0	2228	2132	0	4926

### Indicator 9

#### EMPLOYMENT DEVELOPMENT ON PREVIOUSLY DEVELOPED LAND

**Target** 60% of all new development on previously developed land (Regional Spatial Strategy). No employment development on greenfield unless specifically allocated in the LDF (Oxford Core Strategy)

On target?



<sup>12</sup> Use Classes Order 2005 – See Glossary

2.2 All the employment development that has taken place was on previously developed land.

Figure 2.2: Amount of employment floorspace in m<sup>2</sup> on previously developed land (PDL) in 2011/12

	B1a	B1b	B1c	B2	B8	Total
Gross employment land	651	0	0	0	0	651
% gross on PDL	100%	N/A	N/A	N/A	N/A	100%

## Indicator 10

### LAND DEVELOPED FOR KEY EMPLOYMENT USES

#### Target

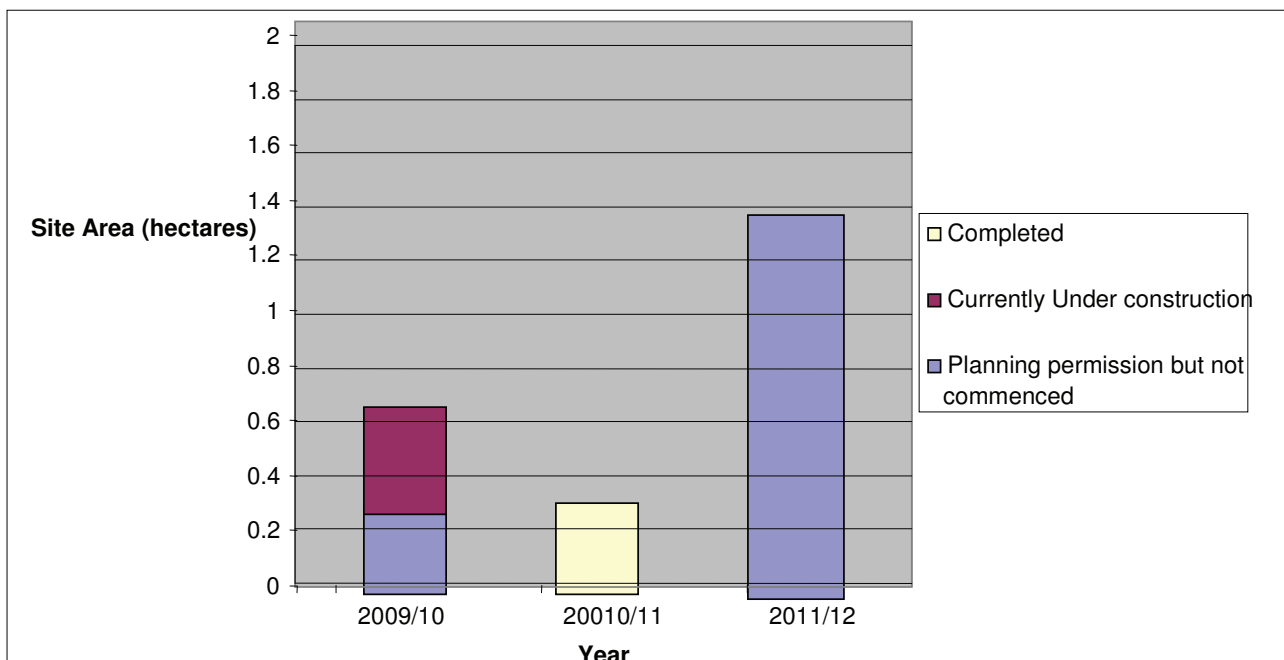
Majority of new hospital healthcare and medical research development to focus on Headington and Marston. 100% of new academic (teaching and study) development to focus on existing sites under the control of the universities (Oxford Core Strategy).

#### On target?



2.3 Figure 2.3 shows the amount of land permitted, under-construction and completed for B1a (office) and B1b (research and development) uses related to University (education) and Hospital (health) developments.

Figure 2.3: University and Education development in hectares between 2009/10 and 2011/12



2.4 The education and health sectors continue to be an important part of Oxford's economy. Two schemes within the University Science Area (Physical and Theoretical Chemistry and a new Physics building) have been granted planning permission but not commenced. These together total 1.32 ha, and in terms of floorspace 26,710 sq m gross (18,100 sq m net)

2.5 In the health sector a new development has been given planning permission but not commenced at the Nuffield Orthopaedic centre, Headington. The site is 0.34 ha and the permitted new building is 3,928 sq m gross (1,924 sq m net).

## Indicator 11

### PLANNING PERMISSIONS FOR NEW CLASS B1 USES

**Target** Strengthen and diversify the economy and provide a range of employment opportunities (Oxford Core Strategy).

On target?



2.6 These bar charts show the amount of floorspace and the numbers of developments granted planning permission for small (under 500m<sup>2</sup>), medium (over 500m<sup>2</sup> – 1500m<sup>2</sup>) and large (above 1500m<sup>2</sup>) developments for B1a (office), B1b (research and development) and B1c (light industrial) uses.

Figure 2.4: Planning permissions for Class B1 uses by size and type shown by gross floorspace m<sup>2</sup>

Year	B1a			B1b			B1c		
	Small	Medium	Large	Small	Medium	Large	Small	Medium	Large
2010/11	274m <sup>2</sup>	-	-	-	-	-	606 m <sup>2</sup>	-	-
2011/12	77 m <sup>2</sup>	-	-	-	-	30,638 m <sup>2</sup>	-	-	-

2.7 In 2011/12, there were no planning permissions granted for either the small or medium firm category. In the office sector (Class B1a), this has amounted to a total of 77m<sup>2</sup> from one scheme.

2.8 The larger firm category has, however, seen three planning permissions granted for research and development uses (Class B1b) associated with developments for the University and Hospitals Trust. This amounts to a total floorspace of 30,638 sq m gross (20,024 sq m net).

## Indicator 12

### EMPLOYMENT LAND SUPPLY BY TYPE

**Target** Strengthen and diversify the economy and provide a range of employment opportunities (Oxford Core Strategy)

On target?



2.9 Figures 2.5 and 2.6 shows the amount of employment land (hectares) available for development. The Northern Gateway will provide an additional source of B1 land supply to the figures shown below, although the breakdown between the B1 uses is as yet unknown.

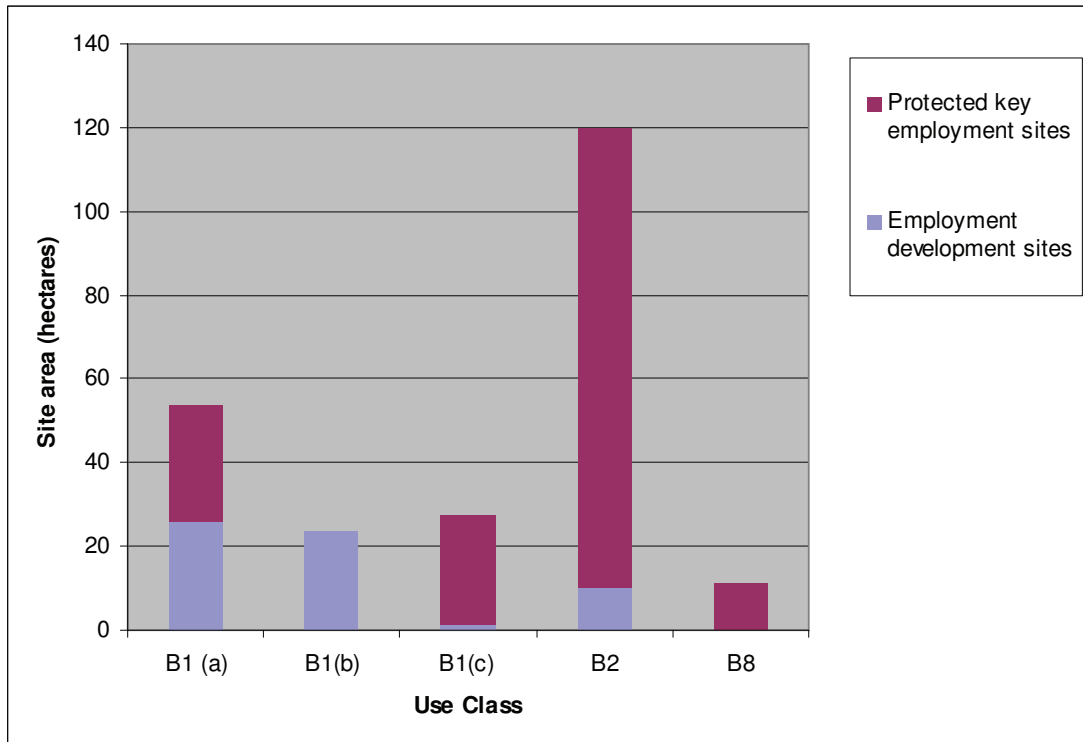
Figure 2.5 Employment land supply by type in hectares

	B1a	B1b	B1c	B2	B8	Total
Employment development sites	34.15	26.66	1.15	10.43	0	72.39

(ha)						
Protected key employment sites (ha)	27.81	0	26.01	109.56	11	174.37
Total gross employment land supply in hectares (ha)	61.96	26.66	27.16	119.99	11.3	246.76

Source: Core Strategy Proposals Map for land supply and data on planning permissions granted/under construction in 2011/12

Figure 2.6 Employment land supply by type in hectares during 2011/12



2.10 Oxford’s employment land supply continues to rely principally on its Protected Employment sites. These sites include key areas of employment land such as Oxford Business Park, Oxford Science Park, and Osney Mead together with some established industrial estates. The contribution this year from other sites does not significantly add to the City’s employment land supply.

2.11 There has been no significant change from last year, since the supply of land comprising Protected key employment sites and allocated employment sites has remained unchanged – the Northern Gateway was included in the figures last year. Those sites that have been lost from employment use comprise other employment sites that are not Protected or Allocated sites.

## Indicator 13

### LOSSES OF EMPLOYMENT LAND IN KEY EMPLOYMENT AREAS. AMOUNT OF EMPLOYMENT LOST TO OTHER USES

**Target** No loss of key protected employment sites (Oxford Core Strategy).

On target?



**2.12** Oxford lost a very small amount of employment land to other uses, this year amounting in total to less than one hectare (0.80 ha). The land lost this year has been from other employment sites, but not from key protected employment sites.

## Indicator 14

### NEW RETAIL AND CLASS A DEVELOPMENT

**Target** 100% of new retail development to be within the six areas in the hierarchy (i.e. not in out-of-centre locations) (Oxford Core Strategy)

On target?



**2.13** As Figure 2.7 shows, there was a total of only 2,838 m<sup>2</sup> gross additional floorspace completed, the majority of some 75% being in the Retail (Class A1) sector. The out-of-centre figure in total amounts to 1457 m<sup>2</sup>, the majority of this comprises 1342m<sup>2</sup>, which was an increase in floorspace at Sainsbury's at Heyford Hill. This was essentially a reconfiguration of the floorspace which increased the net sales area, and was difficult to resist since its use was not conditioned as such. It does actually represent 49% of the total floorspace completed.

**2.14** The remaining floorspace – 1,381 m<sup>2</sup> comprises completed development within the city, district and neighbourhood centres.

**Figure 2.7:** Retail and Class A completions in m<sup>2</sup>

	Retail (Class A1)	Finance/ professional service (Class A2)	Food and Drink (Class A3 – A5)	Total
2011/2012 gross external floorspace	2,151	540	147	2,838
2010/2011 gross External floorspace	231	199	576	1,006

## Indicator 15

### MARKET AND VITALITY INDICATORS

**Target** Local Plan targets for A1 use on designated frontages in the city and district centres should be met.

On target?

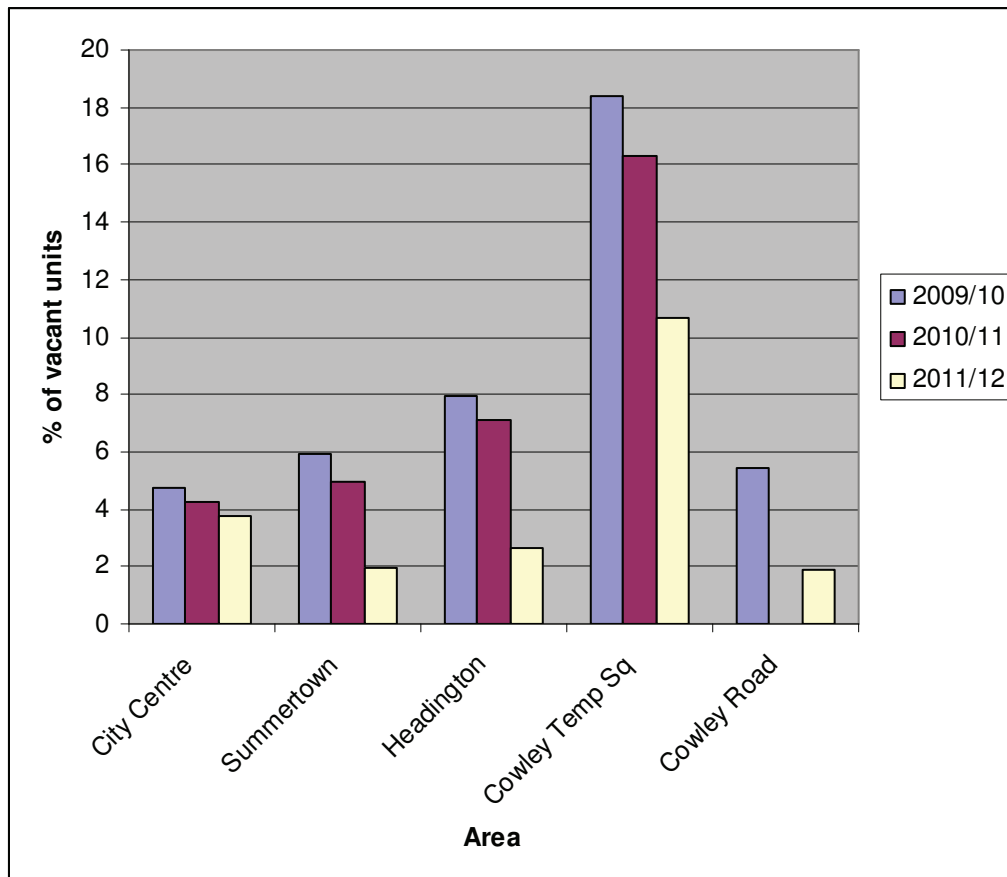


#### Vacancy rates

**2.15** The proportion of vacant units is one of the key market indicators used to measure the vitality and viability of existing centres. The vacancy levels shown last year referred to more recent figures for August 2011. The above graph has now been amended to properly reflect the position over the last three years at the same period of time in August. Economic conditions for businesses continue to be challenging but the level of vacancies in the City centre has remained low compared to the last two years.

**2.16** The District centres continue to show significant improvements in their levels of vacancy. Summertown, Cowley Road and Headington have particularly low vacancy levels. Cowley (Templars Square) had high levels of vacancies in 2009/10 at just over 18% which has now been reduced to just over 10%, which represents a significant improvement.

**Figure 2.8** Vacancy levels in city and district centres from 2010/11 to 2011/12





Vitality

2.17 The diversity or range of uses is another important indicator of the vitality and viability of centres. The figures in the table above for August 2011 were used last year rather than those for 2010. The differences between the two sets of survey figures were however very similar. The City centre has consistently had a high proportion of retail (Class A1) uses, showing the importance and strength of retail together with an even mix of offices and food and drink related businesses.

2.18 In relation to the District centres, Summertown and Headington have a similar proportion of retail and food and drink uses whilst Summertown has more office related uses. The Cowley centre has the highest percentage of retail units in all the Districts, which to a degree reflects its operation as a managed centre. The Cowley Road (Core area) continues to have a lower proportion of retail compared with other centres and a correspondingly high proportion of food and drink uses.

Figure 2.9 Range of uses within City and District Centres

	Local Plan target for A1 on designated frontage	Actual A1%	Actual A2%	Actual A3- A5%	Actual other uses%
City Centre	75%	79.15	9.48	10.43	0.94
Summertown	65%	64.36	19.80	11.88	1.98
Headington	65%	63.72	15.93	12.39	5.31
Cowley Centre	65%	74.42	11.63	9.30	4.65
Cowley Road	65%	58.49	11.32	26.42	3.77
Blackbird Leys	-	-	-	-	-

Indicator 16

SUPPLY OF SHORT-STAY ACCOMMODATION

**Target** Net growth in short-stay accommodation bedrooms against 2007 baseline of 2559 serviced bedrooms (Oxford Core Strategy)

On target?



2.19 There have been 14 additional hotel or guesthouse bedrooms completed in the monitoring period, and no losses. Planning permission within the same period has been granted for a new 22 bedroom hotel in St. Michael’s Street.

## **Conclusion: Economy, Retail and Tourism**

**2.20** Oxford continues to experience a challenging economic environment. This year there has been significantly less floorspace completed than in previous years; which has all been in the office (Class B1a) sector. Planning permission has, however, been granted for major research and development uses. This includes significant redevelopments within the University Science area (Physical and Theoretical Chemistry and a new Physics Building), which in total amounts to 26,710 sq m gross. Whilst the health sector has been granted planning permission at the Nuffield Orthopaedic centre for a new building of 3,928 sq m gross.

**2.21** The land supply continues to rely principally on Protected Employment sites, together with the allocation of the Northern Gateway and a limited supply of other allocated development sites. The main key sites include the Oxford Business Park and Oxford Science Park. The land lost from employment has been comparable to previous years, amounting to less than 1 hectare, which has been on other employment sites, but not protected or allocated.

**2.22** The City and District centres are performing well. Retail continues to underpin these centres but there remains a good mix of other Class A uses. The vitality and viability of these existing centres has shown a fall in vacancies in all of the centres.

## 3 Environment

### Indicator 17

#### CHANGE IN AREAS OF BIODIVERSITY IMPORTANCE

**Target** No net reduction in areas designated for their intrinsic environmental value, i.e. SAC's, SSSI's, RIGS and locally designated sites (Oxford Core Strategy)

On target?



**3.2** Figure 3.1 provides details of the various categories of sites designated for their intrinsic environmental importance and their associated area. The analysis of the changes in Local Wildlife and Geological Sites is really a measure of the survey activity from that year. The figures for the 11-12 year below are the outcomes from the March 2012 site selection panel meeting. There was no change in the extent and number of Local Wildlife Sites in Oxford in 2011-12 monitoring year as a result of decisions made by the panel.

**Figure 3.1** Areas of sites designated for their intrinsic environmental value

Designated site	Area in hectares (2010/11)	Area in hectares (2011/12)	Loss of biodiversity habitat (hectares)	Addition of biodiversity habitat (hectares)
Sites of Special Scientific Interest (SSSI)	278.24	278.24	n/a	n/a
Special Areas of Conservation (SACs)	177.1	177.1	n/a	n/a
Local Wildlife Sites	125.44	125.44	n/a	n/a
Sites of Local Interest for Nature Conservation (SLINCs)	202.5	202.5	n/a	n/a
Local Nature Reserves	6.63 (3 sites)	6.63 (3 sites)	n/a	n/a
Regionally Important Geological or Geomorphological Sites (RIGS)	2.0 (2 sites)	2.0 (2 sites)	n/a	n/a

Note: Local Wildlife Sites were previously known as County Wildlife Sites

\* The status of SLINCs is the subject of review by Oxford City Council. Those of Local Wildlife Site standard are now counted within the figures for that site description.

## Indicator 18

### LOCAL BIODIVERSITY MEASURES

**Target** No net reduction in Biodiversity Action Plan priority habitats and species (Oxford Core Strategy)

On target?



#### Change in area of UK Biodiversity Action Plan (BAP) priority habitat

**3.3** There have been no significant changes in the amounts of UK BAP priority habitats in Oxford in this reporting year. Only the habitat types relevant to Oxford have been included in Figure 3.2 below.

**Figure 3.2:** UK Biodiversity Action Plan priority habitat resource in Oxford

UK BAP priority habitat type	Area (hectares) 2010/11	Area (hectares) 2011/12	County context 2010/11	County context 2011/12
Coastal and floodplain grazing marsh	444.95	445.0	4750.90	4545.27
Eutrophic standing water	10.15	10.15	933.20	741.01
Lowland Fens	17.25#	17.25#	142.96#	145.65#
Lowland meadows	233.29	233.3	1081.22	1086.71
Lowland mixed deciduous woodland	47.71	47.73	4518.41	4550.22
Reedbeds	1.05	1.05	25.82	26.39
Traditional Orchards	6.81	6.77	326.21	321.00
Wet woodland	6.17	6.17	137.94	146.87
Wood pastures and parkland	11.16	11.16	1858.82	1858.51
<b>Total area of BAP priority habitat</b>	<b>777.49</b>	<b>777.45</b>	<b>15329.37</b>	<b>15119.66</b>

# Combined figure of Fen and Reedbed resource

#### Change in number of UK Biodiversity Action Plan priority species

**3.4** There has been an increase in the number of BAP species recorded in Oxford. There has been a net gain of three species added since the previous year's report. This is a consequence of two species not having been recorded since 1990 (two plants – slender bedstraw and corn buttercup), and five being recorded for the first time in the study period. These are oak hoot-tip moth, large wainscot moth, dark brocade moth and the plants small fleabane and cornflower.

**3.5** The number of Biodiversity Action Plan species found in Oxford is 104.

#### Condition of Sites of Special Scientific Interest (SSSIs)

**3.6** Natural England undertakes periodic visits to Sites of Special Scientific Interest to determine the ecological condition of the individual units associated with those sites. Not all SSSI units are visited in

any one year. The amount of SSSI units which are in various ecological conditions as at March 2012 are as shown at Figure 3.3 below.

Figure 3.3: Amount of SSSI units and their ecological condition

Condition	No. of units or part units 2011-12	Sum of hectares 2011-12	% of City resource 2011-12	% of Oxfordshire resource 2011-12
Favourable	15	244.82	87.99	46.25
Unfavourable declining	1	0.5	0.18	1.34
Unfavourable no change	1	3.71	1.33	0.29
Unfavourable recovering	6	29.20	10.49	51.92
No data	0	0	0	0
Destroyed	0	0	0	0.19
<b>TOTAL</b>	<b>23</b>	<b>278.23</b>	<b>100</b>	<b>100</b>

3.7 There was an improvement in the proportion of Oxford City SSSI units in Favourable condition (and a corresponding fall in the proportion of sites in Unfavourable recovering condition), by virtue of elements of Brasenose Woods and Shotover Hill now being in Favourable condition.

## Indicator 19

### PERMISSIONS CONTRARY TO ENVIRONMENT AGENCY (EA) ADVICE

On target?

**Target** 0% of planning permissions to be approved contrary to formal Environment Agency objection (Oxford Core Strategy)



3.8 There were no Environment Agency objections to applications on water quality grounds in 2011/12. The Environment Agency reported only one objection to an application in the monitoring year 2011/12 on flood risk grounds. Details of the objection are in the figure below.

Figure 3.4: The Environment Agency objected to 1 major<sup>1</sup> application on flood risk grounds in 2011/12

Number of applications	Reason for Environment Agency objection	Response by Environment Agency	Outcome
1	Insufficient information on impacts of groundwater levels and possible impacts of groundwater flooding	Development does not pose significant risk of groundwater flooding or risk significant groundwater emergence at surface	Objection withdrawn

Figure 3.5: Number of planning permissions granted contrary to Environment Agency advice on flood risk (major applications or water quality grounds in 2011/12

	Flooding	Water quality	Total
Number of permissions	0	0	0

<sup>1</sup> See Glossary for definition of major applications

## Indicator 20

### DEVELOPMENT COMPLYING WITH NATURAL RESOURCE IMPACT ANALYSIS (NRIA) REQUIREMENTS

**Target** 100% of planning permissions granted to comply with NRIA requirements. Minimum 20% on site renewable energy from qualifying sites. (Oxford Core Strategy and NRIA SPD)

On target?



**3.9** The Natural Resource Impact Analysis SPD requires that a minimum of 20% of the energy requirement of new developments should be produced by on-site renewable or low-carbon energy. The SPD applies to larger developments of 10 or more dwellings or 2,000m<sup>2</sup> or more floorspace. The following table lists the developments that qualify for submitting an NRIA, and the renewable energy technologies that will be installed on each development.

**3.10** The Table below shows that the majority of qualifying developments that submitted an NRIA were compliant. Generally where developments were not compliant they had made up energy efficiencies in other ways. The majority of major applications were for academic research, teaching and student accommodation. There were no major residential developments permitted in the monitoring period.

**Figure 3.6:** Permissions in 2011/12 that required NRIsAs and whether NRIA requirements were met

Application No. Decision Date	Application status	Type of development	% Energy to be generated from renewables and type of technology	NRIA requirement met? Reasons and notes
09/02534/FUL 26 May 2011	Permitted	Erection of academic, research and teaching buildings to accommodate Humanities Division and library. (Radcliffe Observatory Quarter, Woodstock Road)	10-15% linked with Mathematics from Ground Source Heat Pumps	The overall Energy Strategy more than exceeded Building Regulations and carbon savings in excess of 40% for the whole scheme were demonstrated
09/02535/FUL 26 May 2011	Permitted	Erection of linked academic, research and teaching buildings to accommodate Mathematical Institute. (Radcliffe Observatory Quarter, Woodstock Road)	10-15% linked with Humanities from Ground Source Heat Pumps	The overall Energy Strategy more than exceeded Building Regulations and carbon savings in excess of 40% for the whole scheme were demonstrated
10/00952/FUL 14 Sept 2011	Permitted	Erection of 2 three-storey buildings to provide 27 flats (Manor Hospital Site, Beech Road)	20% from Solar PV	Yes. 20% on-site renewable energy target met

10/01897/FUL 12 April 2011	Permitted	Demolition of existing building. Construction of 55 Extra Care residential flats (Crauford Road)	20% from Combined Heat and Power	Yes. 20% on-site renewable energy target met
10/03254/FUL 15 June 2011	Permitted	Demolition of existing Physical and Theoretical Chemistry Laboratory to the north side of South Parks Road. Erection of new chemistry research building (South Parks Road)	19.4% from CHP, Ground Source Heat Pumps, Air Source Heat Pumps and Solar PV	Almost. It is worth noting that because of the nature of the building, its baseline energy consumption is much greater than that of a normal office block.
10/03207/FUL 15 June 2011	Permitted	Demolition of former lodge building and removal of temporary waste stores. Erection of new physics research building. (South Parks Road)	19.4% from CHP, Ground Source Heat Pumps, Air Source Heat Pumps and Solar PV	Almost. It is worth noting that because of the nature of the building, its baseline energy consumption is much greater than that of a normal office block
11/00242/CT3 28 June 2011	Permitted	Extension to existing Blackbird Leys Leisure Centre to provide 25m swimming pool. (Pegasus Road)	20% from biomass boiler, solar water heating and solar PV	Yes. 20% on-site renewable energy target met
11/00513/FUL 09 May 2011	Permitted	Erection of 3 storey building to accommodate relocated Jericho Health Centre and University Department of Public Health Care and for Oxford University Press. (Walton Street)	20.1% from Air Source Heat Pumps and Solar PV	Yes. 20% on-site renewable energy target met
11/00707/RES 01 July 2011	Permitted	Erection of 9,097 square metres of Class B1 Business offices on 3 floors. (John Smith Drive)	17% from Biomass Boiler, Solar PV and Solar Hater Heating	No. 20% on-site renewable energy target not met as energy efficiency savings were accepted in this case.
11/01054/FUL 23 Sept 2011	Permitted	Demolition of 4 existing buildings. Erection of 2 medical research buildings on 3 floors plus basement to accommodate Nuffield Department of Medicine and Kennedy Institute. (Roosevelt Drive)	21.4% from CHP (Kennedy Institute) 24.8% from Trigeneration (NDM Building)	Yes. 20% on-site renewable energy target met

11/01712/RES 19 October 2011	Permitted	Demolition of existing buildings on site. Erection of 166 student study rooms and 4 fellows flats in two blocks on 3 and 4 levels. (Chapel Street)	20% to be met through Ground Source Heat Pumps, Solar PV and Solar Water Heating.	Yes. 20% on-site renewable energy target met
11/01794/FUL 13 December 2011	Permitted	Erection of freestanding building on 3 and 4 levels plus basement to accommodate Chinese Institute plus 63 student study rooms for St. Hugh's College. (St. Margaret's Road)	20% Gas fired CHP and Solar PV	Yes. 20% on-site renewable energy target met

## Indicator 21

### DEVELOPMENT IN GREEN BELT

**Target** No inappropriate development in the Green Belt unless specifically reallocated in the Local Development Framework (Oxford Core Strategy)

On target?



**3.11** There were 8 applications for development that referenced Green Belt Policy. Four were for development in the Green Belt and four were for development that was very close to the Green Belt. The four developments in the Green Belt were as follows:

- Extension to the Breakfast Room at the Oxford Spires Four Pillars Hotel, Abingdon Road;
- External Alterations to an existing building at Salter Brothers Ltd, Meadow Lane;
- Construction of footbridge over Fiddlers Island Stream, Roger Dudman Way; and
- Erection of a 15m wind turbine at Corpus Christi Sports Ground, White House Road.

**3.12** Three of the above developments are considered appropriate development in the Green Belt. The only inappropriate development is the erection of a wind turbine. However, the National Planning Policy Framework states at paragraph 91:

*When located in the Green Belt, elements of many renewable energy projects will comprise inappropriate development. In such cases developers will need to demonstrate very special circumstances if projects are to proceed. Such very special circumstances may include the wider environmental benefits associated with increased production of energy from renewable sources.*

**3.13** In the case of the wind turbine at Corpus Christi Sports Ground, it was considered that the very special circumstances of the environmental and community benefits associated with increased




production of energy from renewable meant that the project was able to proceed. This indicator is on target.

**Indicator 22**

**WASTE AND RECYCLING**

*Target* Reduction in residential waste per household and rate of total household waste recycling and composting. (Oxfordshire Joint Municipal Waste Partnership and Oxford Core Strategy)

**On target?**



**3.14** Figure 3.7 below shows the figures from the 11/12 Oxfordshire Waste Partnership Annual Report.

**3.15** The baseline figure for residual waste per household in the Core Strategy was 727kg (2007/08) and performance has already significantly exceeded the target of reducing this to 715kg by 2010/11. The target for household waste recycling and composting in Oxfordshire in the Core Strategy was at least 40% by March 2010. This has been significantly exceeded. Oxford is meeting and exceeding its waste and recycling targets in 11/12.

**Figure 3.7** Reduction in waste per household, total household waste and recycling and composting. *f*

Indicator	Description	10/11 Performance	11/12 performance	Change
NI 191	Residual waste per household (Kilograms)	469.5kg	410.06kg	-59.44kg
NI 192	Household waste recycled and composted (%)	55%	60.14%	+5.14%
NI 193	Municipal Waste sent to landfill tonnes)	133,357 tonnes	123,211 tonnes	-10,146 tonnes

(Source: Oxfordshire Waste Partnership Annual Report 11/12)

**Indicator 23**

**HERITAGE PLAN**

*Target* Timely development of a Heritage Plan for Oxford (Oxford Core Strategy)

**On target?**



**3.16** Oxford City Council, Oxford Preservation Trust and English Heritage are preparing a Heritage Plan for Oxford to ensure that the benefits of our heritage are fully realised and that changes to the city are guided in a way that is informed, strategic and shared by all.

**3.17** The scoping and quality assessment stages of this project will be completed by early 2013. To date these stages have included consultations with a Heritage Steering Group and the Oxford Strategic Partnership. These have resulted in the production of the Oxford Heritage statement, an initial assessment of the significant heritage assets that the city offers, and the Oxford Heritage Plan Website which provides a portal for policy, guidance and evidence relating to the Historic Environment of Oxford and is due to be launched in November 2012.

**3.18** The below studies form the Design and Research stage of the Heritage Plan project and their individual progress is mapped below:

#### **Views Study**

- Draft Methodology and Introduction completed. Closed Consultation due to take place by December 2012.
- First draft of 10 View Cone Analysis documents completed.
- Final Draft View Cone Analysis Documents completed for South Park and Morrell Hall.
- Closed consultation on Methodology and Final Draft View Cone Analysis documents to be undertaken by Dec 2013.
- Draft methodology has been used by developers in its draft format and positive feedback has been received.

#### **Oxford Archaeological Plan**

The following studies have been completed as part of the Oxford Archaeological Plan

- An archaeological resource assessment- completed as of March 2012 with revised version due to go online in November 2012.
- Archaeological research agendas –completed as of March 2012 with revised version due to go online in November 2012.
- Historic Urban Character Statements for Oxford’s historic core - completed and a draft report has been seen subject to a restricted consultation. The revised assessment report is due to go to public consultation in November 2012.
- Historic Landscape Characterisation - completed in March 2012.
- Statements of Archaeological Interest- A series of summary reports for selected heritage assets were completed by March 2012. To be subject to further consultation with landowners.
- Oxford Archaeological Action Plan - draft plan to go to the East and West Planning Committees for endorsement by January 2013

#### **Conservation Area Appraisals**

- 17 Conservation Areas in Total – 12 Appraisals have been completed, 2 are currently in draft form and 1 is in progress.
- Two appraisals have not been commenced.
- Appraisals have been used by local communities and planning applicants in development management and have been given significance weight in appeals.

#### **Oxford Character Assessment Toolkit**

- Completed and published online.
- Being used extensively by local communities throughout Oxford.
- Received an RTPI Award in 2012.

#### **Oxford Heritage Asset Register**

- Funding secured from English Heritage.

- Three pilot studies being undertaken to develop criteria and methodology for identifying heritage assets and preparation of a local list.

**Tree Strategy**

- Funding secured for a pilot study.
- Brief prepared.
- Project due to commence early 2013.

**Indicator 24**

**HERITAGE ASSETS AT RISK**

*On target?*

**Target** *A decrease in Heritage assets at risk or no net increase in Heritage assets at risk (Oxford Core Strategy)*



**3.19** The scheduled monument at Osney Abbey is at risk, but currently forms part of a proposal to redevelop the mill and repair of the monument is underway. Consent has been granted for proposals that facilitate the retention of the building at the rear of 84 St Aldates. There is no increase in the numbers of buildings at risk.

**Indicator 25**

**APPLICATIONS INVOLVING THE TOTAL, SUBSTANTIAL OR PARTIAL DEMOLITION OF A LISTED BUILDING**

*On target?*

**Target** *0% Listed Building Consents or planning permissions approved by the City Council (Oxford Core Strategy)*



**3.20** There have been no loss of any listed buildings.

**3.21** There have been 6 permissions granted for listed building demolition. Four of the consents involved the demolition of extensions (that have no or limited historic value) to Listed Buildings and the erection of replacements. One involved the removal of internal walls, and one involved the demolition of a garage. Like the four previous demolitions, the structures had no or limited historic value.

## Indicator 26

### APPLICATIONS INVOLVING DEMOLITION OF A BUILDING THAT CONTRIBUTES TO THE CHARACTER AND APPEARANCE OF A CONSERVATION AREA

**Target** 0% of Conservation Area Consents approved by the City Council contrary to officers' and English Heritage's recommendation (Oxford Core Strategy)

On target?



**3.22** There have been no approvals made by the City Council contrary to officers' and English Heritage's recommendation.

## Indicator 27

### APPEALS ALLOWED WHERE CONSERVATION POLICIES CITED AS A REASON FOR REFUSAL

**Target** 80% of appeals dismissed (Oxford Core Strategy)

On target?



**3.23** There were 3 appeals allowed where conservation policies had been cited as a reason for refusal. These were as follows:

- **Application 10/03324/FUL** - Demolition of house and outbuildings and erection of 2 storey house and garden studio in Charlbury Road: Policy HE7 was cited as a reason for refusal in this application;
- **Application 11/01095/FUL** - Erection of annexe, bike shelter, extension to Wendy House to provide garden store and re-instatement of railings in Park Town: Policies HE2, HE3, HE7 were cited as reasons for refusal;
- **Application 11/1905/FUL** - Retention of 6 bike shelters along Iffley Road- Policy HE7 was cited as the reason for refusal.

**3.24** It is worth noting that out of all the decisions made on proposals that affect the historic environment, only these three went to appeal during the monitoring year. Given the number of applications involving the historic environment each year within the City this is no mean feat. Having reviewed the decisions, they were each made by officers who considered that the impacts of the development were so serious that they would cause material harm to individual aspects of the historic environment. In each case, the Inspector considered to the contrary. As there are so few appeals, and they are all for smaller schemes, we will continue to monitor this in the future and review next year if the situation has not improved.

## Indicator 28

### TREE PRESERVATION ORDERS (TPO's)

**Target** 0% of planning applications for felling of trees the subject of TPO's to be approved by the City Council contrary to officers' recommendations (Oxford Core Strategy)

On target?



**3.25** There were no permissions for felling of trees with TPO's contrary to tree officers recommendations.

## Indicator 29

### LOSS TO OTHER USES OF PUBLIC OPEN SPACE, OUTDOOR SPORTS AND RECREATION FACILITIES

**Target** No net loss to other uses of publicly accessible open space, outdoor sports and recreation facilities (Oxford Core Strategy)

On target?



Where planning permission has been required, there has been no net loss of publicly accessible open space, outdoor sports or recreation facilities to other uses.

## Indicator 30

### NEW PUBLIC OPEN SPACE, OUTDOOR SPORTS AND RECREATION FACILITIES

**Target** Amount of new publicly accessible open space, outdoor space and recreation facilities provided as a result of new development (Oxford Core Strategy)

On target?



There has been an increase of 748m<sup>2</sup> public open space, outdoor space and recreation facilities as a result of new development in this monitoring period. This was from one development at Oxford City Football Ground.

## Indicator 31

### NUMBER OF PARKS WITH GREEN FLAG STATUS

*Target* Renew the Green Flag status for parks that have already achieved this award. Aim to produce more successful winners of this award (Oxford Core Strategy)

On target?



Within Oxford City there are currently 4 Parks with Green Flag Status. These are as follows:

- Cutteslowe and Sunnymead Park
- Florence Park
- Hinksey Park
- Bury Knowle Park

## Conclusion: Environment

**3.26** The monitoring data shows that Oxford maintains a strong biodiversity resource. This indicator is considered to be on-target. The majority of SSSIs remain in favourable condition, and Oxford maintains a healthy number of UKBAP priority species. No planning decisions have been taken in the monitoring period that would have an adverse effect on biodiversity areas.

**3.27** Much like last year, there were no major applications allowed contrary to Environment Agency advice. There were no applications during the monitoring period where the Environment Agency objected on water quality grounds.

**3.28** The NRIA continues to be a significant tool in encouraging developers to include low carbon and renewable energy technologies in larger development schemes. The sustainable buildings award is proving to be a good incentive and provides useful publicity about renewable energy schemes. The majority of schemes were close to compliance and those that were not made considerable energy savings in the spirit of the NRIA.

**3.29** The historic environment indicators are mainly on target this year. One indicator that is not on target is Indicator 27. There were only three cases where decisions were refused with conservation policies cited as a reason for refusal. These three cases were all small schemes and given the wider context of the large number of applications affecting the historic environment, although it scores red, it is not a serious concern. The indicator will be reviewed again next year and if the situation has not changed then action will be needed.

## 4 Transport

### Indicator 32

#### SUBMISSION OF TRAVEL PLANS

**Target** 100% of all qualifying schemes to provide travel plans (also incorporating Transport Assessment)

On target?



**4.1** Core Strategy Policy CS13 requires that a Transport Assessment and comprehensive Travel Plan must accompany all major development proposals. Qualifying developments are generally those that exceed the thresholds set out in the saved policies of the Oxford Local Plan 2001-2016 (Appendices 1 and 2). For the purposes of monitoring, the following have been counted as qualifying developments:

- Developments for new or expanded school facilities
- Any development for retail or leisure greater than 1,000m<sup>2</sup> (net increase)
- Any development for offices, hospitals/health centres or higher of further education greater than 2,500m<sup>2</sup> (net increase)
- Any development for industrial uses (use class B2) greater than 5,000m<sup>2</sup> (net increase)
- Any development for distribution and warehousing facilities (use class B8) greater than 10,000m<sup>2</sup>
- Any residential development of 40 or more self-contained homes.

**4.2** There were nine developments granted permission during the monitoring period that were considered to fall within one of the categories listed. The table below breaks these down into broad categories, and shows how many of each either had a travel plan submitted, or are bound by condition to submit a travel plan.

**Figure 4.1** Type of development where Travel Planes were submitted

Type of development	Number of applications approved	Number of applications with a travel plan submitted	Number of applications approved with condition
School sites	1	0	0
Non-residential	7	3	4
Residential (self-contained)	1	0	1
<b>Total</b>	<b>9</b>	<b>3</b>	<b>5</b>

**4.3** The table shows that of the nine qualifying developments for which approval was granted, eight were either accompanied by a travel plan, or had a condition attached which required that a travel plan

should be submitted prior to commencement. The one development for which there is no requirement involved minor expansion of a school building (St Philips & St James' School, North Oxford). The proposal did not involve any additional teaching space, and would be unlikely to generate significant additional travel.

## Indicator 33

### LOW EMISSIONS STRATEGY

**Target** *Implementation of a Low Emissions Strategy for Oxford, outcomes to be included in the agreed action plan (Oxford Core Strategy)*

On target?



**4.4** In 2010, Oxford City Council commissioned the preparation a Low Emissions Strategy (LES) for Oxford. The LES will integrate the activities and policies of service areas across the City Council, will seek to address the impact of both new and existing development, and will begin to address the emissions from transport, residential and non-domestic development.

**4.5** The full LES is expected to be published early in 2013. This will be followed later in 2013 with the publication of a cross-cutting action plan for Oxford.

**4.6** As a separate process, the City and County Councils are working towards implementing a Low Emissions Zone (LEZ) in Oxford City Centre. The LEZ will require all buses operating in Oxford City Centre to meet the Euro V emission standard. An application has been submitted to the Traffic Commissioner, and a public inquiry may take place should any objections be received. Subject to this, the LEZ is expected to come into force in January 2014.

## Indicator 34

### TRAFFIC GROWTH AT INNER AND OUTER CORDONS

**Target** *Inner cordon – no more than 0% growth.  
Outer cordon – no more than 0.2% average annual growth  
(Oxford Core Strategy)*

On target?



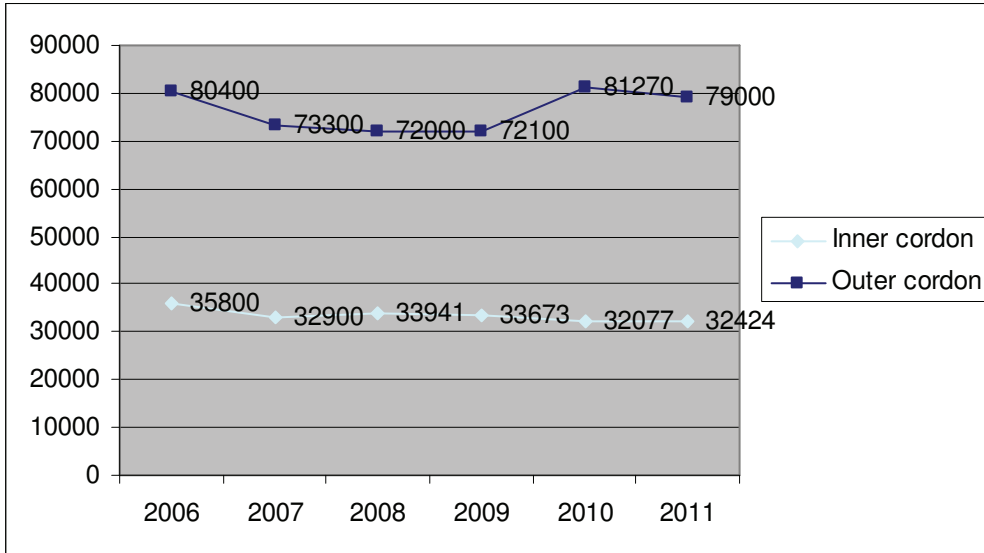
**4.7** Oxfordshire County Council monitors traffic flows at two 'cordons' in Oxford – the Inner Cordon and the Outer Cordon. These are recorded as the average inbound flow over the space of a year, for a 12-hour period (7.00am – 7.00pm) during an average weekday.

**4.8** The Inner Cordon count gives an indication of the amount of traffic entering the central Oxford area. The Outer Cordon count gives an indication of the amount of traffic entering Oxford (i.e. passing across the City boundary).



4.9 It should be noted that data was not available in 2011 for one cordon point (Oxford Road), which explains why the outer cordon total has dropped slightly. If the same amount of traffic at this cordon had been counted as in 2010, the total for the outer cordon would have been 81,220 – almost the same as the previous year.

Figure 4.2 Inner Cordon and Outer Cordon traffic flows (average weekday inbound, 7.00am – 7.00pm), 2005 – 2010



4.10 Figure 4.2 shows that, taking account of natural small variations, there has been virtually nil growth of traffic crossing the inner cordon comparing 2010 and 2011, and a small reduction in traffic compared with 2006. There has also been nil growth in traffic crossing the outer cordon between 2010 and 2011, even taking account of the deletion of one of the cordon counters. There has also been overall nil growth since 2006.

## Conclusions: Transport

4.11 All the AMR transport indicators are on target.

4.12 Planning permissions for developments requiring a travel plan have duly been accompanied by either a travel plan, or a condition attached requiring one, with the exception of one case where there was a good reason for not requiring one.

4.13 The Low Emissions Strategy continues to progress, with an action plan to be agreed in 2013. The Low Emissions Zone for central Oxford is on course to be implemented in 2014.

4.14 The amount of traffic entering both central Oxford, and the City as a whole, remains stable.

## 5 Regeneration

### Indicator 35

#### REGENERATION ACTION PLANS

**Target** *Timely progress of a regeneration action plan for each of the regeneration areas in conjunction with other departments (Oxford Core Strategy)*

On target?<sup>13</sup>



**5.1** The five priority areas for regeneration in Oxford are: Barton, Blackbird Leys, Northway, Rose Hill and Wood Farm. To allow each of the local communities to define the regeneration agenda for their area, neighbourhood partnerships are being established. These partnerships will prepare area regeneration plans for their respective areas.

**5.2** Partnerships (Regeneration Boards) were established in each of the five areas and these met several times during the monitoring period. Each partnership has agreed priorities for their areas and on the format of the regeneration plans. Working sub-groups have also been established in each area to address specific topics in more detail. Since April 2012 significant work has been carried out in drafting the plans, this will be reported in the next Annual Monitoring Report.

### Indicator 36

#### PROGRESS AGAINST SITE-SPECIFIC REGENERATION MEASURES

**Target** *Individual targets for specific measures set out in Oxford Core Strategy*

On target?<sup>14</sup>



**5.3** A number of the site-specific regeneration measures set out in the Core Strategy are long-term projects with completion dates that stretch beyond the monitoring period covered by this report. These include: a new crossing (or crossings) of the A40 ring-road at Barton (by 2015/16); improvements of the Blackbird Leys centre to create a mixed-use district centre (by 2016); provision of a new swimming pool at Blackbird Leys (by 2013); and new multi-purpose community facilities linked to the redevelopment of Rose Hill Primary School (by 2014)

**5.4** The other site-specific regeneration measures are shorter-term projects.

<sup>13</sup> No national or local target defined; assumed on target if green above 80% compliance rate, amber if between 60-80% compliance rate and red if below 60% compliance (relative to the total).

<sup>14</sup> No national or local target defined; assumed on target if green above 80% compliance rate, amber if between 60-80% compliance rate and red if below 60% compliance (relative to the total).

**5.5** In Rose Hill, regeneration of the housing stock to re-develop life-expired houses to provide 245 new homes has been carried out in phases over the last few years; the work was completed during this monitoring period.

**5.6** In Northway, the former Council offices have been demolished and plans are being prepared for a wider scheme by Hab Oakus that will replace the existing community centre with new community facilities and housing. A planning application is expected shortly, progress will be noted in next years' Annual Monitoring Report.

**5.7** Good progress has been made on the redevelopment of the Wood Farm Primary School. This is discussed under indicator 45 below.

### Conclusions: Regeneration

**5.8** Good progress has been made in setting up Neighbourhood Partnerships and towards the production of Regeneration Plans. The Rose Hill redevelopment has now been completed and good progress has been made at Wood Farm. The Northway scheme is expected to make progress in the next monitoring period. Other site-specific regeneration measures are longer-term; their progress will be tracked in future annual monitoring reports.

## 6 Quality of life issues

### Indicator 37

#### PROVISION/IMPROVEMENT OF LOCAL PRIMARY HEALTHCARE FACILITIES

*On target?*

**Target** *Delivery of new health centre in Jericho, expected 2010 (Oxford Core Strategy)*



**6.1** Planning permission was granted on 9<sup>th</sup> May 2011 for a relocated Jericho Health Centre on the former Radcliffe Infirmary site. Construction work was well progressed during the monitoring period although the GP practices had not yet moved into the new facilities. Whilst this target has not been met within the monitoring period it is considered that this is good progress.

### Indicator 38

#### PROVISION/IMPROVEMENT OF LOCAL EDUCATIONAL FACILITIES

*On target?*

**Target** *Oxfordshire County Council to implement Primary Capital Programme, including Bayards Hill, Wood Farm and Oxford Academy by September 2011 (Oxford Core Strategy)*



**6.2** When this target was drafted in the Core Strategy there were firm plans for the redevelopment of these schools. Since then the government has ended the Primary Capital Programme and removed existing funding allocations. While this has changed the position on school development, there has nevertheless been some significant progress towards achieving this target.

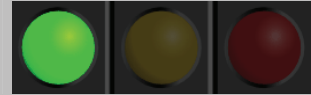
**6.3** Plans for the redevelopment of Bayards Hill Primary School have been progressing with a view to securing an approved scheme during the next monitoring period. At Wood Farm Primary School phase one buildings were opened during the last monitoring period and during this monitoring period significant progress had been made in constructing the structural framework for the phase 2 buildings. Oxford Academy started operating from their new premises during the last monitoring period (March 2011) and opened their new sports facilities in October 2011.

## Indicator 39

### PERMISSIONS CONTRARY TO THAMES VALLEY POLICE ADVICE

**Target** 0% of planning permissions to be approved contrary to Thames Valley Police objection (Oxford Core Strategy)

On target?



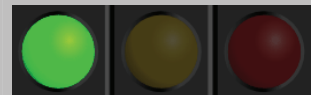
**6.4** In the year April 2011 to March 2012 there were no objections to applications from Thames Valley Police; as such this target has been achieved.

## Indicator 40

### LOSS OF COMMUNITY FACILITIES

**Target** 100% of developments that result in the loss of a community facility to make equivalent alternative provision or improvements to existing provision (unless it is demonstrated that the existing use is and will continue to be redundant) (Oxford Core Strategy)

On target?



**6.5** Policy CS20 of the Core Strategy seeks the protection of community facilities including: community centres, children's centres, meeting venues for the public or voluntary organisations, public halls and places of worship, sports facilities, stadiums and public houses or club premises that serve a local community.

**6.6** There was one permission resulting in the loss of a community facility during the monitoring period. Permission was granted for demolition of the Wolvercote Public Social House and provision of 2x 3-bed houses and 3x 1-bed flats.

**6.7** It is worth noting that for monitoring purposes we can only monitor planning applications for the redevelopment or change of use of premises, i.e. facilities may close before any planning applications are submitted for redevelopment of the site.

## Conclusions: Quality of life issues

**6.8** Significant progress has been made during the monitoring period towards the delivery of new healthcare and education facilities despite problems with funding streams. No planning permissions were granted contrary to Thames Valley Police advice and there was no loss of community facilities other than those considered to be in accordance with the policy.

# 7 West End

Indicator 41		
COMPLIANCE WITH THE MONITORING INDICATORS AS SET OUT IN THE WEST END AREA ACTION PLAN		
	Target	On Target?
Streets	Provision of new links and improvements set out in AAP.	
Parking	Maintain number of parking spaces available within the West End.	
Urban public spaces	New public spaces and improvements to existing.	
Green spaces and water	Enhancements to Castle Mill Stream to create a streamside park. Enhancement of Oxpens Field.	
Historic environment	100% of schemes granted to demonstrate consideration of historic environment in Design and Access Statements.	
Design	100% of schemes approved comply with the design code.	
Resource efficiency	100% of schemes approved meet the requirements of the Natural Resource Impact Analysis SPD	
Flooding	100% of schemes in areas of flood risk or over 1ha to submit a flood risk assessment. Only water compatible uses and essential infrastructure permitted in flood zone 3B.	
Housing mix and affordable housing	To provide approximately 700 new homes, minimum 35% 3+ bed and 50% affordable on qualifying sites	
Amenities to support housing	100% of new residential development within 30minutes public transport time of a GP, hospital, primary and secondary school, areas of employment and a major retail centre.	
Mixed uses	100% of developments on sites of 0.2 hectares or greater that incorporate more than one use.	
Office accommodation	B1 offices no more than 15,000m <sup>2</sup> private sector and 20,000m <sup>2</sup> public sector.	
Retail	To provide a minimum of 37,000m <sup>2</sup> gross additional A1 retail floorspace.	
Cultural attractions	To increase the floorspace of cultural and tourism uses in the West End.	
Hotel accommodation	To increase the number of hotel and guesthouse rooms in the West End.	

**7.1** There were 10 applications in the West End during this monitoring period. The majority of these were relatively small and involved changes of use and extensions of permissions.

**7.2** The only applications of particular significance in the West End during this monitoring period were at Cantay House (two permissions – one for demolition at rear and provision of 44 student bedrooms and another for part change of use from conference centre to office) and at 20-24 St Michael’s Street (change of use from offices and dwelling to hotel).

**7.3** There has been little progress towards the main aims of the West End AAP during this monitoring period. This means there has been very little impact on the targets for the delivery of public realm improvements, housing, retail and other uses. The West End AAP, however, was prepared to cover the period to 2016 and as such there is still time to reach these targets before that date. These targets are therefore shown as amber above.

**7.4** The majority of AAP policies were not used in this monitoring period due to the lack of major applications. Many of the targets that refer to 100% of schemes being in accordance with the policy (historic environment, design, resource efficiency, flooding and mixed uses for example) are shown as green even though they were not implemented.

### **Conclusions: West End**

**7.4** The West End AAP in was adopted in June 2008. New developments have not happened as quickly as anticipated because of the economic climate. However, there is time for these targets to be met before the end of the plan period.

## 8 Statement of community involvement – analysis of consultation

### Consultation on Local Development Documents

**8.1** The City Council adopted its Statement of Community Involvement (SCI) in October 2006. All local development documents require a statement of compliance showing how they have been produced in accordance with the measures set out in the SCI. Evaluation forms are circulated for major consultation exercises such as consultation workshops in order to assess the effectiveness of these methods and to help to identify improvements where needed.

**Figure 8.1** Consultations on policy documents undertaken in 2011/12

Title	Consultation stage	Consultation period	Comments received	Outcome/comments
Barton AAP	Preferred Options	13 May - 24 June 2011	403 questionnaires received  4 petitions were received.	Purpose was to seek views on the Preferred Options put forward by the City Council regarding how we should plan for, and manage, change and development within the Barton strategic development site.  A Report of the Public Consultation was published in December 2011
	Proposed Submission	Feb – March 2012	293 duly-made representations from 105 different respondents	Purpose of this consultation was to publicise the opportunity to view the proposed submission policies in order that representations can be made.

Title	Consultation stage	Consultation period	Comments received	Outcome/comments
Sites and Housing Plan	Preferred Options	10 June – 22 July 2011	183-249 responses on each of the housing policies.  3-108 responses on each of the sites and 6 sites received petitions.	Purpose of this consultation was to seek the views of stakeholders and the public on the options that were proposed for each potential site allocation as well as for the general planning policies for determining residential (including student) developments.
	Proposed		343 duly-made	Purpose of this consultation



## Statement of Community Involvement

	Submission		representations from 92 different respondents	was to publicise the opportunity to view the proposed submission policies in order that representations can be made.
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### Range of consultation methods used

**8.2 Barton Area Action Plan Preferred Options Consultation:** This consultation aimed to involve the whole community by delivering a questionnaire to each household within the AAP boundary as well as the Old Headington Conservation Area (3000 properties approx.). The Preferred Options Document and the Sustainability Appraisal were available on the City Council’s website, at the reception desk at the main council offices, and via the Barton Community Association, and in local and central libraries

**8.3** All of those individuals and organisations on the Council’s consultation database were contacted. The consultation at Preferred Options involved a variety of consultation methods, including leaflets distributed to addresses within the AAP boundary and drop-in sessions at Barton, Northway, Old Marston and Old Headington.

**8.4 Barton Area Action Plan Proposed Submission Consultation:** Given the nature and purpose of the publication stage, the City Council did not undertake the type of community engagement methods (such as exhibitions, and drop-in sessions) that had been a feature of the earlier consultation on the Barton AAP.

**8.5** Letters were sent out to all the organisations and individuals on the City Council’s database following the previous rounds of consultation. Copies of the AAP, the accompanying sustainability appraisal and all supporting documents were published on the City Council’s website and were sent to the specific consultation bodies identified in the Regulations. Copies of the documents were also available to view at local libraries, and Oxford City Council’s office, throughout the period for making representations.

**8.6** In addition a leaflet was delivered to all addresses within the AAP boundary; this explained the AAP process, and how to be involved in the Barton project as it continues. Consultees were informed in the notification letters and emails that officers were available to discuss any queries that members of the public had about the document during the consultation period.

**8.7 Sites and Housing Plan Preferred Options Consultation:** We sought to contact a wide range of stakeholders and the wider public to obtain their views on the proposed options.

**8.8** The Preferred Options consultation stage was highlighted in the City Council’s magazine “Your Oxford” which is distributed to every residential and business address in Oxford. The Council maintained a strong line of communication with the local press, and at least 20 articles were run referring to the consultation in the Oxford Mail, Oxford Times and BBC Oxford.

**8.9** Other methods of publicity used were public notice boards; letters or emails to 71 local resident groups; 1,198 people contacted via the City Council online consultation portal; 44 further letters to contacts already held; 235 local groups contacted; 79 hard-to-reach organisations contacted; 114 respondents to the Pre-Options stage where they had left their details with us; 3,415 letters sent to

## Statement of Community Involvement

properties adjacent to any site being considered for allocation, and all landowners of relevant sites. We also contacted major employers in the City, attended City Councillors' Area Forums, and displayed exhibitions for the whole six-week period in the city centre and at Cowley Centre.

**8.10 Sites and Housing Plan Proposed Submission Consultation:** Given the formal nature of the publication stage and that we required specific written comments on soundness and legal compliance, the City Council did not undertake the type of community engagement methods (such as drop-in sessions and exhibitions) that had been a feature of the earlier consultation.

**8.11** Letters were sent out to all the statutory bodies, local groups, organisations and individuals on our planning policy database. We also contacted all those who had responded to previous consultations and invited comments from those registered on our online consultation portal. Copies of the Plan, the accompanying sustainability appraisal and all supporting documents were published on the City Council's website and were sent to the statutory consultees. Copies of the documents were also available to view at local libraries and at the City Council's office throughout the period for making representations.

# Glossary

<b>Affordable housing</b>	Homes that are available at a rent or price that can be afforded by people who are in housing need. It includes social rented housing, intermediate affordable housing, and shared ownership housing.
<b>Biodiversity</b>	The diversity of plant and animal life, usually measured by the number of species present
<b>Building for Life</b>	The national standard for well-designed homes and neighbourhoods. Assessments are scored against 20 Building for Life criteria.
<b>Core Strategy</b>	A Development Plan Document that sets out the long-term spatial vision for the local planning authority's area, with objectives and policies to deliver that vision
<b>Decent Homes Standard</b>	A minimum standard of housing applicable to public housing (i.e. Council Housing), by which each qualifying home is warm and in a good state of repair.
<b>Development Plan</b>	An authority's development plan consists of the relevant Regional Spatial Strategy and the Development Plan Documents contained within its Local Development Framework
<b>Development Plan Document (DPD)</b>	Planning policy documents that form part of the Local Development Framework. They are subject to independent examination and, together with the relevant Regional Spatial Strategy and saved Local Plan policies, form the Development Plan for the local authority area
<b>Environment Agency</b>	Government body responsible for a wide range of environmental regulations and advice, including flood risk and natural waterways
<b>Flood Zone</b>	Flood Zones 1, 2, 3a and 3b are defined in the companion guide to the NPPF. These categories define the likelihood of flooding occurring in that zone (with Flood Zone 1 having the lowest risk and Flood Zone 3 the highest risk).
<b>Green Belt</b>	An area of undeveloped land, usually encircling a city, where the planning policy is to keep it open in order to prevent urban sprawl.
<b>Green Flag Status</b>	A national award given by Keep Britain Tidy to recognise and reward the best green spaces in the country.
<b>Heritage asset</b>	A building, monument, site, place, area or landscape identified as having a degree of significance meriting consideration in planning decisions, because of its heritage interest. Heritage asset includes designated heritage assets and assets identified by the local planning authority (including local listing).
<b>Heritage Plan</b>	A Plan being prepared by City Development that will eventually be used as a basis for decision-making and initiatives that will help development in Oxford to sustain and enhance the archaeological, architectural and landscape resource in a manner compatible with the city's historic status.
<b>Homes and Communities Agency</b>	The national housing and regeneration agency. Its role is to contribute to economic growth by helping communities to realise their aspirations for prosperity and to deliver high-quality housing that people can afford. It provides investment for new affordable housing and to improve social housing as well as for regenerating land. The HCA is also the regulator for social housing providers in England.

<b>Housing trajectory</b>	A tool that is used to estimate the number of homes likely to be built in the future, usually shown as a graph.
<b>Indicators</b>	A measure of variables over time which can be used to measure achievement of objectives
<b>Local Development Document (LDD)</b>	The documents which (taken as a whole) set out the City Council's policies relating to the development and use of land in Oxford.
<b>Local Development Framework (LDF)</b>	Introduced by the Planning and Compulsory Purchase Act 2004 as the replacement for Local Plans. It is the term to describe the whole portfolio of planning policy documents (Local Development Documents) setting out the planning strategy and policies for the area. It consists of Development Plan Documents, Supplementary Planning Documents, a Statement of Community Involvement, the Local Development Scheme and Annual Monitoring Reports.
<b>Local Development Scheme (LDS)</b>	A project plan that outlines every Local Development Document that the City Council intends to produce over the next three years along with timetables for their preparation.
<b>Local Plan</b>	A Local Plan sets out planning policies and allocations of land for development. It sets out where different types of development, from housing to shops and offices, that could be built during the plan period. Following the Planning and Compulsory Purchase Act (2004) they have been superseded by Local Development Frameworks
<b>LTP3</b>	Local Transport Plan 2011-2030. The LTP3 sets out the transport strategy for Oxfordshire, and has been prepared by Oxfordshire County Council.
<b>Major applications</b>	Major applications are defined in the General Development Procedure Order 1995 as: <ul style="list-style-type: none"> <li>• a residential development of 10 or more dwellings;</li> <li>• residential development on a site of 0.5ha or more;</li> <li>• development involving a building(s) with a floorspace of 1,000 sq metres or more;</li> <li>• any other development on a site of 1 hectare or more.</li> </ul>
<b>Market indicators</b>	A range of factors which provide a measure of the performance of a centre.
<b>Previously Developed Land (PDL)</b>	Land that is or was occupied by a permanent structure (excluding agriculture or forestry buildings). The definition covers the curtilage of the development.
<b>Primary Shopping Frontage</b>	This relates solely to the City Centre. It aims to ensure the percentage of Class A1 (retail) units remains above 75%.
<b>Regional Spatial Strategy (RSS)</b>	See South East Plan.
<b>Registered Providers (RP's)</b>	An organisation, usually a Housing Association, registered by the Homes and Communities Agency to provide affordable housing.
<b>Secondary Shopping Frontage</b>	These relate to the City centre and parts of the Cowley Road and St. Clements. Secondary Shopping Frontages ensure a predominance of Class A1 (retail) uses, but allows for other Class A uses. A small proportion of other uses are possible on their merits. Residential use is not an acceptable use at ground-floor level in the Secondary Shopping Frontages.
<b>Sites of Local Importance for Nature Conservation (SLINC)</b>	A site containing important habitats, plants and animals in the context of Oxford.

<b>Sites of Special Scientific Interest (SSSI)</b>	Areas identified by English Nature as being of special interest for their ecological or geological features.
<b>South East Plan (SEP)</b>	The SEP is the <i>Regional Spatial Strategy</i> for this region. It sets out a spatial framework of strategic policies that intended to promote an integrated, co-ordinated and a more sustainable approach to development in the region up to 2026. The SEP, along with all other Regional Spatial Strategies, is proposed to be abolished through the Localism Bill.
<b>Special Areas of Conservation (SACs)</b>	These consist of areas that are vitally important for nature conservation and have been identified as containing the best examples of habitats and species under the European Habitats Directive 1992.
<b>Supplementary Planning Documents (SPDs)</b>	A type of Local Development Document that supplements and elaborates on policies and proposals in Development Plan Documents. It does not form part of the Development Plan and is not subject to independent examination
<b>Tree Preservation Order</b>	A legal order, that is made by the local planning authority, that prohibits the cutting down, uprooting, topping, lopping, willful damage or willful destruction of a tree or group of trees without the express permission of that authority.
<b>Vitality indicator</b>	One of the market indicators. It includes the proportion of vacant units.

**USE CLASSES ORDER 2005**

<b>A1</b>	<b><i>Shops</i></b>	Shops, retail, warehouses, hairdressers, undertakers, travel and ticket agencies, post offices, dry cleaners, internet cafes, etc. Pet shops, cat-meat shops, tripe shops, sandwich bars. Showrooms, domestic hire shops, funeral directors.
<b>A2</b>	<b>Financial &amp; Professional Services</b>	Banks, building societies, estate and employment agencies. Professional and financial services, betting offices.
<b>A3</b>	<b>Restaurants &amp; Cafes</b>	Restaurants, snack bars, cafes.
<b>A4</b>	<b>Drinking Establishments</b>	Pubs and bars.
<b>A5</b>	<b>Hot Food Take-Aways</b>	Take-aways.
<b>B1</b>	<b>Business</b>	(a) Offices, not within A2 (b) Research and development, studios, laboratories, high tech (c) Light Industry
<b>B2</b>	<b>General Industry</b>	General industry
<b>B8</b>	<b>Storage &amp; Distribution</b>	Wholesale warehouse, distribution centre, repositories.
<b>C1</b>	<b>Hotels</b>	Hotels, boarding and guest houses
<b>C2</b>	<b>Residential Institutions</b>	Residential schools and colleges Hospitals and convalescent/nursing homes
<b>C3</b>	<b>Dwelling houses</b>	Dwellings, small businesses at home, communal housing of elderly and handicapped.
<b>C4</b>	<b>Small HMO</b>	Houses occupied between 3-6 unrelated individuals as their only or

	main residence, where basic amenities such as a kitchen or bathroom are shared.
<b>D1</b> <b>Non-residential Institutions</b>	Places of worship, church halls. Clinics, health centres, crèches, day nurseries, consulting rooms Museums, public halls, libraries, art galleries, exhibition halls. Non-residential education and training centres.
<b>D2</b> <b>Assembly &amp; Leisure</b>	Cinemas, music and concert halls. Dance, sports halls, swimming baths, skating rinks, gymnasiums. Other indoor and outdoor sports and leisure uses, bingo halls, casinos.
<b>Sui Generis</b>	A land use which does not fall into one of the above specific land use categories. Examples of Sui Generis land uses may include shops selling and/or displaying motor vehicles, retail warehouse clubs, launderettes, taxi or vehicle hire businesses, amusement centres, petrol filling stations, hostels, theatres or nightclubs.

**To:** City Executive Board

**Date:** 5<sup>th</sup> December 2012

**Report of:** Head of Finance

**Title of Report:** Award of Contract for the Supply of Insurance Services

### **Summary and Recommendations**

**Purpose of report:** To recommend project approval and award of the contract to Tenderer B for the supply of Insurance services to the Council.

**Key decision?** No

**Executive lead member:** Councillor E Turner

**Policy Framework:** An efficient and effective Council

**Recommendation(s):** The City Executive Board are asked to:

- 1) Grant project approval for the supply of insurance services to Oxford City Council and award the contract to Tenderer B from 1<sup>st</sup> January 2013 for a period of 3 years with an option to extend for 1 year plus 1 year
- 2) To agree the changes to excesses outlined in paragraphs 4.4 to 4.5

## **1. Summary**

- 1.1 This report sets out the procurement route that has been taken for procuring insurance services for all policies across the Council.

## **2. Background**

- 2.2 Oxford City Council currently has a contract with Zurich Municipal for all of its Insurance Services.

- 2.3 The existing contract expired at the end of September 2012 and has been extended until January 1<sup>st</sup> 2012 under the same terms and conditions, to accommodate the procurement process.
- 2.4 Oxford City Council's Procurement Team, with technical support from Finance, have run the tendering exercise.
- 2.5 For this tender the Council used the South West Improvement Partnership Insurance Framework, which was set up by Teignbridge Borough Council. The framework has been tendered at OJEU level and is available for other local authorities to use. The Council has made use of this framework because it had: a) proved beneficial to many other Local Authorities in terms of achieving savings and b) the Framework covered all the insurance risk areas that the Council required. The use of the framework required the Council to acquire the support of an insurance broker, as the Council already had a relationship with Jardine Lloyd Thompson (JLT) their expertise was used in completing the tender documentation and subsequently evaluating the tender responses.
- 2.6 The value of this contract is approximately £500k per year.

### **3. Tender Process**

- 3.1 The Council has conducted a mini competition inviting all 11 insurance suppliers listed on the framework to tender. However, some suppliers declined.
- 3.2 The framework had already pre-determined the relevant financial and technical evaluation criteria and outlined those providers who were able to meet the specification provided by Oxford City Council. The criteria is weighted 60% on service standards, discount and cover and 40% on price.
- 3.3 Four suppliers on the framework confirmed that they were able to meet the criteria listed in the tender documentation and submitted proposals to the Council.
- 3.4 JLT carried out an initial analysis of pricing and quality, and this was fed into the evaluation carried out by Finance officers.

### **4. Outcome**

Of the four tenders received, two quoted for all of our policies as per the tender specification. A further two only quoted for single elements of our policies.

A comparison of the tenders received is shown below:



### Summary of insurance tender evaluation

Lots	Current Premium	Tenderer							
		A		B		C		D	
	£	£	score	£	score	£	score	£	score
Lot 1 - Property risks	188,283	261,513	82.07	175,961	100				
Lot 2 - Casualty	145,929	148,043	75.54	120,917	100				
Lot 3 - Motor Fleet	164,688	173,451	86.01	164,815	100				
Lot 4 - Group Personal Accider	9,825			4,592	96	6116	86.03		
Lot 5 - Fidelity Guarantee	8,516	8,658	82.68	7,506	100				
Lot 7 - Engineering	37,144			34,041	97.68			33,765	90
Lot 9 - Professional Indemnity-	1,125	28,500	58.11	1,295	94				
Total	555,514	n/a		509,128		n/a		n/a	

Based on the current contract price (£555, 514) a saving of around 8.3% or £46k would be achieved if all insurance business is given to tenderer B, whose pricing structure includes a discount based on winning all work.

Whilst members may note that Tender D was cheaper for engineering insurance Tender B represents the was Most Economically Advantageous bid in overall terms.

In awarding the contract there are a number of changes which officers would recommend to existing insurance policies due to changes in insurable risks and claims history these are as follows :

- Increase excess on Libel & Slander; Land Charges and Public Health Act and Officials Indemnity to £50,000 for each category from £5,000, Nil, £5,000 and £5000 respectively. This would result in a lower premium saving of £19k. There have been no claims on these policies over the last 5 years, therefore there is a minimum risk to increase the excesses. To maintain an overall aggregate stop loss for all casualty insurance to £300,000 per year in total.
- Increase cover on General Properties to include a per event cover. A per event cover means that one excess per event applies, whereas with our current policy an excess applies to each property even if damaged in one event. The premium increase is £7,543.72 and is considered minimal for the mitigation it brings
- Blanket policy for Professional Indemnity, we currently have a Professional indemnity policy which covers our legal services external work. The Council is looking to increase its trading activities with external bodies over the coming years especially in blue collar services, to assist in the mitigation of financial pressures. Consequently there is a requirement to ensure that we have cover across all service areas, and a blanket policy is the most cost effective way of obtaining this. The increase in the

premium from Tenderer B is £5,905 per annum with an increased indemnity limit from £2 million to £5 million.

In summary making the above adjustments to the base bid figure from Tender B would make the following change to the annual premium

	£
<b>Base Bid – Tender B</b>	<b>509,127</b>
Saving on casualty insurance	(19,000)
Increase on general property insurance	7,543
Increase on professional indemnity	5,905
<b>Revised Bid - Tender B</b>	<b>503,575</b>

The revised annual premium is shown as £503,575 a saving of £51,939 or 9.4% on the current premium.

## 5. Benchmarking and comparisons

Officers have carried out a review of premiums and excesses across a number of other local authorities, and although it is difficult to do a direct comparison without a detailed claims history of the other authorities, it would appear that excesses and limits of indemnity vary across other similar sized authorities.

	Oxford City £	Vale £	County £	Cherwell £	South £
Summary excesses					
Lot 1 - Property risks	500 to 100,000	250 to 5,000	200,000	250	500 to 10,000
Lot 2 - Casualty	Nil to 10,000	5,000	300,000	Nil	Nil to 7,500
Lot 3 - Motor Fleet	100	500	120,000	500	500
Lot 4 - Group Personal Accident	Nil	5,000	Nil	N/A	Nil
Lot 5 - Fidelity Guarantee	10,000	n/a	50,000	2,500	N/a
Lot 7 - Engineering	1,000	100 to 250	100	N/A	250 to 2500
Lot 9 - Professional Indemnity-	2,500	5,000	300,000	Nil	7,500

The only potential area for adjusting our excesses is within our Motor policy, where we currently have an excess of £100, but quotes were obtained from the tenderers for excesses of £1,000 and £5,000 for comparative purposes. Although tenderer A quoted for motor insurance they declined to give alternative quotes for excesses of £1,000 and £5,000. The quotes from tenderer B were £164,815, £142,101 and £136,284 for excesses of £100, £1,000 and £5,000 respectively.

Claims history on motor over the last 14 years is shown in Appendix A. The table shows :

- The Council has very few claims above £5k, in the last 12 months there have been around 77 accidents 47 have been for

£1,000 or less 26 were between £1000 and £5000 and 4 have been in excess of £5,000. The total paid and reserved on these claims is around £100k.

- The additional cost to the council of raising the excess from £100 to £1000 based claims for this year to date is around £42k whereas the reduced premium is only £22,714 per annum.
- The additional cost to the council of raising the excess from £100 to £5000 based in claims for this year to date is estimated at £87k whereas the reduction in premium is only £28,531 per annum

Based on the analysis of current claims history there is insufficient reduction in premium to warrant raising the insurance excess on motor to £5,000, since the additional cost to the council would be at least £60k per annum. Whilst increasing the excess to £1,000 is more attractive the current claims experience would suggest that the reduced premium is still not attractive enough to take on the higher risk as current claims experience would indicate additional costs of £87k versus a reduced premium of £28k

Within the tender from Tenderer B £10k worth of risk management advice and assistance has been offered. It seems sensible to spend the majority of this money to provide assistance to reduce the incidence of motor vehicle claims. Whilst claims are not reducing they are not increasing dramatically and it is considered that further risk management measures will ensure that the number of claims received and the value of the pay outs on each of these claims reduces over time. Indeed there have been recent changes such as improvements in driver training, tracking systems, the production of a driver's handbook and detailing our accident reporting policy have had an effect. All of these good practices will be continued and improved including reporting claims in a timely fashion via electronic means and ensuring sufficient information is provided to the insurers first time.

In conclusion therefore it is considered that there is no change at this time to the current motor vehicle excess of £100 per vehicle but that increased risk management activity is undertaken on motor with a view to reviewing/renegotiating the level of excess over the next 12 months, if the incidence of claims reduces.

## **6 Insurance Fund**

6.1 The Council has a self insurance fund of approx £1.7m. An actuarial review was carried out during 2011/12 and evaluated that the fund was adequate for the purposes of the current insurance profile of the Council. The fund size also allows for the uncertainty that still exists around the insolvency run off of business with its previous insurers Municipal Mutual Insurance, and the potential clawback of previously paid claims on behalf of the Council that may be triggered.

6.2 Accounting practice is to charge the costs of claims above excesses to the insurance fund and then subsequently charge it to the service revenue account from where the claim originated. The extent of any resulting budgetary pressure will depend on amount required to 'top up' the insurance fund which is subject to annual review.

## **7. Other Options**

7.1 The Constitution and Procurement Commissioning and Supplier Strategy advises that the City Executive Board considers what other options are available before giving major project approval and awarding a contract over £100,000. These are detailed below.

### **7.2 Continue as we are**

This is not an option. The current insurance services contract expired at the end of September 2012 and has been extended until end of December 2012 to accommodate the current procurement process. To remain compliant with legislation and ensure best practice in providing value for money, the Council is obliged to make provision for a replacement contract.

### **7.3 Use an Existing Contract, set up by another organisation**

As stated in 2.5, the Council has conducted a mini competition using the OJEU compliantly insurance framework tendered South West improvement Partnership..

## **8. Benefits of this Contract**

8.1 Tenderer B provides the Most Economically Advantageous tender to the council together with the potential for a significant annual financial saving.

8.2 Tenderer B are also including a £10k risk management fund with the policy, which can be used to improve risk management at an operational or strategic level for the Council

## **9. Financial implications**

9.1 The financial implications are set out in the body of the report. Awarding the contract to Tender B will provide a reduction on the annual premium of around £52,000 per annum should the additional adjustments identified in paras 4.4 - 4.5 be accepted.

## **10. Legal Implications**

10.1 The insurance renewal has been undertaken in compliance of standard procurement processes through a framework agreement.

## 11. Risk Management

Risk	Likelihood	Mitigation
Preferred supplier experiences financial difficulties as a result of the decline in the insurance market	L	Adequate contract monitoring in place including monitoring financial position of supplier
Contract no longer satisfies Oxford City Council needs.	L	Keep contract under review and be aware of potential changes to insurable risks
Claims significantly exceed excesses	L	Increased risk management and monitoring of self insurance fund

## 12 Climate Change/Environmental Impact

12.1 There are no climate change/environmental impacts with this contract.

## 13. Equalities Impact

13.1 All tenderers are required to support and adhere to the Council's Living Wage Policy.

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### List of background papers:

Version number:

APPENDIX A

MOTOR CLAIMS HISTORY - OXFORD CITY COUNCIL 1998 - SEPT 2012

	Total	Cost to Council			Additional Cost	
		£100 Excess	£1,000 Excess	£5,000 Excess	£100 to £1,000	£100 to £5,000
1998-98	£ 18,556.75	£ 2,183.75	£ 12,922.83	£ 18,556.75	£ 10,739.08	£ 16,373.00
1998-99	£ 69,106.45	£ 4,729.38	£ 27,135.00	£ 41,816.10	£ 22,405.62	£ 37,086.72
1999-00	£ 60,006.88	£ 5,305.00	£ 34,424.86	£ 55,403.91	£ 29,119.86	£ 50,098.91
2000-01	£ 110,849.18	£ 5,332.33	£ 33,146.01	£ 59,110.34	£ 27,813.68	£ 53,778.01
2001-02	£ 56,981.85	£ 4,119.91	£ 28,549.67	£ 43,091.61	£ 24,429.76	£ 38,971.70
2002-03	£ 96,212.79	£ 4,395.43	£ 29,615.37	£ 55,095.02	£ 25,219.94	£ 50,699.59
2003-04	£ 67,785.92	£ 4,900.00	£ 35,142.75	£ 60,817.69	£ 30,242.75	£ 55,917.69
2004-05	£ 73,381.19	£ 5,007.33	£ 36,802.64	£ 65,746.49	£ 31,795.31	£ 60,739.16
2005-06	£ 82,470.73	£ 5,577.57	£ 40,529.43	£ 77,710.28	£ 34,951.86	£ 72,132.71
2006-07	£ 140,443.40	£ 5,000.00	£ 38,051.89	£ 79,415.81	£ 33,051.89	£ 74,415.81
2007-08	£ 59,575.07	£ 6,367.75	£ 39,966.07	£ 55,447.49	£ 33,598.32	£ 49,079.74
2008-09	£ 85,052.08	£ 6,800.00	£ 46,103.12	£ 83,289.72	£ 39,303.12	£ 76,489.72
2009-10	£ 67,789.65	£ 5,906.45	£ 41,477.98	£ 65,699.29	£ 35,571.53	£ 59,792.84
2010-11	£ 88,208.84	£ 6,183.38	£ 45,018.86	£ 83,927.39	£ 38,835.48	£ 77,744.01
2011-12	£ 99,149.69	£ 7,000.00	£ 48,844.49	£ 93,829.58	£ 41,844.49	£ 86,829.58
	<b>£ 1,175,570.47</b>	<b>£ 78,808.28</b>	<b>£ 537,730.97</b>	<b>£ 938,957.47</b>	<b>£ 458,922.69</b>	<b>£ 860,149.19</b>

**To: City Executive Board**

**Date: 5<sup>th</sup> December 2012**

**Report of: David Edwards, Executive Director Housing and Regeneration**

**Title of Report: Urban Broadband Fund (Phase Two) – Oxford Super Connected Cities Bid**

## **Summary and Recommendations**

**Purpose of report:** To inform the Board of the bid to Government for £5m from the Urban Broadband Fund (Phase 2) Super Connected Cities Programme and recommend that Council agrees the £300,000 capital commitment and £25,000 start-up costs if the bid is successful

**Key decision? Yes**

**Executive lead member: Cllr Bob Price**

**Policy Framework: No**

**Recommendation(s):**

- 1. To note the bid;**
- 2. That CEB recommend to Council a £300k capital commitment and £25k revenue and staff resource required if the bid is successful**
- 3. To delegate authority to David Edwards, Executive Director to lead on negotiations with Government on the bid as required.**
- 4. That CEB receive a further report if the bid is successful.**

Appendices to report

Appendix One – Full Copy of the Bid submitted on 17/09/12 to Broadband Delivery UK (BDUK – part of Government Department for Culture, Media and Sports)

Appendix Two – Additional Information provided to BDUK on 31/10/12

Appendix Three – Risk Register

Appendix Four – Equalities Impact Assessment

## **Introduction**

- 1 Government, through Broadband Delivery UK (BDUK) invited 27 smaller cities to bid for a total of £50m as phase two of the Urban

Broadband Fund (UBF) for ultrafast (80mb/s +) broadband and wireless infrastructure, particularly business focused. Government has indicated that 10 bids will be successful. Oxford was one of the cities invited to bid.

- 2 This fund builds on the £100 million fund already available to support the round one, Regional cities, to create 'super-connected cities' across the UK.
- 3 The Oxfordshire LEP kindly agreed £20k funding from the Growing Places Fund (revenue) to support the development of the bid. Oxford City Council contributed a further £10k and consultants (Regeneris working with Mott MacDonald) were engaged to lead on technical elements and deriving wider economic and social benefits to support the business case submission.

### **The Bid**

- 4 The bid is a joint bid with Oxford City Council as the lead working closely with Oxfordshire County Council to ensure that the bid complements the Oxfordshire Broadband Plan and builds on the vision and investment planned through the Oxonline project.
- 5 The full bid is attached as appendix one. A brief summary of the bid is as follows:
  - Builds on upgrades delivered through commercial upgrades in Oxford and any "white" (market failure) area investment through Oxonline.
  - Majority of spend is on Fibre to the Premise upgrade to city core and areas of business clusters, currently not getting or planned to be able to access ultrafast services.
  - Project will ensure Ultrafast broadband is available to 96% (up from 76%) of businesses and 89% (up from 84%) of residents.
  - Wireless solution is also planned for the city centre initially, as it is more commercially viable due to footfall, with plan to expand into wider parts of Oxford through working closely with eventual telecoms partner.
  - Business support aspect is integral to project to ensure businesses realise benefit and support start-ups – this is expected to integrate into the Oxonline and LEP lead projects to ensure consistency and efficiencies are realised.
  - Bid is supported by the Universities and includes a proposal to develop an International Hub for Online Learning, in partnership with the wide range of education bodies in the City.
  - There is a very strong economic case for the bid with ultrafast broadband conservatively delivering £56m gross value added for business, and the private sector will be able to operate the network and generate sufficient revenue to make it operationally viable. The total capital cost is c£5.2m with private sector funding of £230k (based on BDUK modelling).



- The bid was strengthened by commitments to the capital side of the bid totalling £750k from the City Council (£300k), County Council (£150k) and the LEP (£300k).
- 6 The bid was submitted on 17<sup>th</sup> September and offered two funding options to BDUK – the base bid as described above with a contribution of £4.25m from BDUK or extended coverage with a contribution of £5m from BDUK.
  - 7 A letter was received from BDUK on 19<sup>th</sup> October 2012 requesting additional information on areas of the bid including economic impact, risks and state aid. Our response is attached as appendix two.

### **Procurement and Delivery**

- 8 Successful bids will be announced in the Autumn Statement on 5<sup>th</sup> December 2012.
- 9 The City Council, County Council and LEP have been asked to support set up and management costs (£25k each). This will be needed to cover legal, State Aid, advisory and procurement costs at the initial stage.
- 10 Proposed project plan gives target to start project in April 2013 and finish BDUK infrastructure spend element by March 2014 as required by BDUK. The business support element will carry onto 2015.
- 11 Initial contact has been received from the assessment team at BDUK who have request further clarification on aspects of the bid including risk and state aid.
- 12 The work to date has generated strong interest in Oxford by potential telecoms investors. Therefore, even if not successful with UBF funding it provides a foundation to attract potential private investment into the city region to deliver ultrafast and wireless services.

### **Risk**

- 13 The risk register including the risk management strategy and main strategic risks associated with the project and the counter measures in place to address them are set out in appendix 3

### **Climate Change and Environmental Impact**

- 14 Ultrafast Broadband and fast wireless connectivity can have a positive impact on CO<sub>2</sub> emission reduction through changing the way we work. For example, through reducing the need for people to travel to work and travel to meetings as the broadband speeds will enable people to work smarter and use facilities such as free video conferencing and VOIP telephone services negating the need to travel. Large size data

transfer will also reduce the need for data to be moved on disks or hardware by road.

- 15 If the bid is successful then procurement will be carried out under Oxford City Council's strict procurement procedures and policies. These meet strategic objectives that include supporting our sustainability, environmental and diversity policies
- 16 Oxford City Council has a good track record of working with the telecommunications industry to provide advice on the installation of equipment. The City Council published a Telecommunications Supplementary Planning Document (SPD) which was adopted by the Council on the 3 September 2007. This SPD sets out guidance for developing telecommunications networks across the City. It aims to promote good practice and design for telecommunications equipment for new development. The advice seeks to balance environmental, visual, amenity and health concerns with the future development needs of the mobile technology networks.

### **Equalities Impact**

- 17 An initial equalities impact assessment is attached as appendix 4

### **Financial Implications for the City Council**

- 18 If the bid is successful the City Council has indicated a financial and resource commitment as follows:
  - £300,000 capital funding
  - £25,000 revenue funding towards set up and management costs
  - Staff time to lead the governance and management of the project

### **Financial Commitment from Partners**

- 19 It should be noted that other funding committed to this bid if it is successful is as follows:
  - £300,000 capital funding (in the form of a grant) from the Oxfordshire Local Enterprise Partnership
  - £25,000 grant from the Local Enterprise Partnership towards set up and management costs
  - £150,000 capital funding from Oxfordshire County Council
  - £25,000 revenue funding towards set up and management costs
  - Staff time to be involved in the governance and management of the project
- 20 Private sector investment calculated as being levered in through the public sector investment of £230k if Government provides funding of £4.25m or £540k if Government provides funding of £5m.

### **Total Funding and Potential Investment into the City**

- 21 Paragraphs 5 and 6 outline the details of the bid and the two options for funding that were presented in the bid. Full outline of the capital funding totals with an allocation of £5m from Government is summarised as follows:

Key Financial Information (Capital)			
	Fibre to the Cabinet	Wireless	Total
Partner Contributions (City, County and LEP)	£750,000	£0	£750,000
Government – Super Connected Cities Allocation	£4,609,000	£391,000	£5,000,000
Private Capital Investment	£540,000	£0	£540,000
TOTAL	£5,899,000	£391,000	£6,290,000

- 22 As illustrated, if the bid is successful a total investment of £6.3 million will be brought into the City.

### Legal Implications

- 23 If the bid is successful we will be committed to the Open tender process; our in-house procurement team will oversee an OJEU compliant tender process. Appropriate contracts will be drawn up with selected providers.
- 24 State Aid clearance will be required and section F of the attached bid gives full details.
- 25 We have closely examined the recent Birmingham State Aid clearance for their city-based broadband scheme and plan to progress along the same lines. To quote from the Birmingham State Aid approval: “The new infrastructure will be able to provide genuine ultra-fast services (i.e. 100Mbps, 1Gbps, etc) at an affordable price which is not currently provided by the market. End users will benefit from fibre to the premise and will be served by service providers offering download speeds far in excess of those available in the market today. The infrastructure will be a genuinely 'open access' NGA network offering operators and service providers' access to a full portfolio of wholesale services including ducts, dark fibre, wavelength, ethernet and co-location services.” Our plans align exactly with this position.
- 26 Our team of advisors supported Birmingham City Council in its application for State Aid clearance and have worked with us to ensure our emergent plans align with the approval granted. The planning and processes deployed in the bid match the work undertaken in preparation of the Digital Birmingham initiative. The City Council's in-house legal team have been involved in the process and are preparing to embark upon securing a formal State Aid clearance once BDUK have indicated their support for our plans. The position is being continuously monitored, and in the event that specialist legal advice of this nature is required at any stage, the Council will obtain it.

- 27 It should be noted that on Monday 22<sup>nd</sup> October 2012, BT and Virgin Media announced that they will be launching a legal challenge to the State Aid clearance given to Birmingham. It is unclear at the time of writing this report how long the challenge will take and the impact of the challenge. We will be keeping a close eye on how this develops.
- 28 Our response to Government dated 31<sup>st</sup> October (appendix 2) illustrates our commitment to be flexible in how we focus and deliver the project to minimise issues around State Aid. We have also made contact with other areas to learn lessons from them and have offered to host a workshop of successful cities with BDUK to explore joint working on implementation issues including State Aid.

**Name and contact details of author:-**

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**List of background papers:**  
**Version number: 1.3**

## **Appendix One – Bid submitted to BDUK**

The full bid submitted to BDUK is attached separately.

## **Appendix Two – Additional Information supplied to BDUK**

The additional information response to BDUK submitted on 31<sup>st</sup> October is attached separately.

## Appendix Three - Risk Management Strategy

The main strategic risks associated with the project and the counter measures in place to address them are set out below.

Main Risks and Counter Measures	
Main Risk	Counter Measures
<b>Design Risks</b>	
Ultrafast broadband overtaken by other advances in technology; requirements for network capacity increase due to developments in technology and applications.	Future proofing to provide capacity and extend services will be built into our procurement objectives. This risk is limited as fibre is a long term tried and tested step-change in technology.
<b>Development Risks</b>	
Failure/delay in obtaining state aid notification.	Plans are being made to secure State Aid approval from the EC building upon the recent Birmingham State Aid approval.
Legal challenge from unsuccessful bidders delays the programme.	A robust procurement strategy is being prepared, backed by legal advice and support from with Oxford City Council.
<b>Implementation Risks</b>	
Disagreements among partners leads to delays in delivery.	The governance structure is clearly set out and a core set of partners will be engaged formally and early in the process to ensure differences of focus are addressed.
Failure to attract a suitably qualified broadband supplier or business support provider.	Early market engagement is now taking place and lessons will be learnt from other partnerships proceeding in advance of us to minimise this risk.
Unable to achieve sufficient private sector investment.	We will continue to collate evidence on demand and develop the business support component of our initiative to provide comfort on likely level of uptake.
Costs of delivery of infrastructure increase.	Robust analysis to accurately forecast costs and develop realistic objectives has been undertaken. The competitive dialogue process will insulate Oxford City Council from cost over-runs.
Delivery by private sector does not meet standard or expectations.	Strong contract management, close contact with suppliers. KPIs and performance standards will be built into the contract.
Planning permission/way leaves leads to delays in delivery on the ground.	Strong commitment to roll out programme from Oxford City Council and Oxfordshire County Council to ensure coordination and compliance. There is a Telecommunications SPD that sets out relevant guidance.
Delivery costs exceed available budget due to unforeseen challenges.	Clear expectations set out in contracts, robust contract management, and phased delivery.
Delay in roll out of infrastructure.	Milestones will be integral to contracts and monitored closely through contract management.
Limited supplier capacity lead to delays.	Early market engagement will ensure supplier anticipation is progressively built.
<b>Demand &amp; Impact Risks</b>	
Take up lower than anticipated, may impact upon income generation for supplier and economic benefits to businesses.	Demand stimulation measures will be built into business support services.
Ultrafast broadband benefits lower than projected for businesses, affecting anticipated business performance impacts and discouraging take up.	The business support offer will be designed to ensure broadband is central to driving up ICT use in businesses.
<b>Termination risks</b>	
Network operation is discontinued at the end of the project.	The gap funding model ensures that funded infrastructure becomes part of a commercial operation.

### Potential for Risk Transfer

Risk transfer is central to the approach to procuring the required services. The principle is that risk will be passed to the party most appropriate to

managing it. For the supply of the ultrafast broadband network infrastructure, risks are apportioned as follows:

Potential for Risk Transfer				
Risk Category	Potential allocation			Notes
	Public	Private	Shared	
1. Design risk		X		Network supplier will bear design, construction, performance and operating risks. Procurement is designed to test capabilities and capacity.
2. Construction and development risk		X		
3. Transition and implementation risk		X		
4. Availability and performance risk		X		
5. Operating risk		X		
6. Implementation risk		X		Contract to be formulated to specify infrastructure deliverable and milestones directly linked to payments
7. Variability of revenue risks			X	Contracts to include clawback and gainshare mechanisms to minimise risk to public sector
8. Termination risks			X	
9. Technology and obsolescence risks		X		Asset to be owned by contractor, addressing risk attached to technological obsolescence and residual value
10. Residual value risks		X		
11. Financing risks			X	Forward planning by Oxford City Council ensures that risks to public sector & contractor are minimised
12. Legislative risks			X	

## Appendix Four – Equalities Impact Assessment

The Initial Equalities Impact Assessment is attached separately. This has been completed with advice from Jarlath Brine, Equalities & Diversity Business Partner.

# Oxford Super Connected Cities Plan

## Additional Information

### Introduction

This Paper responds to the letter from BDUK dated 19<sup>th</sup> October 2012 requesting additional information on the Oxford Super Connected Cities Plan submitted on 17<sup>th</sup> September 2012. This should be read alongside the full bid as it adds to information already provided (e.g. direct business growth and job creation resulting from UBF funding)

Information is presented in the following sections:

- |                                  |   |
|----------------------------------|---|
| 1. Economic Impacts              | providing greater detail on the positive economic impact that ultrafast broadband and wireless will have on the city                    |
| 2. State Aid and Value for Money | providing further information on our State Aid Strategy and value for money issues where there is potentially only one service provider |
| 3. Risk Register and Mitigation  | providing a detailed risk register outlining description of risks, likelihood, impact, overall risk and counter measures                |

### Section 1 – Economic Impacts

- 1.1 Oxford is a national economic asset and essential to the future of the UK and the regional economy as a whole. The city contributes £4.7bn to the UK economy and has the fifth highest GVA per capita of all UK cities – significantly higher than the national average.
- 1.2 It is the diversity of Oxford's economy which is one of its biggest strengths and has undeniably helped the city to weather the worst of the impact of the recession. This diversity includes high value knowledge-based enterprises, research and education, healthcare, manufacturing and public sector services. Its function as a significant regional centre for professional services is also important. However, future growth and success cannot be assured.
- 1.3 There is a need to support the continued growth of Oxford's knowledge economy; to ensure that new and existing companies are able to establish, develop and expand within the city and the region; and this includes addressing infrastructure constraints such as access to **ultrafast broadband and wireless infrastructure** that are holding back growth.
- 1.4 Oxford is competing in a global environment where businesses, researchers and students are internationally mobile. Oxford's "offer" needs to stand up against not only other UK cities such as Cambridge but international competitors such as Boston, Palo Alto, and Sophia Antipolis.
- 1.5 The quality, speed and accessibility of broadband are increasingly key considerations for any

business. In a global economic environment, Oxford is not simply competing with other medium sized UK cities but also internationally. Cities such as New York and Boston are investing heavily in enhancing their connectivity to support business growth and university industry links. Increasingly, a key factor in the competitiveness and liability of international cities is their digital communications infrastructure, with cities such as Helsinki leading the way.

- 1.6 If Oxford is to be successful in growing its knowledge economy then providing businesses with the broadband infrastructure they need is critical. In a city which is constrained by more traditional infrastructure capacity, ultrafast broadband is a key enabler.
- 1.7 Oxfords' concentration of knowledge focussed business locations and science parks and links to similar locations throughout Oxfordshire such as Harwell Science Park and wider Science Vale Enterprise Zone and Milton Business and Science Park – which recently supported a £10 million bid inside the City by John Radcliffe Hospital for research incubators – already place it in a unique position to attract business investment. Together with a future proof ultrafast broadband network, these locations will be high on the list for any business looking to locate in the South East.
- 1.8 The opportunity is not just business facing. Enhanced broadband can also be a tool for improving services and increasing economic opportunities for residents. Improving the accessibility and impact of education and other public services but also opening up new economic opportunities for residents.
- 1.9 Technological changes will continue to be key drivers of growth. Most obviously, digital technologies continue to change, at an accelerating pace, in every sector of the global economy. The internet has created a new segment of the economy which in the G20 countries alone was worth \$2.3trn in 2010 and is expected to be worth \$4.3trn by 2016<sup>1</sup>. Another key area of change for Oxford is in the field of low carbon technologies. BIS estimates that the global market for low carbon and environmental goods and services was £3.2trn in 2009 / 2010, £116bn of which was in the UK alone<sup>2</sup>. New technologies such as 3D printing and developments in fields and sectors where Oxford has strengths (such as biotechnology, nanotechnology) will continue to develop and mature over time. The effect of all of these trends will be to generate new employment and business opportunities. But the broadband infrastructure must be in place to ensure that Oxford and Oxfordshire can be best placed to benefit in the growth opportunities
- 1.10 A major shift is underway in Oxford's publishing houses from printed to electronic delivery, especially in the academic and specialist sectors. For example, 70% of Oxford University Press' revenue now stems from electronic material<sup>3</sup>. There is also some cross-over with the digital and computer games industry. Investments to ensure that broadband infrastructure matches the best in the world will be critical. Digital technology can allow dispersal of activity in the sector, but it is essential for the city, and Oxfordshire as a whole, to retain the sectors' critical mass which ensures that it can continue to attract and develop the best skills and workforce.

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<sup>1</sup> BCG (2012) The Connected World: The \$4.2 trillion opportunity – the internet economy in the G20

<sup>2</sup> BIS (2011) Low Carbon and Environmental Goods and Services (LCEGS) – report for 2009 / 2010

<sup>3</sup> Oxford Inspires (2011), *The Economic Impact of the Cultural and Creative Industries*



- 1.11 Oxford is the sixth most visited city in the UK by international visitors, and is a major regional tourism hub and a gateway to the region's tourism. It attracts more than 9.5 million visitors a year, around half of them international, and generates £770 million of income for local Oxford businesses<sup>4</sup>. Ultrafast broadband and wireless infrastructure and connectivity will enhance the visitor experience and enable further economic growth in this key sector.
- 1.12 Oxford has a variety of commercial creative industries. It has a particular strength in computer games and software, which crosses over with its electronic publishing industry; and to businesses specialising in digital advertising and social media. Oxford also has strong video and film-related activity. Access to ultrafast broadband is key to these sectors and will allow them to compete and grow in the global market.
- 1.13 Ultrafast broadband also brings the potential for establishing new businesses. Oxford's unrivalled research base, knowledge focussed sector strengths and skilled workforce place it in a strong position to capitalise on the opportunities for business creation brought about by cloud computing for example. Cloud computing will better enable the transition from research idea to commercialisation where small scale research teams can exploit the opportunity to establish home based businesses and collaborate with other researchers and investors from around the world.

## Section 2 – State Aid and Value for Money

### Fixed Fibre

- 2.1 Our plan is focussed on providing affordable ultra-fast fibre based services to SMEs. It is built on the Digital Birmingham proposal which asserted that although Ethernet and Leased Lines services could be run out to business in our target area, the cost to SMEs is prohibitively high and the bandwidth offered often much greater than their actual needs. To remain competitive into the future Oxford's SMEs require access to affordable broadband speeds in excess of 80mb i.e. ultra-fast broadband. Our plan is to provide these services to all SMEs which cannot currently get this level of service at an affordable price in the target area. We understand that operators have appealed against the Digital Birmingham notification and will be keeping a close watching brief on developments. Should it prove to be the case that our approach constitutes grey area overbuild and is prohibited, we will be ready to amend and narrow the scope of our plans, for instance by focusing on White area (Superfast) postcodes alone and a voucher approach, described below, for the wider area.

### Wireless

- 2.2 Our wireless scheme will complement the proposed fibre investment by providing a mobile service across our most busy centre. Our objective here is to provide entrepreneurs, visitors and residents (including our large number of students) with blanket access which allows them to work seamlessly across institutions, locations and sectors. In the first instance Oxford will pursue a wireless solution based on a concessionary approach, particularly for the central area of the city where there is high foot fall. We will in parallel continue to

<sup>4</sup> Oxford Inspires (2011), *The Economic Impact of the Cultural and Creative Industries*

pursue a subsidised solution which we understand will require State Aid approval and will monitor the evolving situation accordingly.

## Working together and being flexible

- 2.3 Throughout this whole process Oxford City Council is very keen to work closely with BDUK and other Super Connected Cities. We are ready to work together to forge a clearer State Aid position either through co-ordinated submission to Europe or an umbrella notification. **We remain committed to achieving our plans but flexible in how we get there.**
- 2.4 Oxford City Council will be happy to host a workshop that brings together the successful SCC Wave Two cities, BDUK and others to explore joint working on key issues to implementation (including State Aid).

## Vouchers

- 2.5 Although our core proposal does not rely upon vouchers as a potential delivery mechanism. We are ready to explore this route as a means to quickly meet our objectives without incurring long state aid approval delays. Vouchers would not provide us with the strategic intervention that is our preferred approach and instead risk leading to a piece-meal solution. Nevertheless it would be a demand driven approach and could potentially get to market much more quickly. We are also ready to explore a collaborative approach to vouchers, sharing overheads costs with other cities where savings can be made.

## Value for Money

- 2.6 Our detailed cost modelling and planning allow us to negotiate hard with potential bidders. We are able to refresh our cost estimates in light of arguments put forward by bidders and to engage in detailed location specific negotiations. We will continue to use our detailed cost modelling and estimates to negotiate with potential suppliers should we find ourselves in a single bidder situation.
- 2.7 We have spoken to colleagues from pilot areas to learn from their experiences - these include Cumbria, Surrey, Lancashire and Rutland. We've also spoken to Westminster City Council about their experiences in delivering a wireless concession. We will continue to ensure that we can learn from areas and cities that have already gone through similar processes to ensure that we are best prepared for all eventualities.

## Section 3 - Risk Register and Mitigations

Main Risks and Counter Measures		Likelihood	Impact	Overall (1-5)	Counter Measures
Main Risk					
<b>Design Risks</b>					
Ultrafast broadband overtaken by other advances in technology; requirements for network capacity increase due to developments in technology and applications.	L	M	2		Future proofing to provide capacity and extend services will be built into our procurement objectives. This risk is limited as fibre is a long term tried and tested step-change in technology.
<b>Development &amp; Planning Risks</b>					
Failure/delay in obtaining state aid notification.	M	H	4		Plans are being made to secure State Aid approval from the EC building upon the recent Birmingham State Aid approval. Revert to contingency plan focussed on white areas only if Birmingham State Aid appeal upheld.
Legal challenge from unsuccessful bidders delays the programme.	M	M	3		A robust procurement strategy is being prepared, backed by legal advice and support from with Oxford City Council.
Financial shortfall and budgetary controls	L	H	2		We have worked hard to confirm partner contributions The resources partners have ear-marked for our scheme are secure and committed.
Access to Infrastructure for Wireless is restricted	L	H	2		Initial review of infrastructure availability has been completed. This includes City County and University assets. Key asset stakeholders are on project board.
Disagreements among partners lead to delays in delivery.	L	M	2		The governance structure is clearly set out and a core set of partners will be engaged formally and early in the process to ensure differences of focus are addressed. We have worked with our partners at Oxford City Council to share resources where it makes sense and to align our plans.
<b>Procurement Risks</b>					
Failure to attract a suitably qualified broadband supplier or business support provider.	L	H	3		Early market engagement is now taking place and lessons will be learnt from other partnerships proceeding in advance of us to minimise this risk.
Unable to achieve sufficient private sector investment.	M	M	3		We will continue to collate evidence on demand and develop the business support component of our initiative to provide comfort on likely level of uptake.
<b>Implementation Risks</b>					
Costs of delivery of infrastructure increase.	M	L	2		Robust analysis to accurately forecast costs and develop realistic objectives has been undertaken. The competitive dialogue process will insulate Oxford City Council from cost over-runs.
Delivery by private sector does not meet standard or	L	M	2		Strong contract management, close contact with suppliers. KPIs and

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expectations.					performance standards will be built into the contract.
Planning permission/way leaves leads to delays in delivery on the ground.	L	L	1		Strong commitment to roll out programme from Oxford City Council and Oxfordshire County Council to ensure coordination and compliance. There is a Telecommunications SPD that sets out relevant guidance.
Delivery costs exceed available budget due to unforeseen challenges.	M	L	2		Clear expectations set out in contracts, robust contract management, and phased delivery.
Delay in roll out of infrastructure.	M	M	3		Milestones will be integral to contracts and monitored closely through contract management. Our team will establish clear milestones for delivery and assertively manage the contract with the network operator. We will work to be flexible in the rollout but will firmly focus attention on meeting what we know will be demanding timelines.
Access to Highways booking delays roll out	M	L	2		A member from OCC Asset Management has already been invited to Project Meetings to integrate them into the project early on to help highlight any potential problems the project may in counter further down the line. Set road booking process has been established inline with Countywide broadband project.
Limited supplier capacity lead to delays.	M	M	3		Early market engagement will ensure supplier anticipation is progressively built up.
Key member of the project team leaves organisation	M	L	2		A central folder has been created with the relevant information and regular project team meetings have been established. Also a Project Initiation Group and Project Board has been set up to discuss high level issues.
<b>Demand &amp; Impact Risks</b>					
Take up lower than anticipated, may impact upon income generation for supplier and economic benefits to businesses.	L	M	2		Demand stimulation measures will be built into business support services. Oxford has a strong economy which is attractive to many start-ups and footloose businesses. Our indigenous businesses base has a strong core of digital hungry businesses which the public sector is committed to supporting.
Ultrafast broadband benefits lower than projected for businesses, affecting anticipated business performance impacts and discouraging take up.	L	L	1		The business support offer will be designed to ensure broadband is central to driving up ICT use in businesses.
<b>Termination risks</b>					
Network operation is discontinued at the end of the project.	L	M	2		The gap funding model ensures that funded infrastructure becomes part of a commercial operation.

# Oxford City Council

## Oxford Super Connected City Broadband Plan



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**APPLICANT INFORMATION**

**Project Name:**

Oxford Super Connected Cities

**Lead organisation:**

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

**Lead Contact Details (Name) and position held:**

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OX1 1BX

**If the bid is a joint proposal, please enter the names of all participating bodies and specify the co-ordinating authority**

Co-ordinating Authority:

Oxford City Council

Participating Bodies:

Oxfordshire County Council  
Oxfordshire Local Enterprise Partnership  
The University of Oxford  
Oxford Brookes University

**Proposed start Date of Project:** 1 April 2013

**Proposed end Date of Project:** 31 March 2014

## Statements of Support

"This bid has been developed jointly by Oxford City Council and Oxfordshire County Council with strong support from the Oxfordshire Local Enterprise Partnership. Both councils and the LEP recognise the vital importance of delivering ultrafast broadband and wireless infrastructure to realise the economic potential of the City and County. This is an important and timely opportunity to support the growth of our local economy and in particular to ensure that we can remain at the international forefront in education, scientific and engineering innovation and creative excellence.

The City Council, County Council and the Local Enterprise Partnership are committing funds alongside the bid to BDUK so that the enormous economic benefits for the county can be realised.

This bid complements the Oxfordshire Broadband Strategy and both councils and the LEP will work together over the years ahead to ensure that the substantial benefits of improved broadband and wireless connectivity are felt across the whole county.

We fully support this bid and look forward to working with BDUK to deliver our ultrafast broadband vision for Oxford."

**Cllr Bob Price, Leader of Oxford City Council**

**Cllr Ian Hudspeth, Leader of Oxfordshire County Council**

**Adrian Shooter, Chairman of the Oxfordshire Local Enterprise Partnership**

"The University of Oxford supports the Oxford Super Connected Cities bid.

It is vital that ultrafast broadband and wireless infrastructure is brought into the whole city to ensure that Oxford continues to be one of the world's leading cities for education and innovation. This is key to helping the University maintain a perception among prospective staff and students that the city and University are 21st century enterprises that build on the enormous legacy and history of the University but remain visionary and forward looking.

The University has a specialist unit, Isis Innovation, with a key role to manage technology transfer and in the last 15 years has spun-out a new company every two months on average. Ultrafast broadband and wireless in the city is becoming a prerequisite to enable these fledgling companies to successfully compete and flourish in the global marketplace.

Ultrafast broadband and wireless will add to the judgement of the city by visiting dignitaries, academics, students and general visitors alike and this can only help to promote Oxford and the economy benefits that come with this.

**Anne Trefethan, Chief Information Officer, University of Oxford**

"Oxford Brookes University supports the Oxford Super Connected Cities bid. For Oxford to maintain its reputation as a leading city for education and innovation the city must have future proof ultrafast broadband and wireless infrastructure.



If this bid is successful we look forward to working alongside other education establishments in the city to develop and implement plans for an on-line learning hub in Oxford. Ultrafast broadband and wireless are key to being able to deliver a world class service that further enhances the city's reputation and educational offering.

Ultrafast broadband and wireless will also ensure that the student and visitor experience meets the demands of the 21<sup>st</sup> century, where effective connectivity is seen as an essential not an option. This will enable Oxford to continue to attract students and visitors from around the world.

In the local business context, Oxford Brookes University will be happy to work alongside partners to engage with SMEs and promote the benefits of ultrafast broadband, thus having a positive impact on the local economy. As the project develops following a successful bid we will continue to explore opportunities to offer further support to the project to deliver mutual benefits and the development of ultrafast broadband and wireless across the whole of the city."

**Professor Janet Beer, Vice-Chancellor of Oxford Brookes University**

"The importance of the visitor economy to both the Oxford and Oxfordshire is self-evident and so, to compete with other UK and European city regions, Oxford must provide a compelling offer that attracts and retains tourists and visitors alike. Visitors to Oxford increasingly expect fast internet connectivity, on the move as well as part of their accommodation package and this, taken with the well documented growth of smart phone usage as part of a contemporary lifestyle, demands that an ultrafast broadband and wireless infrastructure is in place to maintain Oxford's competitive edge in the market.

"Access to fast and reliable wireless broadband will enable a more innovative approach to visitor communication/promotion - QR Codes for example - and enhance Oxford's reputation.

"Increasingly, residents are using internet access to shop and access services, as well as manage their communication needs. And of course Oxford enjoys a dynamic student population - over 30,000 - who attend the two city based universities and teaching colleges; a population for whom broadband access is an integral part of their lifestyle. Residents, visitors and students alike will benefit from improved internet access across the city, making Oxford a more attractive place to visit, shop and study."

**Tony Stratton, Chairman of Experience Oxfordshire**

"Oxfordshire Business First champions entrepreneurship, innovation and 21st century infrastructure. We know how vital it is for businesses in Oxford and Oxfordshire to have future proof ultrafast broadband and mobile broadband to ensure that the city and the county continues to be a centre of innovation and entrepreneurship. We believe there is a need for a national strategy to enable all our businesses to compete in a global marketplace and to fuel the UK's economic growth. As a step towards implementing a strategy for an integrated digital architecture for the UK, Oxfordshire Business First supports the Oxford Super Connected Cities bid."

**Frank Nigriello, Chairman of Oxfordshire Business First**

"Delivering ultrafast broadband and wireless in Oxford is vital to ensuring the future competitiveness of the city and will provide an added attraction to inward investment and business development and growth. Oxford's economy is highly dependent on visiting students and tourists, the USP of a fast

• Oxford Super Connected City Broadband Plan •

wireless network in the city centre can only help in encouraging people to come here and enhance their experience. Meaning that Oxford can complement its unrivalled heritage attractions with the modern digital age”

**Robert Kirtland, Managing Director, Critchleys and Chairman of the ProOxford Group**

“Businesses in Oxfordshire are competitively disadvantaged by a broadband infrastructure that is not fit for purpose. As a business leader in Oxfordshire I support any initiative that is designed to bring broadband across Oxfordshire up to the hygiene level that is required to transact business today. I support the Oxford Super Connected Cities bid, but recognise that in itself it will not be enough and should only be seen as a step in the right direction. Alongside other business leaders I urge the government to commit the funding required to address the broadband deficiency at a national, rather than regional, level.”

**Stuart Miller, Co-founder and CEO of ByBox**

# A - Strategic Outline Case – Vision and Objectives

## A1 Strategic Outline Case

### 80Mb+ Ultrafast Broadband where it Counts

Our Vision is:

*Oxford Online, Everyone Everywhere:* Providing the platform for a creative knowledge hub built upon a broadband infrastructure which allows entrepreneurs, students and visitors to seamlessly work, learn, travel and communicate across all our priority institutions and locations.

This proposal sets out a crucial stepping stone towards the infrastructure Oxford needs to realise its Vision. Our first priority is to focus on white properties in the centre of Oxford taking in our businesses, visitor hot-spots and a number of university and college sites. Our goal is to:

- ensure 96% of businesses in Oxford and 89% of all premises can access fixed broadband services offering 80mbps+ and
- offer next generation wireless broadband across the city centre

The Super-Connected Cities Programme forms part of a larger programme of infrastructure investment spearheaded by OxOnline and the private and public sectors to push fibre and next generation wireless further out across the City. OxOnline projections show the County wide project delivering fibre to every cabinet in the district putting Oxford well beyond the 90% coverage target for 30mb+ superfast broadband set by the government for 2015<sup>1</sup>.

In the time available to prepare this bid we have had strong interest from providers/investors to provide additional fibre networks, if this bid is successful. They have indicated that they would develop a business case for potential anchor users which could support significant additional investment (c£50m)

Our infrastructure plans underpin the City's existing wider economic and social objectives. Moving forward, partners are committed to positioning Oxford as **An International Hub for Online Learning**. Working with the city's universities, creative /digital and publishing businesses, our ambition is to make Oxford renowned globally as the international centre for online learning. Building on our established tradition and reputation, the City will harness the excellence of its academic institutions and the know-how of its digital media and publishing businesses to become the leading hub for students wanting to access high quality online educational opportunities.<sup>2</sup>

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<sup>1</sup> Based on Analysys Mason projections undertaken for OxOnline.

<sup>2</sup> See Section E3 for more detail

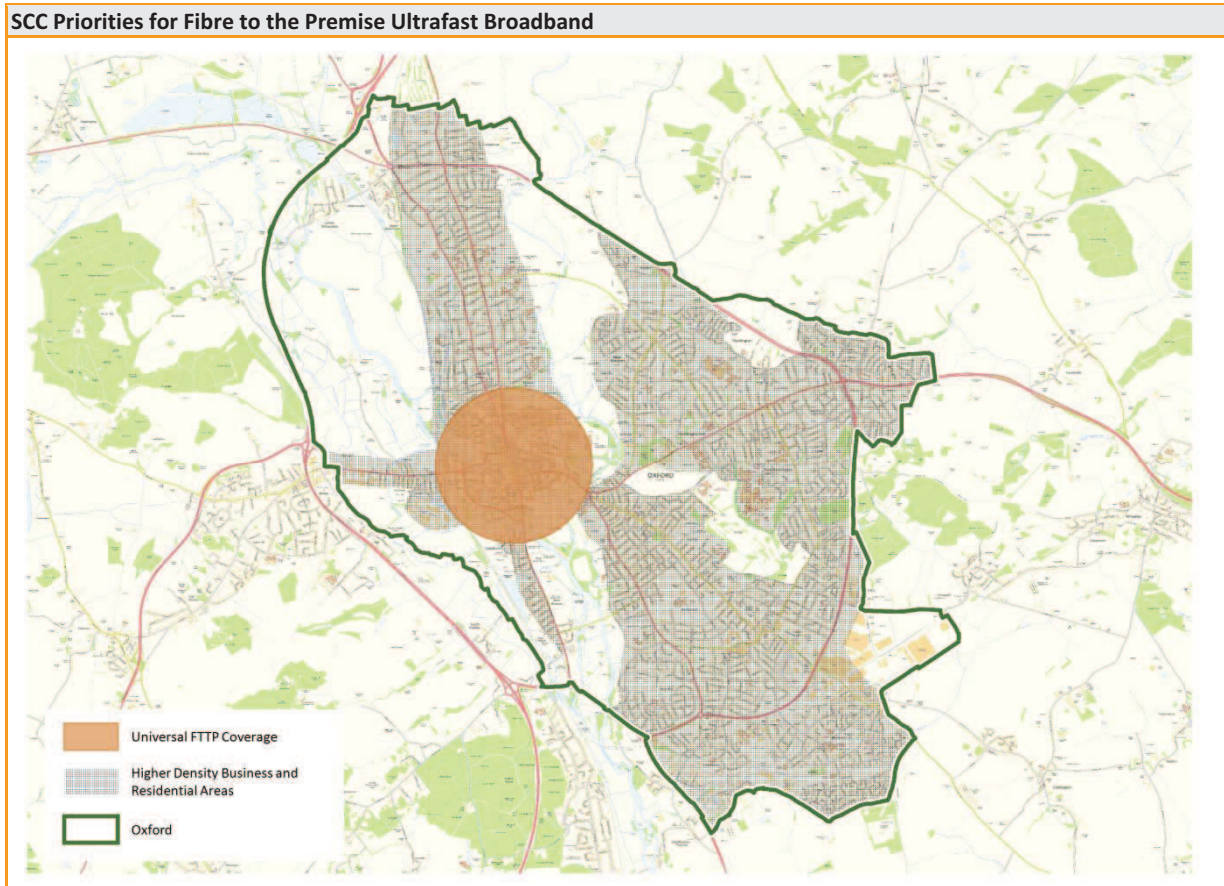
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Oxford Super Connected Cities: Priority Areas for Fibre to the Premise			
	24 -30 mb	80- 100 mb+	Wireless Overlay
Oxford Centre	2014	2014	2014
Rest of Oxford		2014	2020

OxOnline     
  Oxford SCC     
  Future Investment

We have identified a hierarchy of white priority locations (based on latest BDUK mapping files) central to our ambitions which builds on OxOnline and existing market investments:

- **Exchange Only properties<sup>3</sup>**: will accelerate these properties from basic broadband to a fibre-based ultra-fast solution
- **Oxford’s urban core** will offer near universal coverage of ultrafast broadband and superfast wireless broadband. The area is home to a number of university sites, colleges, the West End Regeneration area and Radcliffe Observatory Quarter.



<sup>3</sup> Premises not connected to BT’s core network via a cabinet and not covered by Virgin Media.

## • Oxford Super Connected City Broadband Plan •

- Higher density businesses and residential locations<sup>4</sup> in the rest of Oxford including:
  - **around the three major hospital sites** to the East (John Radcliffe, Churchill/Warneford and Nuffield) and the **Oxford Brookes University**, Headington Campus.
  - the **Northern Gateway Strategic Site** to the North
  - **Cowley Road** running to the East of the centre - a key shopping and residential location including many of the target student and academic population.

## The Strategic Context for Broadband in Oxford

Our Super Connected Cities plan is anchored within a number of key strategic commitments:

- **The Oxfordshire Local Enterprise Partnership (LEP)** is working with businesses, academia and the public sector to drive economic development across the county. Getting the county connected to superfast broadband and improving mobile phone coverage are central elements of its programme. The LEP has identified Oxford and neighbouring Science Vale UK as priority hubs for significant commercial opportunities for world class businesses.
- Oxford's **Core Strategy** aims to support carefully managed growth and innovation in education, healthcare, scientific research and manufacturing. Super Connected Cities will put in place the infrastructure needed to ensure these sectors can compete from a base in Oxford. The Core Strategy also aims to promote social inclusion and reduce inequalities through the provision of appropriate infrastructure.
- Oxfordshire's **Ox-Online** broadband plan commits £13.9m of public investment which will ensure every cabinet has fibre connectivity in the City. Oxford's Super Connected City Plan will build on that investment offering the fastest available connections direct to premises across the City.
- **The Culture Strategy 2012-15** contains the following objectives, which are particularly reliant on enhanced broadband capability for the city:
  - Commit to sustaining and growing the creative economy and encouraging more creative industries to move to the city, building on the recommendations in the Economic Impact of the Cultural and Creative Industries in Oxfordshire report, commissioned by Oxford Inspires in May 2010.
  - Explore ways to increase the amount of cultural activity that is available to audiences digitally, working with partners including NPOs in the city and Oxford ASPIRE to achieve this.
- **Britain's Superfast Broadband Future**<sup>5</sup> sets out the government strategy to ensure the UK

<sup>4</sup> All postcode areas serving at least two priority businesses will be covered. Beyond this postcode areas are only served if they have an especially high density (50+) of residential premises. This accounts for around 25 postcodes covering 1,500 premises (15% of the total not planned to receive ultrafast broadband).

<sup>5</sup> BIS and DCMS (2010) *Britain's Superfast Broadband Future*.

has the best broadband in Europe by 2015 and sets a clear goal for us to aim at. Our plans will ensure Oxford has some of the best broadband in Europe by 2015 and will mirror the national target of 90% coverage, but at the ultra-fast speed levels needed by our businesses.

- Our plans will also take the City a long way towards achieving the EU's Europe 2020 Strategy which identified ICT as a critical enabler of jobs and growth in Europe and set a target of 100% coverage of 30Mb broadband by 2020.

## Project Need

BDUK modelling data indicates that 80% of premises across Oxford currently receive ultrafast connections (ie 80Mb+) and around 3% more will receive ultrafast under the county wide OxOnline project. In order to progress towards our longer term objectives we are seeking investment to extend ultrafast connections to a significant proportion of the remaining 10,000 (17%) premises.

Furthermore the proliferation of mobile internet devices reliant on high speed wireless (up to 20-40Mb/sec) requires that Oxford City Centre is able to offer ubiquitous and high speed wireless if it is to keep pace with the expectations of visitors, businesses, students and residents.

The evidence from businesses and residents reflects this need further. The Oxfordshire Business Survey (2011 covering 1,159 businesses) underlined the business need for better broadband:

- 50% of businesses were unhappy with their current broadband speed
- Poor quality broadband is restricting business growth. 80% felt that broadband was the key to driving their business forward with more than a third (37%) stating that their success has been held back by slow broadband.
- 40% of people working from home feel the speed/quality of their broadband connection is an issue, this rises to 59% in rural areas<sup>6</sup>.

## Our Strategic Objectives

Although the specific goals of our Super Connected Cities bid relate to technology infrastructure, alongside our centre-piece initiative, the International Hub for Digital Learning, our longer term and wider objectives are for:

### 1) Economic Growth

- To provide all businesses and people working in Oxford with access to the high internet speeds in the home, at work and wirelessly across the City needed to secure the on-going competitiveness of our SMEs, and particularly those involved in education, publishing and digital media.
- To equip Oxford's learners, entrepreneurs, residents and its workforce with the complementary skills needed to harness our strong creative talent pool and position the City as a hub for online services and content.

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<sup>6</sup> Ox Voice survey 2012



## • Oxford Super Connected City Broadband Plan •

- To drive up rates of business innovation through a more effective use of ICTs.
- To strengthen Oxford's reputation as a destination for business investment backed-up with widely accessible high quality ICT infrastructure.

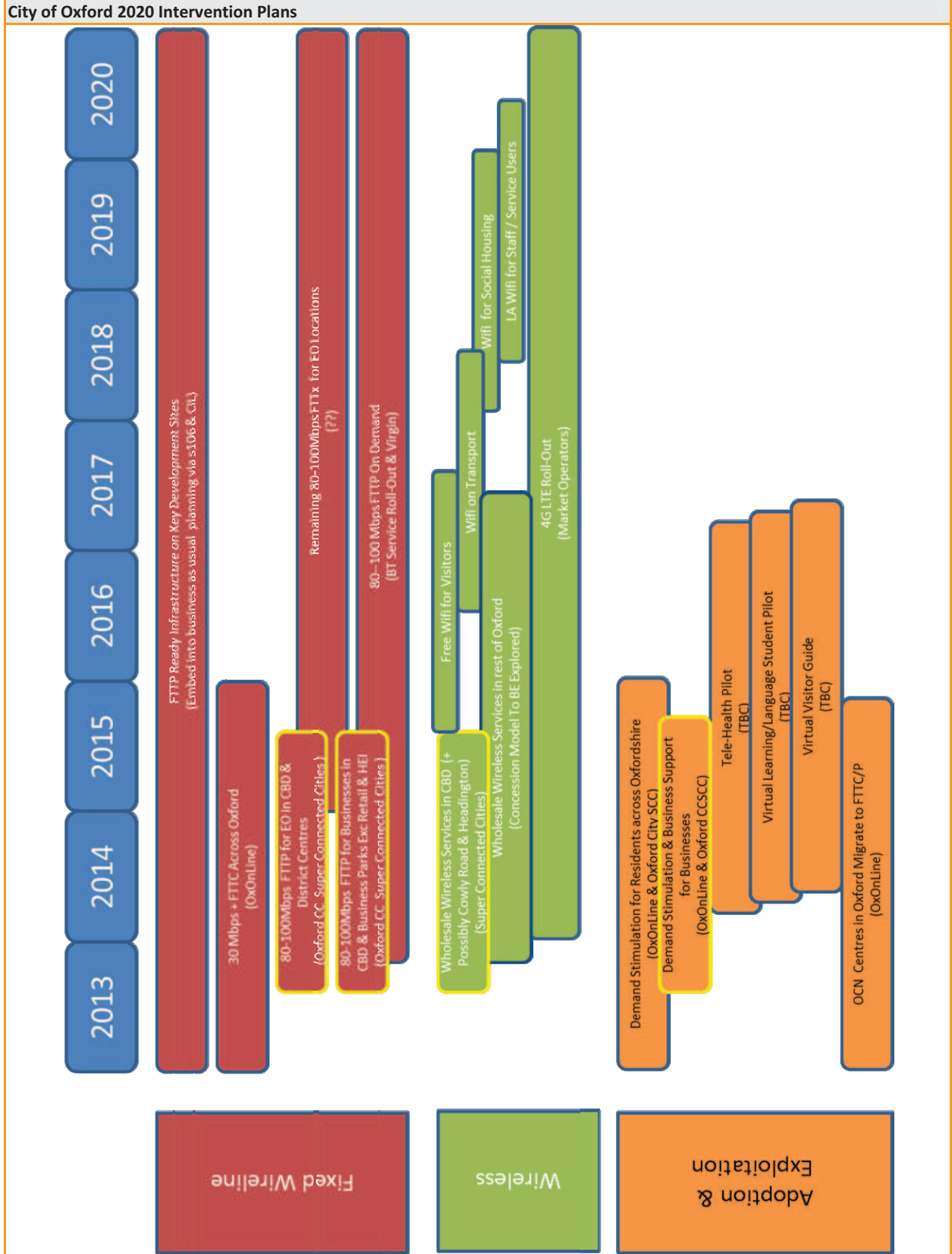
### 2) Social Objectives

- To ensure our significant base of socially deprived communities (which are at risk of falling outside commercial market rollout) can engage in the new more flexible learning and employment opportunities which depend on high-speed fixed and wireless infrastructure
- To deliver new and improved public services using ultrafast broadband infrastructure. This will achieve a step change in the quality, accessibility and cost-effectiveness of a wide range of services, from education, health and social care.

### Our Medium Term Infrastructure Plans

Super Connected Cities is simply a stepping stone towards our social and economic objectives and need to be located in wider programme of investment for Oxford. Below we set out the wider set of investment plans.

City of Oxford 2020 Intervention Plans





## Our Immediate Plans

The priority focus of our plan is a swift and decisive investment in ultrafast broadband which ensures Oxford can maintain its competitive position as a world class destination for learners, businesses and visitors. Our preferred way forward is for a gap funded solution which will deliver:

- fibre to the premises to almost 1,000 businesses and 2,500 dwellings
- next generation wireless to 750 businesses and 600 homes in the City Centre.

## A2 Expected Outputs

Our market sounding has indicated that current known levels of FTTC connectivity will not increase over the foreseeable future. All resources sought under the SCC bid will be invested in FTTP and wireless solutions and not any FTTC.

Approximate no. of premises connected:	2012-2013 (existing)	2013- 2014	Future (to 2015- 16)
<b>EXISTING FIBRE-ENABLED CABINETS AND CABLE NETWORK AREAS</b>			
<b>Existing and planned roll-out by commercial providers</b>			
Fixed broadband – total no. of dwellings passed:	56,800	56,800	Unknown
Fixed broadband – dwellings passed as % of total in City:	93.4%	93.4%	Unknown
Fixed broadband – total no. of businesses passed:	3,846	3,846	Unknown
Fixed broadband – businesses passed as % of total in City:	73.3%	73.3%	Unknown
<b>Additional connectivity to be achieved with UBF investment</b>			
Fixed broadband – total no. of dwellings passed:	0	0	0
Fixed broadband – dwellings passed as % of total in City:	0%	0%	0%
Fixed broadband – total no. of businesses passed:	0	0	0
Fixed broadband – businesses passed as % of total in City:	0%	0%	0%
<b>Cumulative additional connectivity</b>			
Fixed broadband – total no. of dwellings passed:	56,800	56,800	Unknown
Fixed broadband – dwellings passed as % of total in City:	93.4%	93.4%	Unknown
Fixed broadband – total no. of businesses passed:	3,846	3,846	Unknown
Fixed broadband – businesses passed as % of total in City:	73.3%	73.3%	Unknown
<b>FTTP DELIVERING 80Mbps OR GREATER*</b>			
<b>Existing and planned roll-out by commercial providers in the City area.</b>			
[*includes existing FTTC provision from above delivering 80Mbps or greater]			
Fixed broadband – total dwellings passed/accessible:	50,438	50,438	Unknown
Fixed broadband – dwellings passed/accessible as % of total	82.9%	82.9%	Unknown
Fixed broadband – total no. of businesses passed/accessible:	3,944	3,944	Unknown
Fixed broadband – businesses passed/accessible as % of total in City:	75.2%	75.2%	Unknown
<b>GREY/BLACK AREA FIBRE OVERBUILD TO ACHIEVE 80Mbps OR GREATER TO THE PREMISE</b>			
<b>Additional connectivity to be achieved with UBF investment over and above the infill shown in the tables above.</b>			
Fixed broadband – total no. of dwellings passed/accessible:	0	2,578	2,578
Fixed broadband – dwellings passed/accessible as % of total	0.0%	4.2%	4.2%
Fixed broadband – total no. of businesses passed/accessible:	0	981	981
Fixed broadband – businesses passed/accessible as % of total	0.0%	18.7%	18.7%

Cumulative total wireless connectivity to be achieved with Urban Broadband Fund support.			
WI-FI HOTSPOTS AND COVERAGE			
	2012-2013 (existing)	2013-2014	Future (up to 2015-16)
Wi-fi – residential covered:	0	603	603
Wi-fi – businesses covered:	0	750	750
OPTIONAL : footfall in the area covered by the Wi-fi network	600k-700k*	Unknown	Unknown
Wi-fi - % of total city centre area:	0%	74%**	74%
*Based on Springboard data covering the far smaller commercial core (George Street, Cornmarket Street and Queen Street). Spring-board-data.co.uk.			
**Equates to approximately 100% of the public accessible outdoor space			

### A3 Please indicate the expected business outputs to be achieved

Research shows that the impact of ultrafast broadband on business will be especially pronounced for knowledge based industries<sup>7</sup>. Oxford's distinct base of publishing, digital and creative, biotechnology and wider research commercialisation activities will benefit from the most dramatic boost. The move from print to electronic output in the publishing sector, the ability of small digital and creative start-ups to exploit innovations in global markets and the collaborative networks at the heart of modern medical research all show how ultrafast broadband creates wealth. The Super Connecting Cities Programme is vital for continuing competitiveness in these sectors and will provide a platform for Oxford to expand its knowledge economy, form world class business clusters and attract inward investment from innovative businesses trading in new markets around the globe.

There are also 16,600 people employed across Oxford within business sectors for which high speed connectivity is becoming either essential for survival or that could benefit significantly, in terms of sales, productivity and/or profitability, as a result of increased adoption<sup>8</sup>. Widespread ultrafast connectivity will ensure that this employment is safeguarded over the long-term.

These wider transformative and safeguarding effects at sector level will no doubt be significant but are difficult to predict in quantitative terms. The table below focuses on expected impacts among existing businesses by way of incremental improvements in productivity and start-up opportunities. They are directly attributable to the UBF investment being made.

Business growth to be achieved with UBF investment			
	2013-2014	Future	Totals
<i>Business start-ups resulting from UBF funding</i>	1	35	36
<i>Jobs created as a result of UBF funding</i>	2	178	181
<i>Anticipated extra Gross Value Added (GVA) due to UBF in £'m</i>	£0.5	£52.7	£53.2

An illustration of how impact estimates have been generated is provided in Appendix A.

## B – Project Management Structure & Governance

<sup>7</sup> Micus Management (2008). The Productivity Benefits of Next Generation Broadband

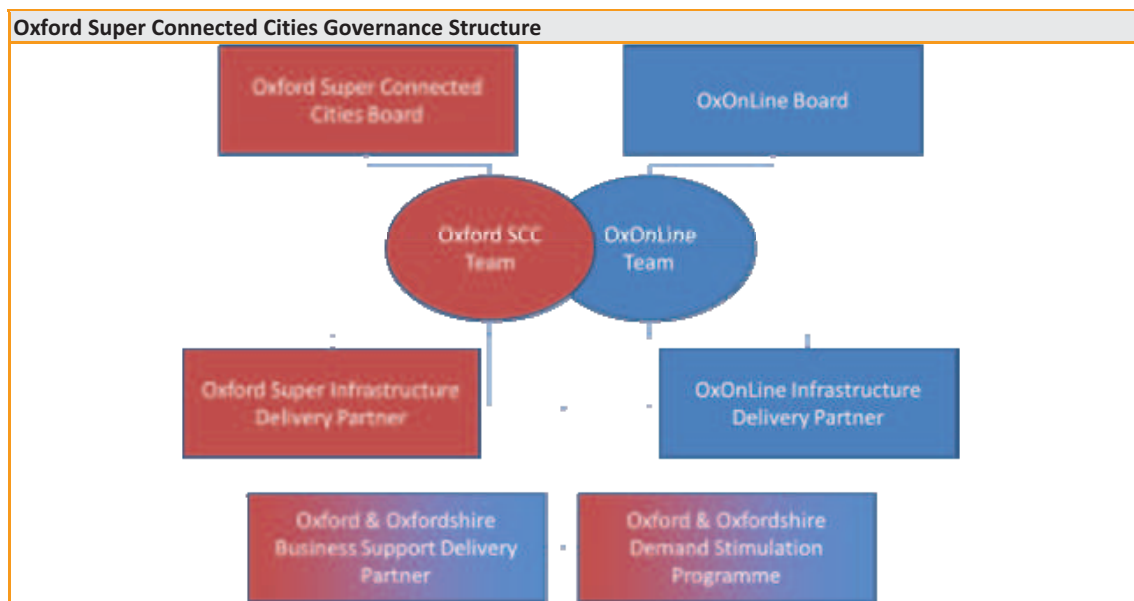
<sup>8</sup> These sectors principally include manufacturing, building and transport technologies, screen image and sound, specialist business and professional services, ICT, environmental technologies and medical technologies.

## B1 Project governance structure and terms of reference

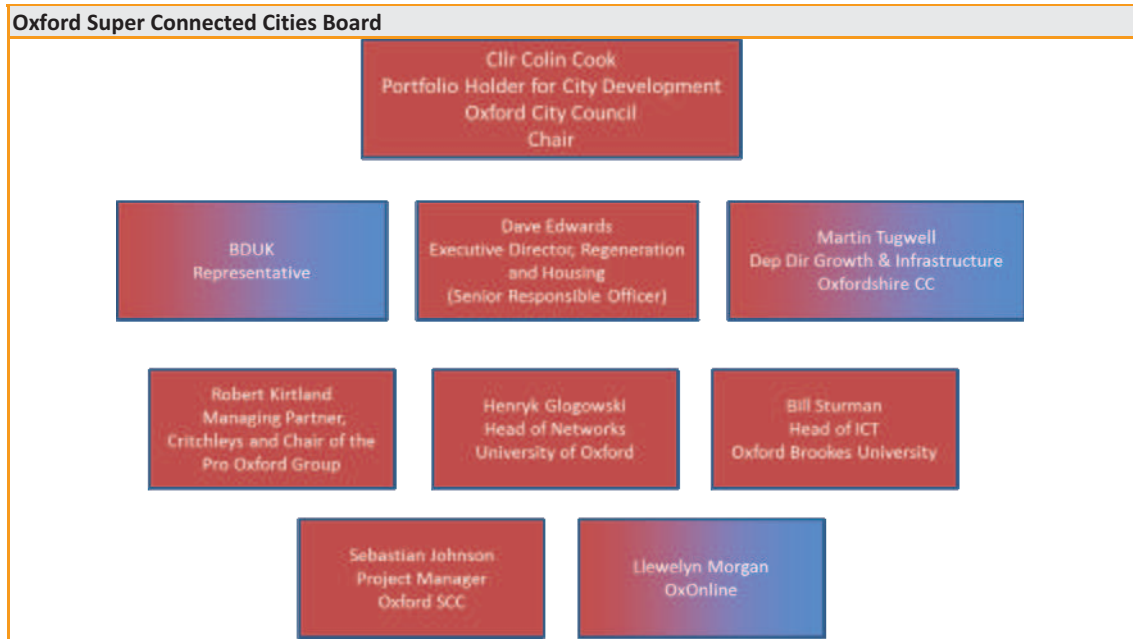
The proposed Oxford Super Connected Cities (SCC) governance structure aligns with the OxOnline governance structure to maximise efficiency, make best use of the expertise available and ensure close alignment with the roll-out of the parallel initiative, particularly in the shared elements of demand stimulation and business support. At the same time our approach is designed to provide clear lines of accountability to our respective investors and partners and ensure the Super Connect Cities Programme succeeds as a standalone initiative.

The Oxford Super Connected Cities Board will be responsible for:

- setting the overall strategic direction of the initiative
- ensuring proper alignment between the technological and infrastructure focus of the BDUK investment and parallel initiatives to drive up demand and exploitation of broadband
- monitoring the performance and impact of the initiative to stakeholders
- ensuring the proper investment of public money and accounting to investors on value for money.

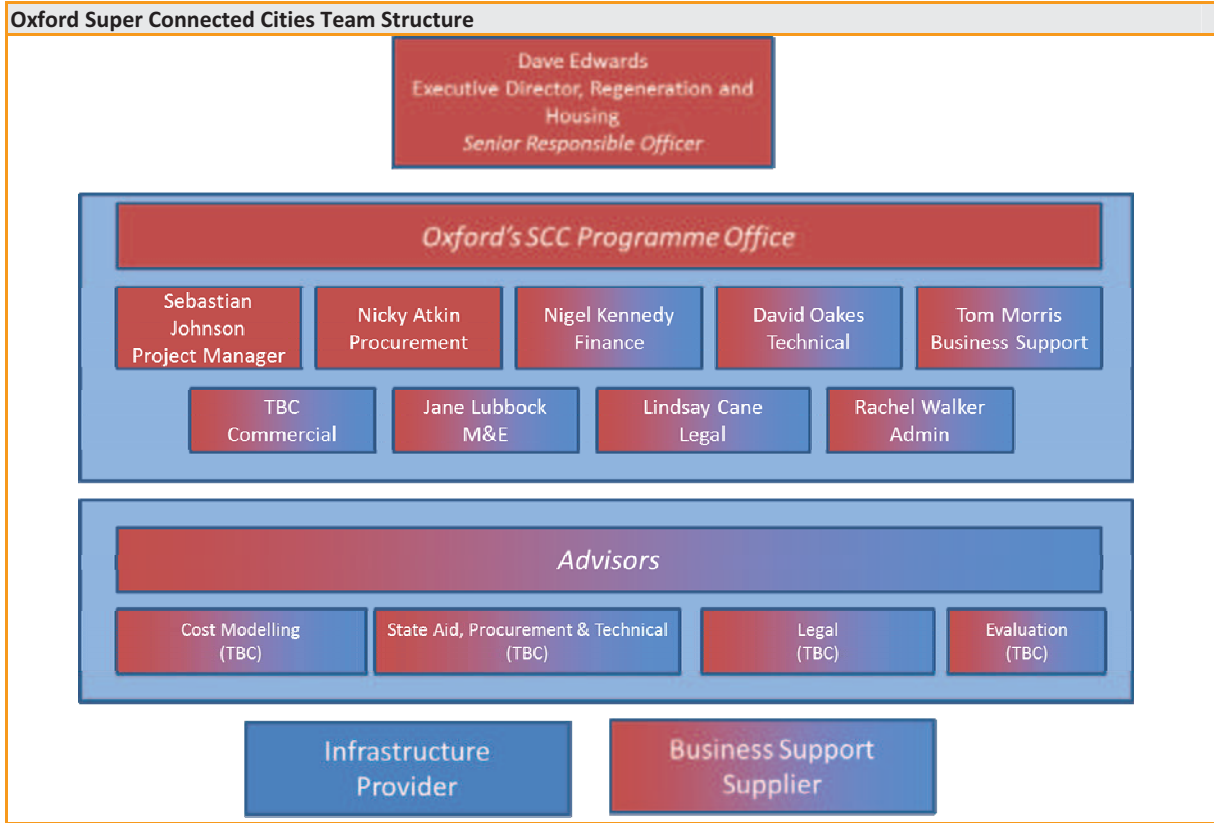


The Oxford SCC Board will be a focused group representing the main strategic and investment partners with a real stake in the performance in the initiative. The Board will contain representatives from the City and County Councils, our two University partners, a business representative and OxOnline. The Programme Team will be represented by the Project Manager and each of the delivery partners we appoint will be present at all board meetings.



## B2 Project Management Team By Function

We plan to co-ordinate the Super Connected Cities project with a small team working closely with the OxOnline team and sharing resources wherever possible. The SCC initiative will have its own Senior Responsible Officer and day to day Project Manager, plus a dedicated in-house procurement resource to safeguard the requirements and interests of Oxford City Council. We plan to formalise our close working relationships with the OxOnline team and look to share the resources both initiatives require for financial, technical, business support, commercial, monitoring & evaluation, legal support and administrative purposes. Our respective in-house teams will be complemented, where required by external advisors. At present we expect to require some external support on cost modelling, state aid, procurement, technical matters, legal advice and in due course for evaluation of the impact and performance of our service.



Oxford City Council has already procured support from Regeneris Consulting and Mott MacDonald to assist with Cost Modelling and to provide early advice on preparation for other stands of activity expected downstream. We will procure any additional support as required using Oxford City Council’s established procedures. Our current proposed timetable is:

Timetable for Securing Support	
Support	Commencing
State Aid	Oct 2012
Procurement	Oct 2012
Legal	Apr 2013
Evaluation	Sept 2014

### B3 Risk Management Strategy

The main strategic risks associated with the project and the counter measures in place to address them are set out below.

Main Risks and Counter Measures	
Main Risk	Counter Measures
<b>Design Risks</b>	
Ultrafast broadband overtaken by other advances in technology; requirements for network capacity increase due to developments in technology and applications.	Future proofing to provide capacity and extend services will be built into our procurement objectives. This risk is limited as fibre is a long term tried and tested step-change in technology.
<b>Development Risks</b>	
Failure/delay in obtaining state aid notification.	Plans are being made to secure State Aid approval from the EC building upon the recent Birmingham State Aid approval.
Legal challenge from unsuccessful bidders delays the programme.	A robust procurement strategy is being prepared, backed by legal advice and support from with Oxford City Council.

Implementation Risks	
Disagreements among partners leads to delays in delivery.	The governance structure is clearly set out and a core set of partners will be engaged formally and early in the process to ensure differences of focus are addressed.
Failure to attract a suitably qualified broadband supplier or business support provider.	Early market engagement is now taking place and lessons will be learnt from other partnerships proceeding in advance of us to minimise this risk.
Unable to achieve sufficient private sector investment.	We will continue to collate evidence on demand and develop the business support component of our initiative to provide comfort on likely level of uptake.
Costs of delivery of infrastructure increase.	Robust analysis to accurately forecast costs and develop realistic objectives has been undertaken. The competitive dialogue process will insulate Oxford City Council from cost over-runs.
Delivery by private sector does not meet standard or expectations.	Strong contract management, close contact with suppliers. KPIs and performance standards will be built into the contract.
Planning permission/way leaves leads to delays in delivery on the ground.	Strong commitment to roll out programme from Oxford City Council and Oxfordshire County Council to ensure coordination and compliance. There is a Telecommunications SPD that sets out relevant guidance.
Delivery costs exceed available budget due to unforeseen challenges.	Clear expectations set out in contracts, robust contract management, and phased delivery.
Delay in roll out of infrastructure.	Milestones will be integral to contracts and monitored closely through contract management.
Limited supplier capacity lead to delays.	Early market engagement will ensure supplier anticipation is progressively built.
Demand & Impact Risks	
Take up lower than anticipated, may impact upon income generation for supplier and economic benefits to businesses.	Demand stimulation measures will be built into business support services.
Ultrafast broadband benefits lower than projected for businesses, affecting anticipated business performance impacts and discouraging take up.	The business support offer will be designed to ensure broadband is central to driving up ICT use in businesses.
Termination risks	
Network operation is discontinued at the end of the project.	The gap funding model ensures that funded infrastructure becomes part of a commercial operation.

## B4 Indicators To Monitor The Implementation And Effectiveness

The table below sets out the range of indicators which the partnership will assemble in order to monitor the roll out of the network infrastructure and the associated business support service. In due course we would evaluate the impact of the initiative which will involve additional reporting at a minimum on economic growth, job creation, business formation and public sector service efficiency gains.

Category	Type	Indicator
Network Infrastructure	Fibre	Newly Laid (km)
		Leased (km)
		Made Accessible (km)
	Wireless	New Wireless Coverage (m2)
	Network Operations & Structure	Points of Presence Wireless Base Stations
Business Support	Services Delivered	Level 1 Introductory Events
		Level 2 One-to-One Visit
		Level 3 Diagnostic Review
		Level 4 Project Support/Mentoring
		Level 5 Workshops
	On Line Resources	
	Total Businesses Assisted	

Reach	Premises with 80Mb Available	Residential Premises
		Business Premises
		Mixed Use Premises
Exploit	Premises Signed Up for 80Mb Service	Residential Premises
		Business Premises
		Mixed Use Premises
	Marketing	Service Retailers Sign Up
	Public Sector Migration	Sites Connected

## C – Funding And Resources

### C1 Capital, Revenue and Non-Cash Resources

The project combines £4.25m UBF funding with £750k partner contributions (Oxford City Council, Oxfordshire County Council and the Oxfordshire Local Enterprise Partnership) and a minimum £230,000 investment from the private sector to fund the capital cost associated with the extension of fibre to premises and creation of a new open access wireless network across the city centre. The private operator will also be responsible for the operation of the network at a cost of £1.7m over 12 years.

However in sections C3 and C7 we have illustrated options and benefits to be gained if BDUK were to supply funding of £5m

Also crucial to the successful implementation of the SCC plan is the infrastructure investment being made by the County wide OxOnline project. At an estimated cost of £4.1m, OxOnline will bring fibre broadband to all those cabinets in Oxford which are yet to be connected. This will deliver ultrafast speeds to around 2,000 premises and 840 businesses in our target area not getting a 80Mb service. The SCC project will provide fibre direct to premises enhancing ultrafast connectivity.

This investment in infrastructure will be complemented with a parallel commitment to offer support and advice to businesses with the potential to better compete and grow using advanced digital technologies. This package of support and demand stimulation will be delivered in concert with Ox Online and further detail is provided in E1 and G1.

In addition to the capital resources set out above, the partners will also fund set up costs estimated at £100k including management and delivery costs.

#### Non-Cash Resources

Oxford City Council will make available to potential network providers buildings, street furniture and other relevant assets to facilitate the roll out of next generation wireless services. Oxford City has identified five high rise tower-blocks and eleven tall buildings, some 13,300 standard lamp posts, a small cluster of which are already part of an on-going wireless trial to allow central control and management.

The annual rental of a lamp post is typically around £100 so for our proposed next generation wireless network, with 73 access points, we could offer a potential annual opex saving of around £7,300. A typical annual rental for a rooftop is more like £1,000.

In addition existing and planned ducting will be utilised wherever possible. Oxford University has



indicated it has approximately 300m of duct network around the city which in principle is available to facilitate the roll out of an FTTP network by a potential carrier; subject to due diligence by both parties.

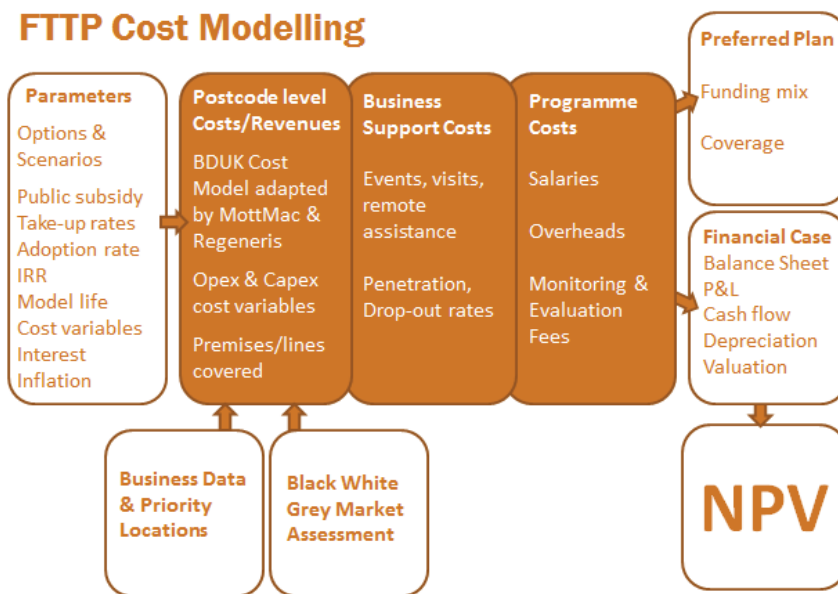
## C2 Modelling to arrive at the funding estimate

Costs associated with the capital investment, operation and revenues generated by the proposed network solution have been modelled for wireless and fixed line Fibre to the Premise (FTTP) broadband. We recognise that the final solution will need to be designed and delivered by the market place and so have not developed any detailed or prescriptive plans, however our expectation is that the network operator will initially establish a fibre ring around the core target area which can be extended out to the remaining white properties in our bid area and potentially extended further out to other properties in the medium term.

### Fibre to the Premise

Costs for Fibre to the Premise have been estimated by building on assumptions in the BDUK Cost Model for Oxfordshire and adapted by Regeneris Consulting and Mott Macdonald<sup>9</sup>. Business data sourced from Bureau Van Dijk is used to help determine the targeting of network coverage.

#### Cost Modelling



Costs are based on the following core assumptions:

- **A 12 year model lifespan** - this is a typical period over which a private sector operator would assess commercial viability
- **Ultrafast broadband take-up of 40%** - current take up of ADSL broadband is around 70%.

<sup>9</sup> The assumptions and structure of the Cost Model are subject to a Non-Disclosure Agreement but we can provide a more detailed summary on request.



## • Oxford Super Connected City Broadband Plan •

We believe it is plausible that take up of ultrafast broadband will reach 40% within four years as more services and applications become available

- **Wholesale Revenue Streams** – based on a charge of £7.50 pcm per customer (in line with industry expectations)
- **Optimism bias at 5%** - as suggested by BDUK in their cost modelling
- **A 10% discount rate** – this reflects the likely private sector demand for return over time and is supported for use by BDUK.

### Wireless

Costs associated with the wireless network covering 1.95km<sup>2</sup> of the city centre have been developed separately and use the latest available information on the capital and operational costs associated with and strength of service delivered by wireless access points in similar city centre investments.

In order for the wireless plan to be commercially viable, 1,500 subscribers would need to sign up to the service on a monthly basis at a cost of £7.50. Footfall data gathered by Springboard<sup>10</sup> suggests that the potential customer base can reasonably be expected to reach between 600,000 and 700,000 every week around the commercial core. Therefore only a very small proportion of our weekly footfall (1,500 or 0.25%) would need to subscribe per month in order to ensure the commercial case for the wireless scheme.

## C3 Capital and Revenue Funding

As mentioned in section C1, we have illustrated below a Base Bid of £4.25m funding and an option for £5m of funding giving additional coverage.

### The Base Bid – UBF SCC allocation of £4.25m

The network has prioritised roll-out to businesses and stretches to the point that the plan remains commercially viable for a private sector operator but stops short of subsidising private sector to roll-out in areas it is expected that they might invest in without our support. This is reflected in a NPV of the network of as close to zero as is possible.

Key Financial Information			
£000	FTTP	Wireless	Total
Partner Contributions	750	0	£750
SCC Allocation	£3,859	£391	£4,250
CAPEX	£4,839	£391	£5,230
Private CAPEX Investment Requirement	£230	£0	£230
NPV			~£0

### Additional coverage – UBF SCC allocation of £5m

With an allocation of £5m from the Urban Broadband Fund (Super Connected Cities) the roll-out will

<sup>10</sup> <http://www.spring-board-data.co.uk/>

## • Oxford Super Connected City Broadband Plan •

cover an additional 1,600 premises the vast majority of which are residential. This is a 61% increase from 2,580 to 4,160 and would raise overall ultrafast coverage from 87.7% to 90.3%.

In adding to the overall level public funding available for investment by £750,000, the commercial case for investing in new areas of Oxford emerges; the increase in investment acting as a subsidy for those areas that would not be commercially viable to the market otherwise. There is therefore potential to lever additional private sector capital investment by £210,000 and to increase the spread of the network further still.

Key Financial Information			
£000	FTTP	Wireless	Total
Partner Contributions	750	0	£750
SCC Allocation	£4,609	£391	£5,000
CAPEX	£5,900	£391	£6,290
Private CAPEX Investment Requirement	£540	£0	£543
NPV			~£0

A spread sheet showing the precise assumptions and calculations can be supplied to explain our cost and revenue assumptions.

In addition to the capital resources set out above, the partners will also fund set up costs estimated at £100k including management and delivery costs.

## C4 Commercial Model

### A Gap Funded Network

The most straightforward intervention approach is to enter into a simple gap funded arrangement with the private sector. Based on our cost and revenue modelling, achieving our coverage objectives would require a public sector contribution of £5m to help cover the costs with partners procuring through an OJEU compliant process a co-investor to own, build and operate a wholesale open access ultrafast broadband network for Oxford. A wide range of competing service providers would be free to offer services over the network to residential and commercial end-users.

By intelligently deploying a combination of public and private investment, we believe we can maximise returns for the public sector, make best use of available private sector investment potential and capitalise upon operational expertise and capacity in the marketplace. Ownership of and operational costs associated with the network will be covered by the operator and met through on going revenue streams. Oxford City Council can accommodate the proposed VAT arrangements set out in the guidance.

This approach will isolate operating risks, secure access to existing expertise, leverage private sector investment and minimise market distortion.

Our plan is clear and we are committed to ensuring we progress as far as we can towards our longer term objectives as quickly as the investment climate permits. We remain responsive to changing opportunities and conditions around us. We recognise that alternative routes towards our goals may be required and are ready to deploy other approaches if required. While progressing our preferred way forward we will continue to monitor the viability of:

- **A Two Stage Programme:** market sentiment may mean that a staged approach building on

an initial investment in priority sites, followed by a further build out to other locations once revenues and demand are more certain. Our preference is for a single phase scheme which reaches to the maximum number of businesses quickly.

- **A Voucher Scheme:** a targeted demand-led scheme to assist SMEs with the excess build costs involved in securing ultra-fast broadband services. Our preference is for a pro-active and strategically driven investment which ensures Oxford can offer all businesses ultra-fast broadband across the City.
- **Wireless Concession:** although our early market soundings have revealed limited interest in a subsidy-free wireless solution, we remain open to overtures and ready to support commercial operators wishing to work with our existing infrastructure. Our preference is to ensure a next generation wireless service is in place and available ahead of competitor destinations.

### Potential for Risk Transfer

Risk transfer is central to the approach to procuring the required services. The principle is that risk will be passed to the party most appropriate to managing it. For the supply of the ultrafast broadband network infrastructure, risks are apportioned as follows:

Potential for Risk Transfer				
Risk Category	Potential allocation			Notes
	Public	Private	Shared	
1. Design risk		X		Network supplier will bear design, construction, performance and operating risks. Procurement is designed to test capabilities and capacity.
2. Construction and development risk		X		
3. Transition and implementation risk		X		
4. Availability and performance risk		X		
5. Operating risk		X		
6. Implementation risk		X		Contract to be formulated to specify infrastructure deliverable and milestones directly linked to payments
7. Variability of revenue risks			X	Contracts to include clawback and gainshare mechanisms to minimise risk to public sector
8. Termination risks			X	
9. Technology and obsolescence risks		X		Asset to be owned by contractor, addressing risk attached to technological obsolescence and residual value
10. Residual value risks		X		
11. Financing risks			X	Forward planning by Oxford City Council ensures that risks to public sector & contractor are minimised
12. Legislative risks			X	

### Proposed Charging Mechanisms

The contractor will be required to deliver against specified outputs, milestones and service standards. The payment mechanisms will entail:

- Clearly defined and capped payments
- Proportionate and timely payments linked to the submission and payment of claims by Oxford City Council.

The contract for the network supply component of the project will include claw back arrangements covering the following:

## • Oxford Super Connected City Broadband Plan •

- capital under-spend against forecast: either Oxford will be entitled to receive payment from the contractor, or the contractor will be obliged to submit a plan setting out how the funds will be reinvested in the network
- take up of ultrafast broadband exceeds forecast: in these circumstances, the operator will be generating higher than forecast revenue. Oxford City Council will be entitled either to funding for reinvestment in proportion to the above forecast revenues, or will agree a plan for reinvestment with the contractor.
- potentially additional service revenue exceeds forecast: where other revenues are secured similar claw back mechanisms may be explored during procurement.

### Proposed Key Contractual Clauses

The contract for the construction and operation of an ultrafast broadband service will run for an initial period of seven years. The key contractual clauses for network construction and operation will be drawn from the BDUK Framework for rural projects which are expected to include the aspects mentioned above, plus:

- asset management: the Contractor will be responsible for all activities and risk in designing, constructing, operating and maintaining the assets it owns
- existing assets: the Contractor can use public assets that it feels are beneficial with due consideration and for return at the end of the contract period
- benchmarking: alongside claw-back and gain share mentioned above, the Contractor will need to benchmark its wholesale telecoms prices as per Stage Aid requirements
- general operations: the latest interoperability (NICC and associated) standards will apply, as will the relevant legal and regulatory regime
- milestones: suppliers of both the network and business support/demand stimulation services will be required to operate to milestones which include volumes and scope of activities to be delivered by given periods.

### C5 Infrastructure Ownership

The chosen operator will own the network infrastructure. The commercial life-span of the network will exceed that of the project and the costs projected here. During the course of gap funding negotiations agreement will be forged on a process for identifying the terminal value of the asset and the level of expected revenues and surpluses above which claw-back will be invoked.

### C6 Strategy for Realising Benefits and Value for Money

From start to finish the project will be guided towards successful delivery of its core objectives:

- A competitive tendering process will be focussed on securing the strongest approach to economic, social and educational outcomes possible and an innovative solution to infrastructure and technology deployment

• Oxford Super Connected City Broadband Plan •

- A dedicated project team and board working (as previously outlined at B1) in partnership with key local organisations will be focussed on delivery and oversight through on-going evaluation and monitoring of performance indicators focussed on the progression of successful network roll-out, business engagement and up-take.

Value for money will be secured through world class infrastructure and targeted demand and support services:

- All UBF funding will be spent maximising coverage of future proof wireless and fibre infrastructure, to the people in greatest need and those best placed to exploit it; businesses, visitors and public sector organisations providing vital services
- The impacts generated as users adopt ultrafast services will be boosted by County wide delivery of a comprehensive and targeted package of business support to ensure SMEs have the ability to exploit opportunities for productivity enhancements, market access and product and process innovation.

## C7 Proposed funding make up

As mentioned in sections C1 and C3, we have illustrated below a Base Bid of £4.25m funding and an option for £5m of funding giving additional coverage.

### The Base Bid – UBF SCC allocation of £4.25m

Description of initiative or technological approach	How will the capital funding be spent?			
	£000	2013-2014	Future	Total
FTTP	UBF Funding Request (£000)	£3,859	£3,859	£3,859
	Partner Contributions (£000)	£750	£750	£750
Wireless	UBF Funding Request (£000)	£391	£391	£391
	Partner Contributions (£000)	£0	£0	£0
<b>Total</b>	<b>UBF Funding Request (£000)</b>	<b>£4,250</b>	<b>£4,250</b>	<b>£4,250</b>
	<b>Partner Contributions Value</b>	<b>£750</b>	<b>£750</b>	<b>£750</b>

### Additional coverage – UBF SCC allocation of £5m

Description of initiative or technological approach	How will the capital funding be spent?			
	£000	2013-2014	Future	Total
FTTP	UBF Funding Request (£000)	£4,609	£4,609	£4,609
	Partner Contributions (£000)	£750	£750	£750
Wireless	UBF Funding Request (£000)	£391	£391	£391
	Partner Contributions (£000)	£0	£0	£0
<b>Total</b>	<b>UBF Funding Request (£000)</b>	<b>£5,000</b>	<b>£5,000</b>	<b>£5,000</b>
	<b>Partner Contributions Value</b>	<b>£750</b>	<b>£750</b>	<b>£750</b>

In addition to the capital resources set out above, the partners will also fund set up costs estimated at £100k including management and delivery costs.

## D – Delivery and procurement plans

## D1 Scope of the Project

Oxford City Council will lead the procurement process that will see a private sector supplier of:

- an ultra-fast wholesale open access broadband network providing speeds in excess of 80mbps in our target locations across the City
- a next generation open access wireless infrastructure covering the City Centre.

The procurement will be conducted in accordance with the UK Public Contracts Regulation. The decision to procure a private sector supplier is intended to deliver best value and is underpinned by the following principles:

- **Maximise value for money:** the selection of suppliers for each service will be based on the most economically advantageous bid
- **Optimise choice:** partners are keen to select from the best range of potential suppliers in each delivery area
- **Secure innovation:** partners are keen to explore innovative solutions which are adapted to Oxford's unique assets, requirements and opportunities
- **Simplicity:** although running two separate procurements will create additional workload early in the process, the on-going management, reporting and delivery should be more transparent and manageable
- **Better risk management:** allows the separate risks to be better understood, managed.

At the same time, we will work with Oxfordshire County Council and the Oxfordshire Local Enterprise Partnership to develop an appropriate package of business support.

## Required services

The key requirement of the products and services to be provided is to:

- Gap fund the roll out of ultra-fast broadband infrastructure with a wholesale telecommunications provider, which will support affordable broadband retail services available to businesses in our target priority areas

## Procurement Strategy and Implementation Timescales

Oxford city Council operates under strict procurement procedures and policies to meet the following strategic objectives:

- Delivering best whole life value for money
- Compliance with all relevant legislation
- Open and transparent, providing all necessary safeguards against fraud and corruption
- Are properly documented, providing clear audit trails

• Oxford Super Connected City Broadband Plan •

- Ensures active and widespread involvement with stakeholders, and
- Support our sustainability, environmental and diversity policies.

Our established sourcing processes will be followed as shown below.



We remain open to the idea of using existing procurement channels although these each have their own challenges:

- OxOnline has already launched its procurement and unless our objectives fit with the specification issued, will not be able to accommodate our scheme
- BDUK Framework has been developed for rural final third projects and has a narrow field of potential suppliers which potentially limits scope for innovative solutions to emerge for our urban ultra-fast plans.

## D2 Project Plan

We expect the most effective route will be a full OJEU procurement exercise carried out by Oxford City Council, albeit one which closely aligns the core principles of the BDUK approach. The activities and timescales remaining in the procurement of the network supplier are as detailed in the latest Project Plan. The timescales are expected to be:

- Jan 2013 – Contract Award
- April 2014 – Network Roll-Out & BDUK SCC Capital Spend Complete
- June 2019 – Contract Completion



**Oxford Super Connected Cities Project Plan**

ID	Project Name	Days	Start	End	3rd qtr 2012	4th qtr 2012	1st qtr 2013	2nd qtr 2013	3rd qtr 2013	4th qtr 2013	1st qtr 2014	2nd qtr 2014	3rd qtr 2014	4th qtr 2014
<b>1.0</b>	<b>SCC Application</b>			17/09/2012										
1.1	Secure Complementary Investment	51	09/07/2012	17/09/2012										
1.1.1	Conclude Internal OCC Considerations	3	09/07/2012	17/09/2012										
<b>1.2</b>	<b>State Aid</b>	43	01/11/2012	31/12/2012										
1.2.1	State aid non-paper	25	01/11/2012	26/11/2012										
1.2.2	Commission Reflections	30	01/12/2012	31/12/2012										
1.2.3	State Aid Simplified Papers	30	01/01/2013	31/01/2013										
1.2.4	Commission Reflections	30	01/02/2013	03/03/2013										
1.2.5	State Aid Approval	1	05/03/2013	06/03/2013										
<b>1.3</b>	<b>Infrastructure Procurement</b>	175	01/08/2012	02/04/2013										
1.3.1	Market sounding	25	01/08/2012	26/08/2012										
1.3.2	Issue tender	1	01/04/2013	02/04/2013										
1.3.3	Confirm preferred bidder	1	01/08/2013	02/08/2013										
1.3.4	Award contract	1	01/10/2013	02/10/2013										
<b>1.4</b>	<b>Business Support Procurement</b>	131	01/11/2012	02/05/2013										
1.4.1	Market sounding	1	01/11/2012	02/11/2012										
1.4.2	Issue tender	25	01/01/2013	26/01/2013										
1.4.3	Confirm preferred bidder	1	01/03/2013	02/03/2013										
1.4.4	Award contract	1	01/05/2013	02/05/2013										
<b>1.5</b>	<b>Delivery</b>	215	01/07/2013	27/04/2014										
1.5.1	Network Rollout	300	01/07/2013	27/04/2014										
1.5.2	Business Support Delivery	400	01/03/2013	05/04/2014										
1.5.3	Wireless Network Activated	1	01/11/2013	02/11/2013										
1.5.4	First FTTP Connection	1	01/08/2013	02/08/2013										
1.5.5	Wireless Network Activated	1	01/09/2013	02/09/2013										
1.5.7	First Business Assist	1	01/04/2013	02/04/2013										
<b>1.6</b>	<b>Management &amp; Governance</b>	371	01/07/2013	01/12/2014										
1.6.1	SCC Quarterly Board Meeting		01/07/2013	01/07/2013										
1.6.2	Quarterly Contract Performance Review		01/03/2013	01/03/2013										
1.6.3	Performance & Impact Evaluation	30	01/11/2014	01/12/2014										

These timescales will be firmed up and provided in more detail in the final Contract Agreement.

A separate procurement will be carried out for the provision of the business support component of the project in conjunction with OxOnline once the full investment requirement is approved. This procurement will be carried out under an OJEU process with a prequalification questionnaire exercise to be followed by a full tendering process to select a single contractor for the service. The contractor is expected to be in place by March 2013.

**D3 Expediting Installation of New Infrastructure**

Oxford City Council has a good track record of working with the telecommunications industry to provide advice on the installation of equipment. The City Council published a Telecommunications Supplementary Planning Document (SPD) which was adopted by the Council on the 3 September 2007. This SPD sets out guidance for developing telecommunications networks across the City. It aims to promote good practice and design for telecommunications equipment for new development. The advice seeks to balance environmental, visual, amenity and health concerns with the future development needs of the mobile technology networks.

Oxford is covered by a two-tier arrangement. The County Council as Highway Authority is responsible for issuing any relevant permissions or way leaves for works to the highway and or pavement areas. In these cases there is a clear line of communication between the City and County Council in determining such agreements. This established partnership working would be used to assist any potential network operator in expediting these permissions.

If this bid is successful, on completion of the procurement process, the network operator would be invited to an early meeting with the City and County Council to discuss its proposals in principle with relevant officers, including highways, planning and property. The network operator would then be invited to prepare a master plan to show the location and type of works and apparatus involved together with its phasing. In the case of planning for example pre-application discussions could then





be arranged between the City Development Team and the operator. The City Council will be able to provide detailed advice on any planning permissions, and 'permitted development' under Part 24, development by telecommunications code systems operators, of the General Permitted Development Order 2001. Other works, such as for example the siting of any new cabinets in Conservation Areas, would be likely to require permission but officer advice would be provided on most suitable locations.

## D4 Engagement with Large Private Owners of Property and Land

Oxford City Council, Oxfordshire County Council, the University of Oxford and Oxford Brookes University are all significant landowners and central partners to this initiative. Each organisation has provided support for this bid. The City Council would be willing to facilitate an initial meeting with other relevant land owners to explain the broad aims and benefits of the project, and allow the successful network operator to make a more detailed presentation.

## D5 Fit With Government's Approach To Using SMEs In Delivery<sup>11</sup>

Oxford City Council will run fully open procurements for all elements of its next generation broadband infrastructure. All companies will be encouraged to bid and a series of market consultations and briefing days will be organised to facilitate this.

The open access nature of the proposed network will also facilitate the development of smaller and innovative retail service providers to offer new services. Oxford is keen to encourage the emergence of more local ISPs, content developers, systems integrators and ICT specialists.

Our Digital Online Hub Initiative is configured to engage creative digital media SMEs to capitalise on the opportunity for developing and hosting digital learning content.

# E – Digital-led economic growth and innovation

## E1 Job Creation Initiatives and Strategies to Attract New Businesses

Oxford City Council and its partners will back the investment in ultrafast broadband infrastructure with a package of business support. Our plans will assist SMEs to connect to the ultrafast broadband network, to fully understand and exploit the commercial benefits it offers and provide the technical and practical support that may be required for businesses to really capitalise. We will provide packages of support to Oxford business. A menu of activities will be drawn from:

- **Level 1 – Introductory Events:** stimulate demand for ultrafast broadband connections through events, online and printed material and other media. A series of initial engagement events open to all 3,900 SMEs in Oxford will highlight the potential benefits of broadband connections, drawing on local businesses to help communicate the scale and type of commercial benefits involved.
- **Level 2 – Online Support:** a website / online portal providing information on the different

<sup>11</sup> See <http://www.cabinetoffice.gov.uk/content/small-and-medium-enterprise-sme-action-plans>

options for broadband connectivity with case studies of businesses that have successfully benefitted from ultrafast broadband in Oxford.

- **Level 3 – Face to Face:** a number of SMEs will be offered an ICT diagnostic review to assess their needs and options in more detail. The diagnostic will establish whether the SME should go on to receive further intensive one-to-one mentoring and advice to assist with implementation and management of digital commercial strategies.
- **Level 4 – Follow-up & Brokerage:** all clients that receive one-to-one assistance will be signposted to other types of support where there is an identified need.

## E2 How Our Business Will Use High-Speed Connectivity

It is widely agreed that ultrafast broadband can be a driver for both increased productivity and innovation.

Although the specific mechanisms of how this happens are very varied and evolving as new technologies, services and markets emerge, a recent study by Cisco<sup>12</sup> has provided evidence that ultrafast broadband can increase productivity. An Australian case study<sup>13</sup> found that businesses with access to broadband secure cost savings up to 6.3%, compared to 4.8% under first generation broadband. In Britain, a report by the Institute of Directors<sup>14</sup> suggests that 84% of businesses using broadband have boosted their productivity and delivered cost savings while increasing profits, while 17% noticed revenue increases.

Given the superior speeds and functionality of ultrafast broadband, it is reasonable to assume there will be further increases in productivity and cost savings for businesses adopting ultrafast broadband in Oxford. The business support programme outlined in Section G is an integral part of the Super Connected Cities bid.

The real benefits accrue when businesses embed the technologies and applications which rely on broadband into their operations to improve their productivity and long-term competitiveness. Although these applications are already in use by businesses, their adoption, and the benefits they generate, will accelerate as faster broadband speeds become ubiquitous.

- **Cloud Computing** – Firms will be able to adopt “software as a service” (SaaS) on demand to avoid large upfront hardware and software costs. Many companies and organisations (including Oxford City Council) are already beginning to implement cloud solutions. Ultrafast broadband funding will allow more businesses to make better use of the new opportunities and shift their cost structure.
- **Rich Interactive Communications** – Ultrafast broadband will permit high definition, real-time video conferencing. This offers a faster, clearer and smoother service that is available through ADSL lines. The key business benefits it offers include a richer way of interacting

<sup>12</sup> Cisco Internet Business Solutions Group (IBSG) (2012) *Get Up to Speed: How Developed Countries Can Benefit from Deploying Ultrafast Broadband Infrastructures*.

<sup>13</sup> The Allen Consulting (2003) *True Broadband – Exploring the Economic Impacts*

<sup>14</sup> Institute of Directors (2004) *Benefits of Broadband on British Businesses*

with suppliers, clients and collaborators, reducing the need for business trips – saving both time and money while supporting higher levels of labour productivity. Adaptive/interactive content will be essential in creating the programmes’ plan for an International Online Learning Hub and video conferencing will be essential in delivering parts of the business support programme (including **intensive online support** as well as **one-to-one** elements).

- **Collaborative Content Development** – The ability to quickly upload large quantities of data allows businesses a number of productivity benefits. It increases security and reliability by increasing the speed at which data is backed up. Faster upload speeds also meant that it is easier to build, maintain and edit websites as well as reducing the costs associated with sharing and distributing data or new content. Real time collaboration with customers and associates will be essential for the digital sector for example.

The use of the above technologies and applications will also make it easier for firms to implement **flexible working practices**. Cloud computing means that employees do not need to be in the office to use particular hardware and software, and can instead access it from anywhere as long as they have an internet connection. This will also open up new job opportunities for people facing barriers to work and will put Oxford in a position to better tap into wider (e.g. London) labour and business markets.

### Which Business Stand to Gain?

“Oxford has a long history as both a centre of educational and scientific excellence, and as a prominent manufacturing centre. Oxford contributes approximately £4.7bn to the UK economy<sup>15</sup> and plays a vital role in the wider Oxfordshire economy. Oxford’s GVA per capita is ... the fifth highest ... of any city in the UK, and significantly higher than the national average”<sup>16</sup>. Oxford has a number of distinctive sectors which need access to ultrafast broadband connections in order to secure productivity enhancements, attract new businesses, develop new products and access markets and collaborators globally. Three key clusters have a vital and unique role in Oxford’s economy and are central to our growth plans. These sectors will be targeted in our business support package and demand registration/stimulation activities:

- **Publishing:** strong links with Oxford’s academic institutions and computer games industry has helped the publishing sector to thrive. We have over 100 publishing businesses providing over 3,500 jobs<sup>17</sup>. Five of Oxford’s 100 largest employers are publishers and Oxford University Press is a global leader in academic publishing. Other significant firms include Pearson Education, Wiley, Blackwell, Macmillan, Osprey, Hart and Lion Hudson.

A major shift is underway in Oxford’s publishing houses from printed to electronic delivery; for example, 70% of Oxford University Press’ revenue now stems from electronic material<sup>18</sup>. As a result the ability of publishers to upload content, offer online services and therefore access the optimum broadband connections will be crucial in facilitating this shift and consolidating the sectors

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<sup>15</sup> Based on GVA per capita data from: Centre for Cities (2009); and population data from: ONS (2011) Mid-Year Population Estimates

<sup>16</sup> Oxford Economic Narrative, June 2012, Shared Intelligence

<sup>17</sup> ONS (2011) Business Register and Employment Survey

<sup>18</sup> Oxford Inspires (2011), *The Economic Impact of the Cultural and Creative Industries*

dominance.

- **Creative and Digital:** Oxford is home to significant clusters of computer games and software, digital advertising, social media, video and film-related businesses<sup>19</sup>. User participation and interactive participation stand at the heart of advances in the types of digital content provided by these firms.

Ultrafast broadband will allow businesses to upload digital content far more quickly and efficiently. Enterprise software companies for example are increasingly providing “software as services” (SaaS) accessed over the web<sup>20</sup>. It will open the door to small scale creative and digital start-ups capable of offering services online at low cost, allow existing firms to enhance the efficiency with which they deliver services and access global markets and contribute to the creation of a distinct cluster capable of attracting inward investment.

- **Biotechnology:** The biotechnology sector in Oxford has strengths in drug discovery and development and medical technology and imaging. It benefits from links with a world class research base and sustains 7,200 jobs across Oxfordshire. During the economic downturn 28 biotechnology companies were established in Oxfordshire (2008 to 2010), 24 of which were start-ups or spin-outs and 1,500 jobs are expected to be created in the sector over the next three years<sup>21</sup>.

Productive and innovative R&D activity of the type bio-tech research organisations are engaged depends on accessing and sharing knowledge, the flow of data, collaboration between researchers and the implementation of advanced modelling tools can all benefit from broadband enabled technologies.

### E3 Proposals for Leveraging Innovation, Development & Public Services

#### “Oxford: An International Hub for Online Learning”

**Vision:** At the centre of our plans lies an ambition to make Oxford renowned globally as the international centre for online learning. Building on established tradition and reputation, the City will harness the excellence of its academic institutions and the know-how of its digital media and publishing businesses to become the leading hub for students wanting to access high quality online educational opportunities.

**Partners:** The University of Oxford, Oxford Brookes University, Oxford and Cherwell Valley College, Oxford’s language schools, academic publishing companies, digital media creative and online publishing businesses, leading technologies companies (e.g. Google, Microsoft).

**The Opportunity:** Oxford already has an international reputation as a destination for students from around the world. New technology is now making interactive learning the obvious way for many people to acquire new skills, to better their education and to pursue research interests, all using

<sup>19</sup> Location Oxfordshire was established in 2009 as an organisation to attract film makers to the county.

<sup>20</sup> Laird, Peter (5 June 2008). "How Oracle, IBM, SAP, Microsoft, and Intuit are Responding to the SaaS Revolution". Laird OnDemand. Blogspot

<sup>21</sup> Oxford Biotechnology Network (2011) OBN Biocluster Report 2011: Transition

digital technologies. Learning materials, seminars, lectures and libraries are now increasingly all being accessed via the web from across the globe. Oxford's base of publishing companies and digital media creative business, as well as its potential to link with some of the world's best known technology brands can provide the springboard for the City to become a hub for the creation, hosting and dissemination of online learning tools and opportunities. The City is committed to exploring new economic models such as individual text book chapter purchase or even 'rental' for a period of time. Locally this initiative can also widen participation in education (potentially supporting apprenticeships schemes with academic content) and linking into schools and joint educational learning environments.

Education services already account for a substantial portion of the UK's trade with overseas countries and make a positive contribution to the UK's balance of payments. Pressures to reduce migration and the environmental impacts of travel are pushing us to look at innovative ways of securing the foothold the UK already has. This will be a huge market as developing economies grow and English consolidates its position as the international language of learning and business.

The level of coverage and speed provided by the super connected cities project will provide a platform for collaborative content production between commercial and educational institutions which, allied with the City's longstanding reputation for excellence, puts it in a unique position to secure a significant share of this market.

## Health

Developments in elderly care, simplified autonomous living, remote diagnosis and home care provision are frequently cited among the potential benefits of next generation broadband.

E-health can improve patients' overall experience of the NHS through **telehealth** (remote capturing and relay of physiological measurements from their home for clinical review and early intervention), **telecare** (including a range of alarms and sensors in the home to enable independent living) and **tele-consultations** (video consultations and routine surveillance appointments between clinicians and patients) while reducing the need for unnecessary hospital admissions.

NHS Oxfordshire is committed to new healthcare technologies to reach its local population in an unprecedented and cost effective way through an effective digital engagement strategy:

"Work has already started with the development of 'Talking Health' to meet people's information needs, deliver tailored information, consult and create feedback loops so as to hear what people have to say and ultimately drive service transformation" (NHS Oxfordshire Engagement Strategy).

## Delivering Council Services

Ultrafast broadband will allow innovative services, higher quality and more agile services to be delivered to all residents, 24 hours 7-days-a-week. A strategic review of Directgov in 2010 noted that if 30% of all government services are provided online, savings of £1.3 billion a year could be achieved<sup>22</sup>. Both the City and County Council are focussed on capitalising on the wide ranging benefits ultrafast broadband:

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<sup>22</sup> Martha Lane Fox (2010) *Directgov 2010 and Beyond: Revolution Not Evolution*

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- Streamlined council operations deliver significant cost and carbon savings
- Council services available anytime and anywhere offering users increased flexibility and choice
- The digital divide across our communities will be narrowed enabling more people to access services online, on equal terms, regardless of social group, age, or disability.
- Engagement with traditionally hard to reach groups such as young people or those newly arriving from abroad (e.g. through social media). Next generation broadband also allows more scope for community participation, in reporting problems, responding to consultations, surveys and council plans,
- Peak demand can be relieved giving council staff more time to focus on delivery to those most in need of help.

Specific applications are being actively explored by Oxford City Council and Oxfordshire County Council in order that these benefits are brought about:

- Video applications for repairs tutorials for tenants, online training, recycling advice, and help with benefit or planning applications
- Live web chat to communicate directly with our customers
- Live webcasts of Council meetings and web streaming of community events
- Internal use of video-conferencing, VOIP services and webinars to reduce travel and accommodation costs.

Oxford City Council still retains a major stock of social housing and so is well placed to accelerate implementation of these kinds of services to large numbers of households.

## E4 Stimulating Additional Private Sector Investment

Project partners have already started to engage with potential private sector investors and both City and County Councils are committed to securing buy-in and where possible additional investment from private sector partners. Specifically, the project has been designed to unlock private sector by:

- Providing the bulk of investment required to make priority white areas attractive for investment and working with partners to release existing public sector assets that will facilitate further the potential for expansion by a private provider
- High-speed wireless rollout is attractive to the private sector in high footfall areas – we will use UBF to support rollout where the commercial case is not viable, leveraging private investment into those areas where it is.

We believe there is significant potential to unlock additional substantial private sector investment (estimated at c£50m), if this bid is successful. In the limited time available we have held preliminary discussions with investors/providers who have indicated that if this bid is successful they would wish to fund complementary fibre networks in the city. But this can only be progressed once the bid is approved and a full business case presented to anchor users.



The City Council and partners are eager to continue to explore these opportunities along with BDUK over the coming months.

## E5 Raising Skills Levels in the Local Population

Research by the Greater London Authority<sup>23</sup> suggests that barriers to the adoption and use of ICTs by socially excluded groups are usually correlated with a number of socio-economic factors. Socio-personal factors such as income, low levels of education, low skilled jobs, unemployment and lack of technology skills, act as barriers to the adoption and use of ICTs.

Data by the Office for National Statistics (ONS) shows that in 2010 around a fifth of all households without internet access in GB had no interest in connecting to the Internet. To ensure that this number is reduced in Oxford we renew our commitment to work with all relevant partners to target excluded groups<sup>24</sup> and help them back into the world of work.

High speed broadband will enable the socially excluded more flexible working practices and opportunities to up-skill through e-Learning programmes by making learning more flexible, allowing people to take courses in their spare time and at a distance from the learning institution. The result is that the local labour market from which employers recruit would be widened and the participation and employment rate would both increase.

# F – Strategy for Achieving State Aid Compliance

## F1 State Aid Compliance and Commercial Models

We have closely examined the recent Birmingham State Aid clearance for their city-based broadband scheme and plan to progress along the same lines. To quote from the Birmingham State Aid approval: “The new infrastructure will be able to provide genuine ultra-fast services (i.e. 100Mbps, 1Gbps, etc) at an affordable price which is not currently provided by the market. End users will benefit from fibre to the premise and will be served by service providers offering download speeds far in excess of those available in the market today. The infrastructure will be a genuinely 'open access' NGA network offering operators and service providers' access to a full portfolio of wholesale services including ducts, dark fibre, wavelength, ethernet and co-location services.” Our plans align exactly with this position and to further underline how our plans align with the State Aid framework, we are committed to the following:

- **Detailed mapping:** our plan has been built upon BDUK mapping and industry engagement and will serve White postcodes. See appendix B for detailed map outputs and further details.
- **Open tender process:** we are preparing our in-house procurement team to oversee and OJEU compliant tender process
- **MEAT:** our procurement will select the Most Economically Advantageous Tender

<sup>23</sup> Greater London Authority (2002) *The Digital Divide in a World City*.

<sup>24</sup> Including, but not exclusive to people claiming lone parent benefits, incapacity benefits, Severe Disablement Allowance (SDA), Disability Living Allowance (DLA) or Carers Allowance.

- **Technological neutrality:** although our costings have been based on known technologies, these simply represent pre-tender estimates. The procurement will focus on end-user levels of service and allow the market to come forward with its own technological solutions.
- **Use of existing infrastructure:** we have mapped our own infrastructure and are ready to endow these facilities into the process. Likewise we fully expect bidders to avoid wasteful duplication (and costs) by making best use of existing infrastructure.
- **Wholesale access:** third party retailers and service providers will be granted access for a minimum of 7 years to compete to ensure choice and competition.
- **Benchmarking price:** our procurement will make it explicitly clear that wholesale prices in comparable locations will be monitored and aligned with prevailing market rates to avoid distortion
- **Clawback mechanism:** will be included in the contract to avoid over-compensation. A reverse payment mechanism will be invoked once revenues/uptake exceed agreed levels.

## F2 Experience of similar models that have received State Aid approval

Our team of advisors supported Birmingham City Council in its application for State Aid clearance and have worked with us to ensure our emergent plans align with the approval granted. The planning and processes deployed in the bid match the work undertaken in preparation of the Digital Birmingham initiative. The City Council's in-house legal team have been involved in the process and are preparing to embark upon securing a formal State Aid clearance once BDUK have indicated their support for our plans. Subject to procurement and resources, Oxford City Council will buy-in expert legal advice to ensure continuity and that the material required by the Commission is of the requisite standard and to ensure the efficient progress of the plans through the commission's process.

# G – Education, profile-raising & demand stimulation

## G1 Demand Stimulation and Registration Activities for Consumers

We understand the importance of not excluding against any section of society, especially the older generations. A report by AgeUK and Fujitsu<sup>25</sup> identifies this as a major challenge to the online delivery of public services, and suggests that one of the reasons stopping older people from using the internet is poor access and connectivity. As such we renew our commitment to not only provide ultrafast connectivity, but also work with partners to focus on:

- fostering a greater awareness of the benefits of next generation access
- training (i.e. technical support, advice and guidance) to promote and encourage digital inclusion for everyone.

<sup>25</sup> AgeUK, Fujitsu (2011) *Offline Government Services and the Offline Older Generation*



Work on registering and stimulating demand is already underway as part of OxOnline being led by our partner and colleagues at Oxfordshire County Council and a number of approaches are being proposed:

- a project website that can communicate to and register the details of interested parties and key stakeholders, be used to gather crucial supply and demand survey evidence
- marketing materials and engagement with local business and other media and news providers to raise the profile of the campaign on the benefits of ultrafast broadband to local communities
- use social media to facilitate interactive discussion with communities
- the successful network provider will be incentivised to expand their commercial demand and engagement work to include target communities
- 23 Broadband Champions have already come forward at County level and training is taking place in co-ordination with the BDUK GoOn team.


## G2 Proposals for Education, Information and Demand-Building Activities

The Oxfordshire Business survey carried out last year established the likely demand from businesses for faster connectivity (See A1 'Project Need' for the key findings). In addition, two digital summits were held at County level in 2011 and Oxfordshire Business First (a supporter of this bid) held a conference in 2012 to engage business stakeholders and assess requirements.

On top of this and complimentary to the activities proposed for residents under G1 and the business support package outlined under E1, specific activities are planned to stimulate demand among businesses:

- Promote business support offer through existing business networks (eg through business organisations, business and science parks and university-business linkages) targeting the sectors and clustered outlined in E2 in particular
- Capitalising on the commercial incentive among private operators to drive uptake of services as high as possible. Existing private sector providers are willing to invest in education, information, and demand building to ensure that take-up is high.

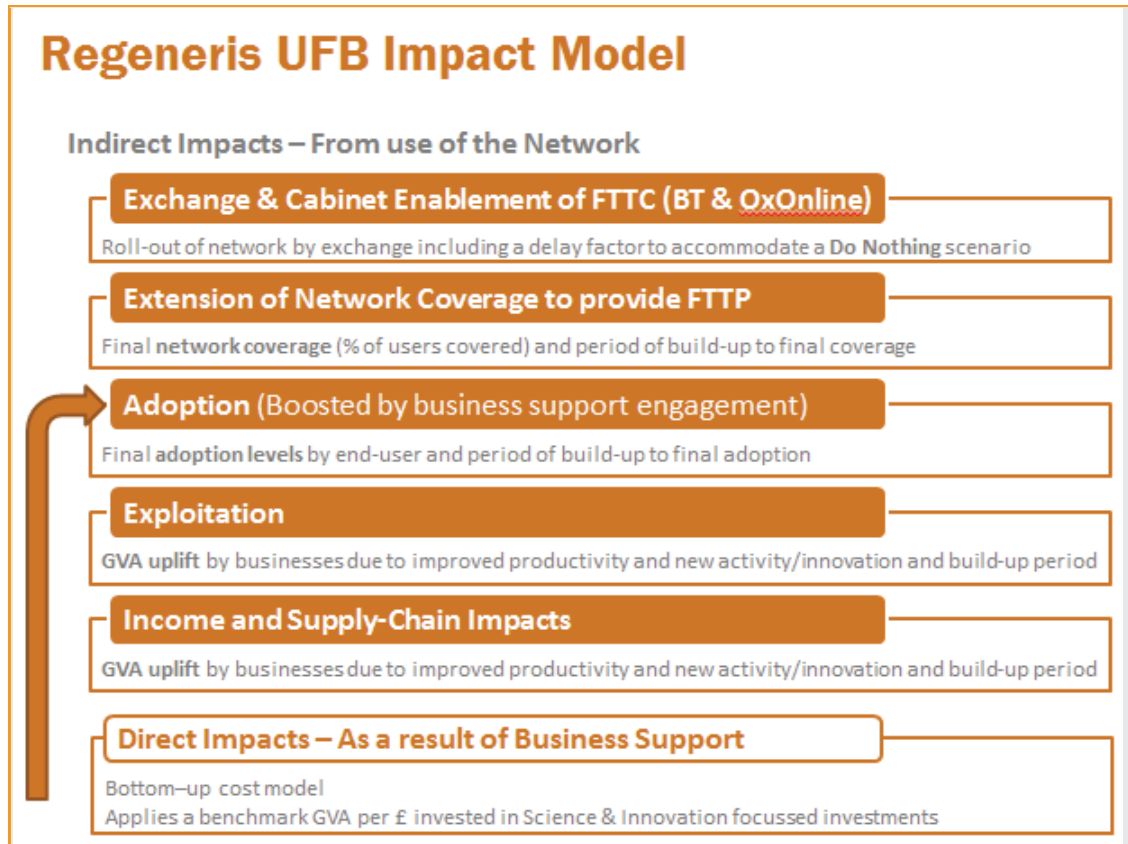
Sign off by Local Authority CEO

Name of proposal: <b>Oxford Super Connected City Broadband Plan</b>	
I verify that this proposal to the Ultrafast Broadband Fund fits with corporate policy	
Signed: 	
Name: <b>Peter Sloman</b>	
Job Title: <b>Chief Executive</b>	Date: <b>14<sup>th</sup> September 2012</b>

The Oxford Super Connected City Broadband Plan is supported by the following organisations:



# Appendix A - GVA and Job Estimates: Methodology



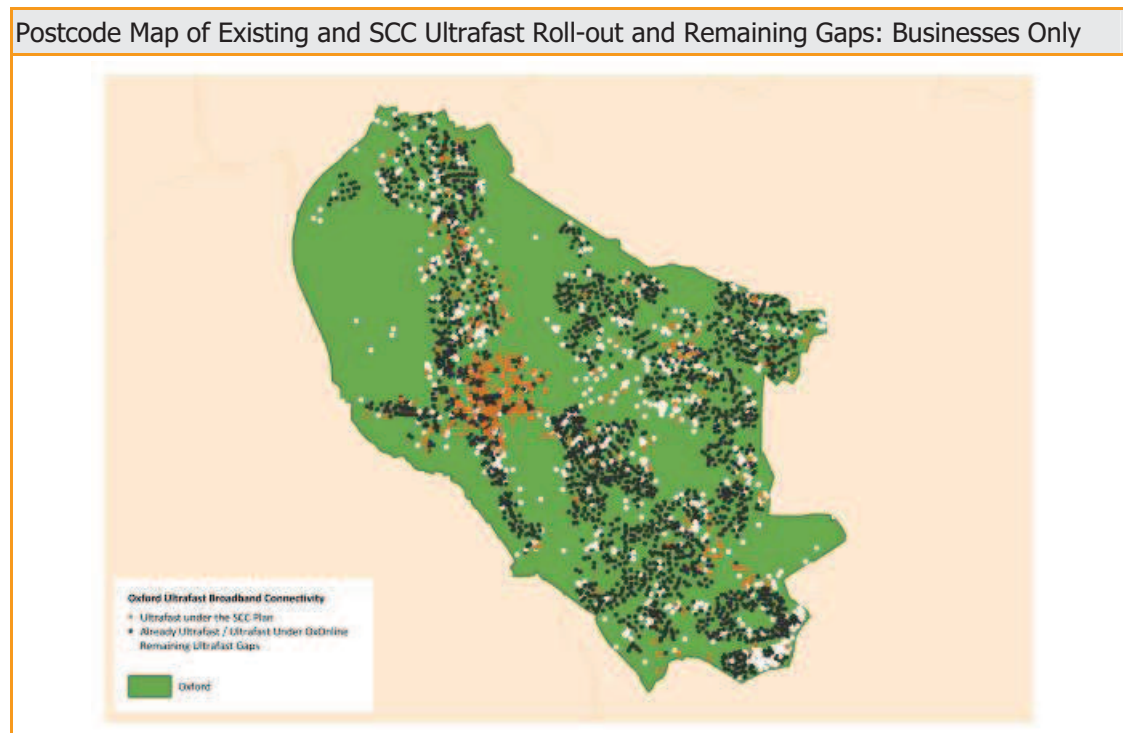
## Appendix B - Project Maps & State Aid

For planning purposes and to show our appreciation of State Aid and current market provision, we have undertaken detailed mapping of broadband in Oxford using the latest BDUK data. We recognise that the situation around State Aid continues to evolve and that actual existing and planned supply by the market needs to be fully mapped and consulted upon before we can proceed to delivery. The Birmingham State Aid clearance from the EU which we plan to emulate acknowledges “the UK authorities argue that even the planned FTTC network for the [...] of the target area has limitations as regards the possible use for SMEs. The capacity of FTTC networks is dependent on the distances between the end user premises and the cabinets: in principle, within 300 meters of cable length from a cabinet download speeds up to 40-50Mbps could be offered, but beyond 300 meters from a cabinet the speeds fall rapidly to 10Mbps at 2km from the cabinet. In addition, FTTC networks provide only asymmetric connectivity services with strong limitations on the upload speeds, therefore such network types are in general not adequate for business users' who require high capacity, reliable, symmetric broadband connectivity.”

For planning purposes business properties currently or soon expected to receive ultrafast 80Mbps broadband have been considered Black. These fall into two categories:

- businesses receiving Virgin Media: Virgin run fibre direct to the premise and therefore users will receive 80Mbps connectivity.
- businesses close enough to cabinets enabled through BT's roll-out of next generation broadband to achieve that level of service.

Local businesses are the primary target for our bid. The map below shows the spread of business premises across Oxford at postcode level. Postcode areas marked in orange denote those which will receive ultrafast Fibre to the Premises under the plan. Those that will remain below 80Mb are displayed in white.



## ● Oxford Super Connected City Broadband Plan ●

The next map shows the position across all premises once the SCC infrastructure has been enabled. Here the remaining gaps in ultrafast connectivity can be seen more clearly. The city centre is now receiving blanket 80Mbps+ connectivity while the balance across the rest of Oxford has turned toward ultrafast provision.

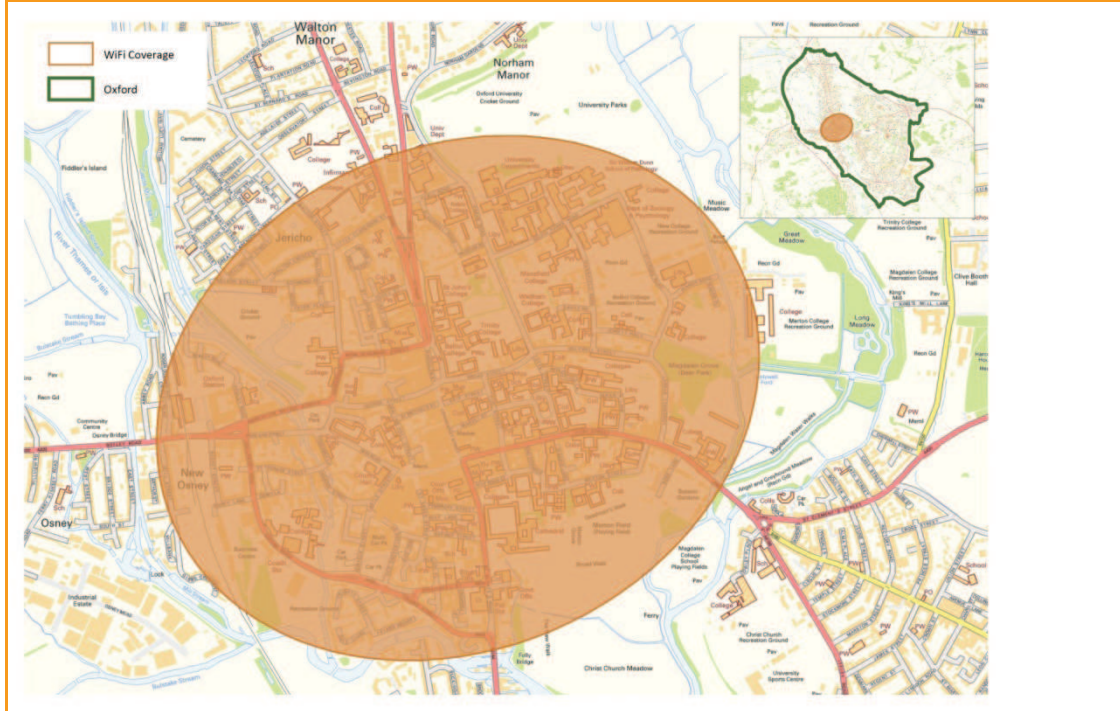
Postcode Map of Remaining Ultrafast Gaps: All Premises



### Wireless Access across the City Centre

A wireless overlay for the whole of Oxford's city centre will allow the millions of visitors as well as those living and working in the city mobile access to new broadband services shaped to maximise their experience of the multitude of tourist and leisure destinations and business opportunities Oxford already has to offer. Proposed coverage provided via 73 wireless access points is shown below.

Map of Oxford Project Coverage: Wireless





# Appendix 3 - Equality Impact Assessment

## Initial Impact Assessment

<b>Service Area:</b> Policy Culture and Communications	<b>Section:</b> Policy	<b>Key person responsible for the assessment:</b> Sebastian Johnson (with advice from Jarlath Brine)	<b>Date of Assessment:</b> 24 October 2012
<b>Name of the document to be assessed:</b> Oxford Super Connected Cities Bid and Plan (Urban Broadband Fund Phase 2)			
<b>1. Briefly describe the aims, objectives and purpose of the bid</b>	<p>The bid is to fund ultrafast broadband and wireless infrastructure in the city centre and areas of the city where market failure exists and existing infrastructure will not be upgraded without public sector “gap” funding.</p> <p>The bid is focused on economic benefits through enabling SME’s and businesses to benefit from ultrafast broadband and social benefits which enable residents to benefit from ultrafast broadband</p> <p>Two key issues with respect to equality impact assessment in the plan are:</p> <ol style="list-style-type: none"> <li>1. To ensure our significant base of socially deprived communities (which are at risk of falling outside commercial market rollout) can engage in the new more flexible learning and employment opportunities which depend on high-speed fixed and wireless infrastructure</li> <li>2. To deliver new and improved public services using ultrafast broadband infrastructure. This will achieve a step change in the quality, accessibility and cost-effectiveness of a wide range of services, from education, health and social care.</li> </ol>		

<p><b>2. Who is intended to benefit from the bid and in what way</b></p>	<ul style="list-style-type: none"> <li>• Majority of spend is on Fibre to the Premise upgrade to city core and areas of business clusters, currently not getting or planned to be able to access ultrafast services.</li> <li>• Project will ensure Ultrafast broadband is available to 96% (up from 76%) of businesses and 89% (up from 84%) of residents.</li> <li>• Wireless solution is also planned for the city centre initially, as it is more commercially viable due to footfall, with plan to expand into wider parts of Oxford through working closely with eventual telecoms partner.</li> <li>• Business support aspect is integral to project to ensure businesses realise benefit and support start-ups – this is expected to integrate into the Oxonline and LEP lead projects to ensure consistency and efficiencies are realised.</li> </ul>
<p><b>3. What outcomes are wanted from this bid?</b></p> <p>Increased broadband speeds across the city  Wireless infrastructure to create a wireless city centre  Economic competitiveness with other cities nationally and globally  Access to Ultrafast broadband for as many business and residents as possible</p>	
<p><b>4. What factors/forces could contribute/detract from the outcomes?</b></p>	<ol style="list-style-type: none"> <li>1. Failure with the bid</li> <li>2. Withdrawal of commitment of matched funding from partners</li> <li>3. Change of Government policy and cancellation of funding</li> <li>4. Partners withdrawing support for the bid.</li> </ol>



<b>5. Who are the key partners in relation to the bid?</b>	City Council County Council Local Enterprise Partnership University of Oxford Oxford Brookes University Oxfordshire Business First ProOxford Group Oxford and Cherwell Valley College	<b>6. Who is responsible for the bid and who will lead the project if successful?</b>	The bid is led by Oxford City Council (Officers from Policy Team, Economic Development and Corporate Assets have been involved) Lead partners are the County Council (Broadband Team)  The bid was Coordinated and led by the Strategic Policy and Partnership Officer.  If successful a project board led by the City Council will be convened with County Council, University and business representation to deliver the project
<b>7. Could the bid have a differential impact on racial groups?</b>		No	No. If successful the bid will provide funding for infrastructure improvements that will benefit all in the areas covered
<b>8. Could the bid have a differential impact due to gender?</b>		No	No. If successful the bid will provide funding for infrastructure improvements that will benefit all in the areas covered
<b>9. Could the bid have a differential impact due to disability?</b>		No	No. If successful the bid will provide funding for infrastructure improvements that will benefit all in the areas covered
<b>10. Could the bid have a differential impact on people due to sexual orientation?</b>		No	No. If successful the bid will provide funding for infrastructure improvements that will benefit all in the areas covered

11. Could the bid have a differential impact on people due to their age		No	No. If successful the bid will provide funding for infrastructure improvements that will benefit all in the areas covered
12. Could the bid have a differential impact on people due to their religious belief?		No	No. If successful the bid will provide funding for infrastructure improvements that will benefit all in the areas covered
13. Could the negative impact identified in 7-12 create the potential for the bid to discriminate against certain groups?		No	<p><b>Please explain</b></p> <p>No – No negative impacts identified have been identified.</p>
14. Can this negative impact be justified on the grounds of promoting equality of opportunity for one group? Or any other reason		No	<p><b>Please explain for each equality heading (question 8-13) on a separate piece of paper</b></p> <p>There are no negative impacts identified.</p> <p>A full impact assessment will be necessary if through monitoring the plan gaps in service, negative trends emerge or if there are significant changes in resources.</p>
15. Are there implications for the Service Plans?	YES if the bid is successful the work will need to be inserted into service plans	<b>16. Date the Service Plan will be updated</b>	The Plan will be updated December 2012

**To: City Executive Board**

**Date: 5<sup>th</sup> December 2012**

**Report of: Head of City Development**

**Title of Report: Oxford Heritage Assets Register, Criteria and Process**

## **Summary and Recommendations**

### **Purpose of Report:**

To provide information on considerations for the Oxford Heritage Assets criteria, nominations process and character statements format arising from East and West Area planning Committees

### **Key Decision: No**

**Report approved by: Michael Crofton-Briggs**

**Finance: David Watts**

**Legal: Michael Morgan**

**Policy Framework:** (NPPF) National Planning Policy Framework  
Oxford Core Strategy 2006 – 2026  
Adopted Oxford Local Plan 2001 – 2016  
English Heritage Good Practice Guide for Local Heritage Listing

### **Recommendation(s):**

**To endorse the proposal for a Heritage Assets Register for Oxford and adopt the proposed criteria and selection process including clarifications recommended by Area Planning Committees.**

**To recommend Full Council endorse the proposal for a Heritage Assets Register and adopt the proposed criteria and selection process.**

## **Summary**

1. The proposed criteria and selection process for a register of heritage assets of local value has been prepared in order to give weight to existing policies in the Local Plan. These were presented to the Area Planning Committees for comment prior to their submission for adoption by City Executive Board.

## **Comments made by Area Planning Committees**

2. The East Area Committee voted unanimously to endorse the proposal for a heritage assets register with the criteria and selection process as presented subject to clarification concerning the relationship between 'heritage assets' and 'assets of community value'. They recommended that City Executive Board adopt the criteria and selection process with the suggested clarification
3. The West Area planning committee endorsed the criteria and selection process and recommended the City Executive Board and Council adopt the proposed criteria and selection process.
4. Both committees provided useful additional detail to add to the draft area character statement for Iffley Fields including a draft list of candidates for inclusion on the heritage assets register.

## **RECOMMENDATION**

1. **To endorse the proposal for a Heritage Assets Register for Oxford and to adopt the proposed criteria and selection process (including the changes recommended by Area Planning Committee).**
2. **To refer the criteria and selection process for the heritage assets register to Full Council for their endorsement.**

### **Name and contact details of author:**

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[nworlledge@oxford.gov.uk](mailto:nworlledge@oxford.gov.uk)

### **Background papers:**

NPPF: Department for Communities and Local Government, 2012, National Planning Policy Framework

Localism Act 2011

## Nominate a Heritage Asset

<b>Name and location of your candidate heritage asset</b> (please provide a photograph and a map showing its location):
---

1. <b>WHAT IS IT?</b> Is it one of the following?	Tick
a <b>building or group of buildings</b>	
a <b>monument or site (an area of archaeological remains or a structure other than a building)</b>	
a <b>place (e.g. a street, park, garden or natural space)</b>	
a <b>landscape (an area defined by visual features or character, e.g. a city centre, village, suburb or field system)</b>	

2. <b>WHY IS IT INTERESTING?</b> Is it interesting in any of the following ways?	Tick / Rank
<b>Historic interest</b> – a well documented association with a person, event, episode of history, or local industry	
<b>Archaeological interest</b> – firm evidence of potential to reveal more about the human past through further study	
<b>Architectural interest</b> – an example of an architectural style, a building of particular use, a technique of building, or use of materials	
<b>Artistic interest</b> – It includes artistic endeavour to communicate meaning or use of design (including landscape design) to enhance appearance	
What is it about the asset that provides this interest?	

3. <b>WHY IS IT LOCALLY VALUED?</b> Is the interest of the asset <b>valued locally</b> for any of the following reasons?	Tick / Rank
<b>Association:</b> It connects us to people and events that shaped the identity or character of the area	
<b>Illustration:</b> It illustrates an aspect of the area's past that makes an important contribution to its identity or character	
<b>Evidence:</b> It is an important resource for understanding and learning about the area's history	
<b>Aesthetics:</b> It makes an important contribution to the positive look of the area either by design or fortuitously	
<b>Communal:</b> It is important to the identity, cohesion, spiritual life or memory of all or part of the community	
How is the asset locally valued as heritage?	

4. <b>WHAT MAKES ITS LOCAL SIGNIFICANCE SPECIAL?</b> Do any of the following features make the heritage significance of the asset stand out above the surrounding environment?	Tick
<b>Age</b> ... Is it particularly old, or of a date that is significant to the local area?	
<b>Rarity</b> ... Is it unusual in the area or a rare survival of something that was once common?	
<b>Integrity</b> ... Is it largely complete or in a near to original condition?	
<b>Group value</b> ... Is it part of a group that have a close historic, aesthetic or communal association?	

**Nominate a Heritage Asset**

<b>Oxford's identity</b> ... Is it important to the identity or character of the city or a particular part of it?	
<b>Other</b> ... Is there another way you think it has special local value? How does this contribute to its value?	

DRAFT

## Nominate a Heritage Asset

Welcome to the nominations form for the Oxford Heritage Assets Register

### What the form is for

The nomination form asks you to demonstrate how your candidate asset meets the criteria for inclusion on the Oxford Heritage Assets Register (the criteria are set out on the next page). The criteria ensure registration as a heritage asset is the most appropriate means to manage your valued feature of the environment.

Registration does not mean an asset will be preserved in its current state in perpetuity. Planning policy allows change to heritage assets that conserves or better reveals their significance or, where change requires their loss, replaces the benefit to the public that they provide. The information provided in support of your nomination will help determine what forms of change might be acceptable. Saying "it's important and must never change" won't tell us what we need to know to manage your heritage asset in the future.

### Tick or rank?

In answers to Questions 2 – 4 you can rank the interests, values and significance your candidate asset provides to show which you consider the most and least important to its significance; i.e. 1<sup>st</sup> (most important) – 4<sup>th</sup> (least important).

### Alternatives

If your candidate asset does not have significance that merits inclusion on the register but does contribute to the valued character of the local environment, consider preparing a character statement for the area using the Oxford Character Assessment Toolkit. This identifies features that contribute positively to local character and opportunities for enhancement. It may help to identify other ways that change can contribute to the quality of the local environment and its sense of place.

Where the use of land, buildings or places now or in the recent past, furthers the social wellbeing or social interests of the local community (and this is not an ancillary use), it may be considered to be an asset of community value (community asset), for which the government has made provision in the Localism Act 2011. Regulations give communities the opportunity to identify assets of community value and have them listed and, when they are put up for sale, more time to raise finance and prepare to bid for them. The Council is maintaining a list of community assets. Nevertheless, there may be examples where land is considered to both qualify as a community asset and heritage asset, in which case it will be necessary to distinguish which features of their value and significance are relevant to each designation.

## **Nominate a Heritage Asset**

### **Sites and buildings in conservation areas**

Conservation Areas are 'designated heritage assets' as defined by the government's planning policy and receive a higher level of protection than locally registered heritage assets, including legal restrictions on some permitted development rights. Nevertheless, they are designated locally and reflect the local value of these areas as heritage assets. Features of the historic landscape within conservation areas that would be considered to have a significance meriting consideration in planning decisions would be considered to contribute to the significance of a conservation area and therefore are considered to be part of a designated heritage asset. As such, we will not consider them for inclusion on the Oxford Heritage Assets Register.

#### **What happens next?**

We will prepare a list of candidate heritage assets, which will be presented to the public (including the owners of candidate heritage assets) for consultation. Any responses received from the public will be placed with the nomination form and will be included in the report made to the review panel.

A panel of councillors, council officers and local experts will review the candidate assets nominated to ensure they meet the criteria. The information you provide in answering the questions will be essential for the panel's consideration of your candidate's significance. If they are uncertain, you may be asked to provide further information. Where the panel consider that a candidate has met the criteria they will recommend that the Council include them on the Oxford Heritage Asset Register.

In some instances the review panel may decide that the candidate does not meet the criteria to be included as a heritage asset but might be appropriate for consideration as a community asset. If this is the case, you will be asked to consider making an application for the inclusion of your asset on the Council's list of community assets, which may require additional or different information.



## Nominate a Heritage Asset

The Criteria:

**Registered Heritage Assets must meet all of the four following criteria:**

**Criteria 1. They must be capable of meeting the government's definition of a heritage asset.**

Demonstrate that your candidate is able to fall within the government's definition of a heritage asset; i.e. a building, monument, site, place, area or landscape.

**Criteria 2. They must possess heritage interest that can be conserved and enjoyed.**

Identify the properties of your candidate asset that need to be cared for as heritage – this is its *heritage interest*. This might include physical things like its appearance and materials, as well as associations with past people or events. Consider whether the physical features of the candidate asset help to illustrate its associations. The four types of heritage interest listed are recognised in national planning policy.

**Criteria 3. They must have a value as heritage for the character and identity of the city, neighbourhood or community because of their heritage interest beyond personal or family connections, or the interest of individual property owners.**

Tell us why or how the heritage interest you identified in your answer to Question 2 is of local value - this is its *heritage value*. The types of heritage value suggested on the nomination form are based on national guidance by English Heritage.

**Criteria 4. They must have a level of significance that is greater than the general positive identified character of the local area.**

Tell us what raises your candidate's heritage value to a level that merits its consideration in planning. Many features of the historic environment are a valued part of local character that should be managed through policies relating to townscape character in the local plan. Registered heritage assets should stand out as of greater significance than these features for their heritage value. The suggested options listed on the nominations form are based on national best practice. If you think your candidate asset has special local significance for another reason please state what it is.

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### **Oxford Heritage Assets Register: Process for identification, review and registration of heritage assets.**

#### Stage 1. Area Survey – Character Assessment and identification of Candidate Heritage Assets

- We are piloting the register in four trial areas across the city.
- We will work with community groups to prepare character statements for each neighbourhood. These will provide a firm basis to assess the local contribution of individual heritage assets.
- Heritage assets that have potential for inclusion on the register will be identified in each neighbourhood during the preparation of these statements.

#### Stage 2. Consultation on Area Surveys

- Each statement will be subject to public consultation, providing an additional opportunity for the public to highlight potential heritage assets in their neighbourhood and to provide their views on the character of each area.
- Following public consultation, the character statements will be presented to the relevant area planning committee for consideration and will become part of the City's heritage evidence base.

#### Stage 3. Consultation on candidate heritage asset lists

- The heritage assets identified as having potential for inclusion on the register will be subject to separate public consultation.
- Owners' of properties that have been nominated for registration as heritage assets will be invited to participate in the consultation.

#### Stage 4. Review panel consideration of candidate heritage assets

- After consultation, the heritage assets proposed for registration in each ward will be reviewed by a panel comprising the City Ward Councillors and the lead member for City Development (the City Heritage Champion), who will be voting members, as well as Council officers and local volunteer experts who will provide information and advice (i.e. non-voting members).
- The panel will be provided with the criteria, character statement, heritage asset nomination form, any results of public consultation and supporting historical and photographic resources.

- The panel will be asked to provide their recommendation on whether a heritage asset should be registered based on the majority view. The panel's decision will be a recommendation to the Lead Member for City Development, whilst addition to the register will be a single member decision delegated to that member.

#### Stage 5. Publication

- All Registered Heritage Assets will be included on a publicly accessible list available via the Council's website, including details of the particular heritage significance that has merited the inclusion of the asset on the register.

#### After the Pilot Studies

- Subsequent to the completion of the pilot studies, it may be necessary to identify heritage assets across the city without a wider programme of area assessment.
- In these circumstances it is expected that an application for a heritage assets' inclusion on the register should be accompanied by an assessment of the local area's character.
- The Oxford Character Assessment Toolkit provides an accessible means of collecting the information required to prepare a character statement through research using archive, library and online resources and site survey.
- A character statement should include a description of the present local character including uses and activity, description of the area's historic development and identification of characteristics of the environment that are considered to make a positive contribution to local character and distinctiveness.
- Subject to the availability of funding and resources, the City Council will seek to expand the coverage of the register to other parts of the city outside designated conservation areas, through additional area surveys, working in partnership with local community organisations.

#### Registration of Heritage Assets through Planning Decisions

- In certain circumstances a heritage asset may be identified as meriting registration during the planning decision-making process, either by Council Officers or by the area planning committee.
- Where this is an officer's recommendation it should form a recommendation to planning committee as part of their report and should not be part of a delegated decision.

- In these circumstances the decision to include the asset on the register will be made by the area planning committee with regard to adopted criteria and in consultation with the Council's officers.

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**To: East and West Area Planning Committees**

**Date: 6<sup>th</sup> and 7<sup>th</sup> November 2012**

**Report of: Head of City Development**

**Title of Report: Oxford Heritage Assets Register, Criteria and Process**

### **Summary and Recommendations**

**Purpose of Report:**

To outline the methodology and processes involved in the preparation of a city wide register of local heritage assets and to seek the Committee's comments and recommendations for consideration by the City Executive Board..

**Key Decision: No**

**Report approved by:**

**Finance:**

**Legal:**

**Policy Framework:** (NPPF) National Planning Policy Framework  
Oxford Core Strategy 2006 – 2026  
Adopted Oxford Local Plan 2001 – 2016  
English Heritage Good Practice Guide for Local  
Heritage Listing

**Recommendation(s): To endorse the proposal for a Heritage Assets Register for Oxford and to recommend that the City Executive Board adopt the proposed criteria and selection process.**

### **Summary**

1. With external funding from English Heritage the Council is creating a register of locally significant heritage assets to support national and local planning policy in the management of the historic environment. Draft criteria have been developed to assess buildings, monuments, places and landscapes for inclusion on the register. The committees' comments on and endorsement of these draft criteria are sought prior to consideration by the City Executive Board.
2. The process of identifying, reviewing and either including or rejecting candidate heritage assets has also been developed. The committee's comments on this process are sought.

3. Finally, the process of developing the register will be informed by preparation of character statements for neighbourhoods within the city. A sample character statement is included in appendix B to this report.

## **Background**

4. The Oxford Core Strategy includes a commitment to produce a 'local list' of heritage assets for Oxford, to support the implementation of Policy CS18. The saved Local Plan policies provide guidance for considering Buildings of Local Interest (Policy HE.6) and Important Parks and Gardens (Policy HE.8). However, at present there is no formal list that has been subject to review or public consultation to give weight to these policies.
5. Heritage Assets are the features of the historic environment "identified as having a degree of significance that merits consideration in planning decisions" (NPPF, Annex 2). These may be 'designated heritage assets', including listed buildings, conservation areas and scheduled monuments, which are assessed against criteria set nationally. Local planning authorities are able to identify other heritage assets through preparation of local lists as a part of plan making or as a part of development management processes. This provides an opportunity to identify elements of historic environment that are valued locally but that may not meet the criteria for national designation. To ensure the register is robust there is a need to ensure that locally valued heritage assets have the required degree of significance for inclusion. Understanding the particular points of their significance will also be essential to making decisions affecting them in future.
6. English Heritage has provided funding to run a series of pilot studies across the city to develop this 'local list'.

## **Implications of registering local heritage assets**

7. The preparation of a formal list or register of locally significant heritage assets (using sound and transparent criteria and procedures) and the accompanying character statements will provide robustness to planning decisions that affect these elements of the historic environment and will raise awareness of the potential sensitivity of heritage assets to property owners and developers at an early stage in the planning process. It will help local communities to identify and articulate what is valued locally and help in their engagement in the planning process. A register does not introduce any additional legal protection or requirements for owners, but it will facilitate understanding and is a material consideration in planning decisions. It will also help to ensure the effective use of appropriate



planning controls to manage change (for example the removal of permitted development rights).

### **Development of the criteria**

8. English Heritage's guidance on preparing local heritage assets lists recommends using appropriate criteria to ensure they have the necessary degree of significance. They recommend the criteria are consulted on publicly to ensure they are suitably robust. Officers established a steering group of local community representatives to help develop these criteria including representatives of Oxford Preservation Trust, Oxford Civic Society, Oxford Gardens Trust, Oxford Architectural and Historical Society, a local planning consultancy, Oxford University Estates Directorate and a representative of Oxford University Students Union, as well as City Council Officers. A Project Board that includes the Council's Heritage Champion and Portfolio holder for Planning (Councillor Colin Cook), English Heritage and officers is managing the project. The list of proposed criteria is included in **Appendix A** to this report. The criteria have been subject to public consultation between August and October 2012 using the Council's online consultation process.
9. The criteria have been designed to be simple and to provide a process of building understanding of the asset's heritage significance by separating out what is of interest, how this is valued and why this is of particular local significance. The draft nominations form provides guidance as to how candidate heritage assets may meet each of the criteria. They provide a means of identifying whether the proposed asset has features that merit its consideration in planning and how it contributes to the locally distinctive conditions of each area of the city.
10. A main comment received was to make greater reference to the suggested criteria provided by English Heritage in their published guidance. These criteria are indeed incorporated in the draft nominations form, to guide users in how their asset may fulfil the four main criteria. However, the steering group's finding was that these 'inclusive' criteria required accompanying 'exclusive' criteria to provide a critical control and measure of significance for additions to the register.

### **The nomination, review and registration process**

11. As an evidence base to support the City Council's planning policies and as a tool to inform planning decisions the process for compiling the list needs to be robust, transparent, consistent and approved by the Council. English Heritage recommends that this follows a process of consultation and

review. It is an aim of the pilot studies to ensure this is an inclusive process encouraging the engagement of local communities in proactive management of the historic environment. The approach developed is described in **Appendix B**. A key strand is public consultation followed by review of proposed heritage assets by a panel of City Council Ward Members and the Portfolio holder, supported by Council officers and local heritage experts. In certain circumstances, for example where there is a significant level of public interest or where a heritage asset is revealed in the consideration of a planning application, it may be appropriate for a decision on the registration of Heritage Assets to be made by Area Planning Committees.

### **Preparation of Character Statements**

12. The Heritage Assets Register will be supported by a series of statements describing the valued features of local character within the neighbourhoods covered by the study. These will form an addition to the City Council's Heritage evidence base and will be used to assess the contribution of heritage assets proposed for registration to the character and identity of the local area and community.
13. We are preparing character statements in partnership with local community groups, including the Neighbourhood Forums and local residents' associations using the Oxford Character Assessment Toolkit. The latter has been developed to provide groups who want to participate in managing the City's heritage with a sound methodology for assessment and recording of local character, from which they can prepare a written statement describing the valued characteristics of their area. A draft character statement for Iffley Fields as an example of the form one of these statements might take is included in **Appendix C**. To form part of the Council's historic environment evidence base these will have to be subject to public consultation, with a full report of consultation prepared and subsequently amended where necessary prior to publication.

### **RECOMMENDATION**

1. **The Committees' comments on the proposed register, the criteria and process of compiling the list are invited.**
2. **To recommend any amendments**
3. **To endorse the proposal for a Heritage Assets Register for Oxford and to recommend that the City Executive Board adopt the**

**proposed criteria and selection process (with or without recommended changes).**

**Name and contact details of author:**

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**Background papers:**

English Heritage, *Conservation Principles*, 2008

English Heritage, *Good Practice Guide for Local Heritage Listing*, 2012

Land Use Consultants, *A Character Assessment of Oxford in its Landscape Setting*, March 2002

NPPF: Department for Communities and Local Government, 2012, National Planning Policy Framework

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## CITY EXECUTIVE BOARD

Wednesday 12 September 2012

**COUNCILLORS PRESENT:** Councillors Turner (Deputy Leader), Cook, Coulter, Curran, Lygo, Seamons, Sinclair, Tanner and Smith.

### **18. APOLOGIES FOR ABSENCE**

Apologies were received from Councillor Price.

In the absence of Councillor Price, Councillor Ed Turner chaired the meeting.

### **19. DECLARATIONS OF INTEREST**

The following declarations were made:-

- (1) Councillor Coulter explained that, in the past, he had withdrawn during the consideration of any item involving Ruskin College. However, he has since received legal advice that owing to the change to requirements around the declarations of interest, he no longer needs to withdraw;
- (2) Councillor John Tanner declared his membership of Donnington Doorstep and his wife's membership of the management committee for Rose Hill and Donnington Advice Centre;
- (3) Councillor Ed Turner declared his girlfriend's involvement with Donnington and Rose Hill Advice Centre.

### **20. PUBLIC QUESTIONS**

Full written questions with answers were distributed at the start of the meeting. These are attached to the minutes as appendix one.

### **21. SCRUTINY COMMITTEE REPORTS**

Councillor Ed Turner explained that the relevant items on the agenda would be taken alongside the scrutiny reports.

The following reports were presented:-

- (1) Periodic reporting - Finance 2012/13 (agenda item 9) - Councillor Rowley presented the report on behalf of the Finance and Performance Panel. Councillor Jean Fooks addressed the meeting. Councillor Val Smith responded to questions about housing benefit. City Executive Board accepted the scrutiny recommendations and agreed the report recommendations.

- (2) Service Targets Performance (agenda item 8) - Councillor Rowley presented the report on behalf of the Finance and Performance Panel. City Executive Board accepted the scrutiny recommendations and agreed the report recommendations.
- (3) Implementation of Youth Ambition Programme (agenda item 5) – Councillor Curran presented this item to the City Executive Board. Councillor Mike Rowley presented the scrutiny report, adding that the scrutiny panel welcomed this programme but had some concerns that it sought to address through its recommendations. Councillor Fooks also spoke on this item. City Executive Board accepted the scrutiny recommendations and agreed the report recommendations.
- (4) Asset Management Plan (agenda item 14) – Councillor Jean Fooks presented the report of the Asset Management Plan Panel. City Executive Board noted the scrutiny comments and agreed to recommend the Asset Management Plan 2011-14 to Council for adoption.

## **22. YOUTH AMBITION PROGRAMME FOR OXFORD CITY**

The Director of Community Services submitted a report (previously circulated, now appended). Councillor Steve Curran presented the report to the City Executive Board. Scrutiny comments on this matter had been considered earlier in the meeting (minute 21 refers)

Resolved to:-

- a) Note the analysis in this report of current local provision, the delivery options and means to bring in additional external funding, and,
- b) Agree that for the remainder of 2012/13 the Youth Ambition Programme funding be committed broadly on the basis of:-
  - i) Up to 14 sessions each week to be delivered through the City Council's Positive Futures Team focused on those areas of greatest need and lowest relative provision where there is currently no viable alternative provider;
  - ii) An £50k being made available to support by grants open access sessions delivered by other suitable providers for the remainder of this year;
  - iii) The remainder of funding for 2012/13 to be retained in a Youth Ambition Fund available to support bids to external funders to provide positive activities for young people in the Council's priority areas and other areas of relative deprivation;
  - iv) Request that the Director of Community Services produces a strategy for the development of the Council's Youth Ambition Programme with appropriate objectives and targets;

- iv) In future years the balance of spending to be agreed following a detailed service planning exercise with a view to maximising the overall impact of the programme with the emphasis to be on supporting others to develop and deliver services to meet the objectives and targets of the Youth Ambition Programme;
- vi) Delegate to the Director of Community Services authority to approve:-
  - The detailed allocation of funding in line with the above proposals;
  - The grant criteria and any applications;
  - Future years detailed budget allocations;All of the above in consultation with the Board Member for Young People, Education and Community Development and a cross party Youth Ambition reference group.

### **23. THE OXFORD CHALLENGE: ACHIEVING WORLD CLASS TEACHING IN OXFORD CITY SCHOOLS SERVING DISADVANTAGED PEOPLE**

The Head of Policy, Culture and Communications submitted a report (previously circulated, now appended). Councillor Steve Curran presented the report to City Executive Board. Anna Wright (Education Advisor) provided information about KRM.

Resolved that:-

- (1) Following the tender process, KRM have been selected as the provider. They will present their scheme to head teachers at a conference on the 19<sup>th</sup> September. Schools will then decide if they wish to participate. If sufficient numbers wish to take up the scheme, it will go ahead, subject to the agreement of the portfolio holder.

### **24. COMMUNITY GRANTS PROGRAMME 2011/12 - MONITORING FEEDBACK**

The Director of Community Services submitted a report (previously circulated, now appended). Councillor Steve Curran presented the report to City Executive Board.

Resolved to note the report.

### **25. PERIODIC REPORTING - PERFORMANCE 2012/13**

The Head of Business Improvement and Technology submitted a report (previously circulated, now appended).

Scrutiny comments made earlier in the meeting were noted (minute 21 refers).

Resolved to note the report.

## **26. PERIODIC REPORTING - FINANCE 2012/13**

The Head of Finance submitted a report (previously circulated, now appended)

Scrutiny comments made earlier in the meeting were noted (minute 21 refers.)

Resolved:-

1. To note the forecast outturn for the General Fund Revenue Budget – Table 1;
2. To note the movement of resources from the Redundancy Cost Contingency to service budgets as per Para 31;
3. To note the HRA budget virements as detailed in Table 3;
4. That CEB recommends to Council the addition to the Capital Programme of the schemes detailed in Table 5.

## **27. PERIODIC REPORTING - RISK 2012/13**

The Head of Finance submitted a report (previously circulated, now appended).

Resolved to note the report.

## **28. TENANCY STRATEGY**

The Head of Housing submitted a report (previously circulated, now appended).  
Councillor Scott Seamons presented the report to City Executive Board.

Resolved to approve the draft Tenancy Strategy for Oxford City and Tenancy Policy for Council homes for formal consultation.

## **29. HOMELESSNESS STRATEGY REVIEW**

The Head of Housing submitted a report (previously circulated, now appended).  
Councillor Scott Seamons introduced the report to City Executive Board.

Resolved that the draft Homelessness Strategy Consultation Document 2013 to 2018 as attached at Appendix 1 of the report is approved for public consultation with the following amendment:-

- Potential priorities for action 2013-2018, item 2 – Greater understanding / improved knowledge. Add the following:



“Encourage people to preferentially support organisations who help in getting homeless people off the street, and deter them from giving money to beggars”

### **30. CULTURE STRATEGY - CONSULTATION OUTCOME**

The Head of Policy, Culture and Communications submitted a report (previously circulated, now appended). Peter McQuitty presented the report to City Executive Board, and introduced Dr Ceri Gorton (Cultural Development Manager).

Councillor Jim Campbell addressed the meeting as follows

- The cultural offer in Oxford is outstanding and the City Council has been a good cultural facilitator;
- Welcomed the issue identified in the report of emphasising the city, as opposed to the University, element of the cultural offer;
- However, he could not support the presentation of the report to Council as it stands at present. Councillor Campbell did not feel that the report was well presented, it did not invite people to read it, and if failed to show what a good cultural offer the City Council provides;
- A representative from local arts/cultural groups should be invited to join the Cultural Actions Group (CAG) otherwise it would comprise only “big players”;
- He welcomed the 3 priorities identified, but felt they should be made more measurable. Scrutiny should have a role as well as City Executive Board.

Councillor Turner responded that there was no intention to exclude anyone from the CAG, and he would be happy for scrutiny to have a role in monitoring the priorities. It was agreed that a representative from a smaller arts /cultural group would be invited to join the CAG, and that Councillor Campbell could work with Peter McQuitty on the presentation and physical appearance of the strategy

Resolved that, subject to the above comments and any other minor revisions agreed informally on a cross-party basis, the new Cultural Strategy would be recommended to Council for adoption.

### **31. ASSET MANAGEMENT PLAN - CONSULTATION OUTCOME**

The Head of Corporate Assets submitted a report (previously circulated, now appended).

Scrutiny comments made earlier in the meeting were noted (minute 21 refers) and amendments made in the light of them.

Councillor Campbell made an additional address to the meeting, expressing concern about higher energy costs for the water supply and the need for a “visioning initiative” for the Covered Market. City Executive Board noted his comments.

Resolved to approve the Asset Management Plan 2011-14 for adoption by Council.

### **32. TELEPHONY STRATEGY**

The Head of Business Improvement submitted a report (previously circulated, now appended)

Resolved to:-

- (1) Approve the corporate Telephony Strategy and Action Plan attached at Appendix 1 of the report;
- (2) Note the Equalities Impact Assessment attached at Appendix 2

### **33. CARBON REFRESH**

The Head of Environmental Development / Cleaner Greener Oxford Board submitted a report (previously circulated, now appended). Councillor John Tanner presented this report to the City Executive Board.

Councillor Gotch addressed the meeting and suggested a feasibility study for a combined heat and power plant (CHP) for Barton. City Executive Board noted his comments.

Resolved to:-

- (1). Adopt the Carbon Management Plan 2012-2017 as attached at Appendix 1,
- (2) Note that all departments across the Council will need to make sustained efforts to assist in delivery of the Plan and ensure targets are met (including contributing to maximising use of Salix funds) and;
- (3) Support the ongoing development of the carbon management programme that will be managed by the Cleaner, Greener Oxford Board.

### **34. STREET SCENE REVIEW AND SERVICE STANDARDS**

The Head of Direct Services submitted a report (previously circulated, now appended). Councillor John Tanner presented the report to City Executive Board.

Councillor Graham Jones addressed the meeting and welcomed the report.

Resolved to:-

- (1) Note the outcomes of the Streetscene Service Review and the service improvements and staffing reductions detailed in paragraph 5;
- (2) Adopt the service standards for the Streetscene Service as detailed in Appendix A. These improvements will involve the procurement of new machinery to remove cigarette ends more efficiently, to provide consistent chewing gum removal, to lease Big Belly compactor bins and to achieve Grade A standard for litter removal when we carry out our cleaning schedules;
- (3) Note that the establishment of the Streetscene Service will be reduced by 4 FTE staff from 1 April 2013, by means of natural wastage, as detailed in paragraph 5;
- (4) Note that the Streetscene revenue budget will be reduced by £80,000 per annum from 1 April 2013, as detailed in paragraph 8.

### **35. PARKING IN PARKING AREAS ADJACENT TO PARKS - MONITORING**

The Head of Direct Services submitted a report (previously circulated, now appended). Councillor Colin Cook presented the report to the City Executive Board.

Councillor Gotch addressed the meeting and expressed concern about the effect of displacement parking in various areas of the City. He suggested that this report should be deferred pending a monitoring exercise into the effect of displacement parking. City Executive Board noted his comments.

City Executive Board observed that it had not wished to charge for parking at parks; however there would additional pressure on budgets if it did not do so.

Resolved:-

- (1) To continue with charging at the existing sites and review tariffs during the normal off street parking process;
- (2) To note the ongoing maintenance issues and that provision for this will be made in the forthcoming budget process.

### **36. 41 - 47 GEORGE STREET - LEASE RESTRUCTURING**

The Head of Corporate Assets submitted a report (previously circulated, now appended).

Resolved to note the action taken by the CEO in approving the restructuring of the lease on the terms as detailed in the confidential not for publication Appendix 3, and otherwise on terms and conditions to be approved by the Head of Corporate Assets.

### **37. FUTURE ITEMS**

Nothing was raised under this item.

### **38. MINUTES**

Resolved to confirm as a correct record the minutes of the meeting held on 4<sup>th</sup> July 2012.

### **39. MATTERS EXEMPT FROM PUBLICATION**

Resolved to exclude the press and public from the meeting during consideration of the items in the exempt from publication part of the agenda in accordance with the provisions in Paragraph 21(1)(b) of the Local Authorities (Executive Arrangements) (England) Regulations 2000 on the grounds that their presence could involve the likely disclosure of exempt information as described in specific paragraphs of Schedule 12A of the Local Government Act 1972 and that, in all the circumstances of the case, the public interest in maintaining the exemption outweighed the public interest in disclosing the information.

Summary of business transacted by the Board after passing the resolution contained in minute 36

The Board received and noted the contents of not for publication appendix to the reports at agenda 19 item (minute 40 refers).

### **40. 41 - 47 GEORGE STREET - LEASE RESTRUCTURING**

The Board received and noted the contents of not for publication appendix to the reports concerning the lease restructuring at 41-47 George Street.

**The meeting started at 5.00 pm and ended at 7.00 pm**

## Questions on Agenda Item 14, Asset Management Plan

I note your inclusion of the following text in Clause 4.10, Paragraph 3 (Page 24) of your Asset Management Plan:

“The Council intends to review the future of the existing swimming pools at Blackbird Leys and Temple Cowley which have reached the end of their useful life alongside proposals to construct a new competition standard pool adjoining Blackbird Leys Leisure Centre a project for which funding is in situ.”

1. I note that you only refer to existing swimming pools. I am sure the Council is aware that Temple Cowley Pools and Fitness Centre is not only a 25m swimming pool, but a complete wet/dry leisure centre that includes a diving pool, sauna, steam room, gymnasium and exercise studio. Does your obviously careful omission of the reference to the additional facilities at Temple Cowley Leisure Centre mean that the Council intends retaining them on the site?

A) *No, the term is used to describe the leisure centre.*

2. The City Council has stated as fundamental to its business case for constructing a new non-Olympic, 25m swimming pool in Blackbird Leys where there is no evidence of demand, that it must achieve £1.5m from the disposal of the Temple Cowley Leisure Centre site. Given that the plan now states that “the Council intends to review the future” of the swimming pool (at least), can you confirm that you do not now need £1.5m from this source?

A) *The £1.5 million is included in the financing of the new pool.*

3. Given that your last two condition surveys of Temple Cowley Leisure Centre have told you quite clearly that it can have a useful life of at least another 25 years for a level of investment that is 25% of the £13m+ cost of constructing the proposed new 25m non-Olympic swimming pool in Blackbird Leys where there is no evidence of demand, can you please detail the evidence you have that leads you to assert that the facility has reached the end of its “useful life”?

A) *This is not correct. Please see the answer supplied to questions 12, 41, 42, 50, 51, 52, 53, 56, 68, 71, 84, 86, 99 from July 2011 City Executive Board meeting.*

<http://www.oxford.gov.uk/Direct/CompetitionStandardPoolPublicQuestionsandAnswersCEB21July2011.pdf>

4. Can you please detail the evidence you have that leads you to assert that the existing swimming pool at Blackbird Leys has reached the end of its “useful life”?

A) *As above.*

## Question on Agenda Item 14

I note that the Asset Management Plan, page 24, Section 4.10, talks about the contract with Fusion for provision of leisure. You assert there that this contract will achieve savings of £7m. As you are very well aware, there is a contractual obligation for the Council to spend £5.5m on leisure facilities, so the potential saving can only possibly be £1.5m. This fact, and the real position, has been pointed out to you many times. Why have you chosen to persist in misleading the public in this way?

A) *The leisure contract achieves a £7 million revenue saving over its ten years. The repair and maintenance works would need to be undertaken irrespective of the contract.*

**Question on Agenda Item 5**

I note that a key objective of the City Council's Youth Ambition Programme is a commitment to improved opportunities and life chances. Can you please tell me how your proposed closure of the diving pool at Temple Cowley Leisure Centre, the only publicly funded diving pool in Oxford, that can be brought back into use of under £70,000, supports this objective?

A) *The youth ambition programme is about sustainable opportunities to improve the lives of our young people. The diving pit has been closed for a decade and Temple Cowley Pools is planned for closure when the new high quality pool opens in Blackbird Leys.*

# CITY EXECUTIVE BOARD

**Thursday 20 September 2012**

**COUNCILLORS PRESENT:** Councillors Price (Leader), Cook, Coulter, Curran, Seamons, Sinclair, Smith and Tanner.

**OFFICERS PRESENT:** Peter Sloman (Chief Executive), Tim Sadler (Executive Director Community Services), Martin John, Jo Colwell (Environmental Sustainability Manager) and Lindsay Cane (Law and Governance)

## **41. APOLOGIES FOR ABSENCE**

Apologies were received from Councillors Mark Lygo and Ed Turner.

## **42. DECLARATIONS OF INTEREST**

No declarations of interest were received

## **43. PUBLIC QUESTIONS**

None received.

## **44. FUTURE ITEMS**

Nothing was raised under this item.

## **45. EU FUNDING BID TO SUPPORT LOW CARBON PROJECTS**

The Head of Environmental Development submitted a report which detailed the negotiations for grant funding from the European Commission via the Intelligent Energy – Europe (IEE) Programme and sought authority to proceed with a bid for funding to support low carbon projects.

The Board agreed:

- (a) To note the progress of the bid to the EU Intelligent Energy Europe (IEE) programme and the associated opportunities and risks;
- (b) To authorise Officer to complete the negotiations with a view to securing funding as detailed in the in the report;
- (c) That in the event that the funding is approved by the EU, to delegate the Director of Community Services, in consultation with the Monitoring Officer and the Section 151 Officer, authority to enter into a grant agreement with the European Commission body, the European Agency on Competitiveness and Innovation (EACI);

(d) To thank Officers for their work in progressing the bid for funding.

**46. MATTERS EXEMPT FROM PUBLICATION**

No items to consider.

**The meeting started at 5.00 pm and ended at 5.10 pm**



# **CITY EXECUTIVE BOARD**

**Friday 23 November 2012**

**COUNCILLORS PRESENT:** Councillors Turner (Deputy Leader), Cook, Coulter, Curran, Seamons, Sinclair, Smith and Tanner.

**OFFICERS PRESENT:** Helen Bishop (Head of Customer Services), Angela Cristofoli (Communities and Neighbourhoods Manager), Richard Hawkes (Corporate Asset Manager), William Reed (Law and Governance) and Lindsay Cane (Law and Governance)

## **47. APOLOGIES FOR ABSENCE**

Councillors Lygo and Price.

## **48. DECLARATIONS OF INTEREST**

No declarations of interest were received

## **49. PUBLIC QUESTIONS**

No public questions were received.

## **50. SCRUTINY COMMITTEE REPORTS**

There were no Scrutiny reports.

## **51. LOCAL COUNCIL TAX SUPPORT SCHEME**

The Head of Customer Services submitted a report (previously circulated, now appended) that provided feedback from the recent consultation on the proposed Local Council Tax Support Scheme and invited the Board to both agree the principles of the new Scheme (which would then be drawn up for approval by Council on 17 December 2012); and to agree the Council Tax Discount and Exemption proposals for inclusion in the budget setting consultation.

With reference to paragraphs 6 and 7 (transitional grant) of the report the Head of Customer Services said that Oxford's Scheme did comply with Government criteria and it was therefore likely that the Council would receive transitional grant.

Resolved to:-

- (1) Note the outcome of the consultation on the proposed Local Council Tax Support Scheme;

- (2) Ask officers to draft the details of the new Local Council Tax Support Scheme for 2013/14 replicating the provisions of the existing Council Tax Benefit Scheme and to submit the Support Scheme to Council for approval at its meeting on 17 December 2012;
- (3) (a) Agree the Council Tax Discount and Exemption amendments as set out in paragraph 20 for inclusion in the budget setting consultation;
- (b) Agree to consult upon the charging of a premium of 50% Council Tax for properties empty for more than two years.

## **52. TENANT AND RESIDENT INVOLVEMENT STRATEGY 2012**

The Executive Director, City Services submitted a report (previously circulated, now appended) that recommended a new strategy for involvement that would achieve best practice, meet regulatory requirements and the aspirations of tenants. This followed a review of current involvement of tenants/leaseholders on Oxford City Council by the Tenant Participation and Advisory Service.

Resolved to:-

- (1) Approve the proposed Tenant Involvement Strategy "Keeping Customers and Communities at the Heart of what we Do";
- (2) Approve the action plan for implementation.

## **53. OXPENS MEADOW - DEED OF DEDICATION**

The Executive Director, City Regeneration submitted a report (previously circulated, now appended) that dealt with the dedication of part of Oxpens Meadow as a Queen Elizabeth II Field by imposing restrictive covenants in favour of the Field in Trust/National Playing Fields Association, to remain as public open space in perpetuity.

Resolved to:-

- (1) Agree the dedication of part of Oxpens Meadow (as specified on the plan attached to the report) as a Queen Elizabeth II Field as a lasting legacy to Her Majesty Queen Elizabeth II in her Diamond Jubilee Year;
- (2) Amend the resolution of the Board of 8 February 2012, and instead to agree to the Council entering into a Deed of Dedication with Fields in Trust for the area highlighted on the plan attached to the report, and otherwise on terms and conditions to be agreed by the Head of Corporate Property;
- (3) Ask the Head of Law and Governance to ask Fields in Trust to agree to the removal from the Deed of Dedication of the clause that referred to the ability to substitute one piece of land for another.

**The meeting started at 5.00 pm and ended at 5.15 pm**

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