

# **CITY EXECUTIVE BOARD**

**Thursday 12 February 2015**

**COUNCILLORS PRESENT:** Councillors Price (Chair), Turner (Deputy Leader), Sinclair, Simm, Brown, Kennedy, Lygo, Rowley, Seamons, Simmons and Fooks.

**BOARD MEMBERS PRESENT:** Councillor Craig Simmons (Chair of Scrutiny Committee) and Councillor Jean Fooks

**INVITEES AND OTHER MEMBERS PRESENT:** Councillor Craig Simmons (Chair of Scrutiny Committee) and Councillor Jean Fooks

**OFFICERS PRESENT:** Peter Sloman (Chief Executive), David Edwards (Executive Director City Regeneration and Housing), Jackie Yates (Executive Director Organisational Development and Corporate Services), Nigel Kennedy (Head of Finance), Lindsay Cane (Law and Governance) and Sarah Claridge (Committee Services Officer)

## **123. APOLOGIES FOR ABSENCE**

Apologies were received from Councillor Tanner, Tim Sadler (Executive Director for Community Services), and Peter McQuitty (Head of Policy, Culture and Communications).

## **124. DECLARATIONS OF INTEREST**

No declarations of interest were received

## **125. PUBLIC QUESTIONS**

Full written questions with answers were distributed as a supplement before the meeting.

Cllr Turner spoke on the question on council tax exemptions (minute xx). He said he'd prefer a national council tax exemption scheme. In the current economic climate it was unlikely the Council would be able to afford addition entitlements without reducing exemptions elsewhere.

Council tax exemptions would be reviewed in 2016/17.

The City Executive Board noted the public questions.

## **126. SCRUTINY COMMITTEE REPORTS**

## **127. SCRUTINY COMMITTEE REPORT\_ BUDGET REVIEW 2015/16**

The Scrutiny Officer submitted a report (previously circulated, now appended) which detailed the conclusions and recommendations of the Scrutiny Budget Review Group on the Consultation Budget and Medium Term Financial Strategy 2015-2019.

Cllr Simmons, Chair of the Scrutiny Committee, went through the recommendations and Cllr Turner, Board Member for Finance, Asset Management and Public Health provided his responses as attached (minutes 127).

The Board discussed and agreed to aspects of the following:

- Exploring new ways of increasing public engagement in its budget setting process.
- Re-energising attempts to identify new invest-to-save opportunities in future budget rounds
- Exploring how the City Council can become a more agile operator in the housing market to ensure it secures best value for new property acquisitions.

The City Executive Board resolved to AGREE:

1. That reserves and balances are reviewed with a view to investing any overstated reserves.

2. That Council Tax is increased by 1.99% (rather than the proposed 1.50%) in 2015/16.

3. That the City Council continues to engage constructively with other Oxfordshire Councils in order to optimise any potential benefits available from business rates pooling and distribution arrangements.

4. That further consideration is given to covering more enforcement costs through higher, related fees and charges. This should include keeping legislation under review and asking the LGA what other local authorities charge for.

5. That to protect future Park and Ride incomes, the City Council seeks agreement with the County Council on consistent charging rates across all Oxford Park and Rides.

6. That sufficient flexibility is in place to mitigate the risk of the City Council having to repay £7m to the Housing Revenue Account.

7. That the following areas should be priorities for further spending in the event that additional general fund resources become available:

a) Planning enforcement – continue funding the Beds in Sheds project at the post April 2015 level to April 2016. A more detailed review of alternative funding streams should be undertaken during this period,

b) Discretionary Housing Payments – continue the current level of funding to April 2016.

## **128. COUNCILLOR ADDRESSES ON ANY ITEM FOR DECISION ON THE BOARD'S AGENDA**

Cllr Fooks addressed the Board on item 6 Draft Diamond Place Supplementary Planning Document (minute 129).

## **129. DRAFT DIAMOND PLACE SUPPLEMENTARY PLANNING DOCUMENT (SPD)**

The Head of City Development submitted a report (previously circulated, now appended) which detailed the draft Diamond Place Supplementary Planning Document for public consultation

Cllr Fooks expressed the concerns of the North Oxford Association (NOA) who had missed the last consultation workshop. NOA would prefer to retain their current building rather than get a new one as it is not very old and it serves the community well.

Cllr Fooks made the following points:

- A new multi-use health centre with x-rays, bloods, physiotherapy facilities would be great.
- That in future, officers notify people that are directly affected about the proposal before it goes public.
- That the proposal of Summerfield school releasing some of their playing site for new houses be considered as part of the plan.

Cllr Price, Board member for Corporate Strategy, Economic Development and Planning explained that the NOA building was an inefficient use of space, and this draft plan merely offered an opportunity to use the space better. Joint leisure, community and health area.

The plan had assumed the availability of the potential housing development site which is why the path to the site was mentioned in the report.

The City Executive Board resolved to:

1. APPROVE the Draft Supplementary Planning Document for public consultation
2. ENDORSE the accompanying Strategic Environmental Assessment Screening Report
3. AUTHORISE the Head of City Development to make any necessary editorial corrections to the document prior to publication in consultation with the Board Member

## **130. BUDGET AND MEDIUM TERM FINANCIAL PLAN**

The Head of Finance submitted a report (previously circulated, now appended) which detailed the Council's Medium Term Financial Strategy for 2015/16 to 2018-19 and the 2015-16 Budget for recommendation to Council.

Cllr Turner, Board member for Finance, Asset Management and Public Health presented the report. He stated that the Council had lost 47% of its Government grant since 2010.

He highlighted the following elements in the budget:

- The purchase of St Aldate's Chambers will save the Council considerable money in rent
- Council tax is set to increase by 1.99, which equates to approx £5.00 per household.
- Funding available to improve and maintain the Town Hall
- Extra capital for energy efficiency project, skate parks and drainage of football pitches
- The Council will start removing graffiti on private property for free.
- City centre ambassadors project to continue
- Thames Water catchment group
- £250M available for youth ambition work
- The Oxford Living wage has been increase
- Planning enforcement work in the private sector

The public consultation was strongly supported and was broadly positive. Officers have been relentless in efficiency savings, Council has a great partnership with trade unions

Cllr Simms and Kennedy commended the continual delivery of the Youth Ambition programme, especially at a time when many councils have reduced their youth services.

Cllr Rowley welcomed the £4.7M in regeneration funding allocated to Barton over the next 5 years, and the money available for the Leys Housing projects.

Cllr Seamons mention the 200 new homes being built in Blackbird leys and the £250,000 allocated for energy efficiency measures for council tenants

Cllr Sinclair welcomed the continual funding for the city centre ambassadors project and the additional funding for CCTV cameras in St Clements which was welcomed by the business community.

The Chief Executive outlined the managerial issues in the budget. This was the first time the council was considering a 0% rate support grant by 2018/19. This budget has been made possible through council trading, efficiency savings and a strong relationship with trade unions.

The Council had

1. secured £6M through the LEP and the Growth fund,
2. retained Council housing stock
3. retained services in-house, which had allowed greater efficiency savings.
4. Continued to have no compulsory redundancies for frontline staff.

He thanked Nigel Kennedy, Head of Finance for all his hard work at putting the budget together.

The City Executive Board resolved to:

1. APPROVE the amendments to the Consultation Budget following the public consultation process

**2 RECOMMEND THAT COUNCIL:**

a) APPROVES the Council's General Fund Budget Requirement of £23.304 million for 2015/16 and an increase in the Band D Council Tax of 1.99% or £5.44 per annum as set out in Table 8 and Appendices 1-4, representing a Band D Council Tax of £278.97 per annum.

b) APPROVES the continuance of the Council's Council Tax Support Scheme (formerly Council Tax Benefit)

c) APPROVES the Housing Revenue Account budget for 2015/16 to 2024/25 as set out in Appendix 5 and 6 and an increase in average dwelling rent of 3.49% for April 2015 representing £3.59 per week an annual average rent of £105.77 as set out in Appendix 7

d) APPROVES the Capital Programme for 2015/16 -2018-19 as set out in Appendix 8 and 9;

e) APPROVES the Fees & Charges schedule as set out in Appendix 10

f) ADOPTS the criteria for adopting the Business Rates Retail Relief scheme as set out in paragraph 21 and transitional relief as set out in paragraphs 22 – 24

g) APPROVES an increase in the 2014-15 capital budget of £550,000 in relation to the property purchase referred to in paragraph 43 and referred to elsewhere on the CEB agenda.

**131. SCRUTINY PANEL REPORT\_TREASURY MANAGEMENT STRATEGY**

The Scrutiny Officer submitted a report (previously circulated, now appended) which detailed the recommendations from the Finance Panel on the Treasury Management Strategy 2015/16.

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

Cllr Turner, Board Member for Finance, Asset Management and Public Health agreed the recommendations.

The City Executive Board resolved to AGREEED

1. To reword paragraph 14 in appendix 2 and the title of table 5 before Council is asked to approve the Treasury Management Strategy.

2. That the City Council considers all options for refinancing the £20m repayment of its external debt, which is due to be repaid in 2020/21,

3. That the City Council pursues 'real asset lettings' at a pace. This could be both a good investment and one which supports the City Council's objectives.

4. That the City Council obtains independent advice on its liquidity and borrowing potential.

### **132. TREASURY MANAGEMENT STRATEGY 15/16**

The Head of Finance submitted a report (previously circulated, now appended) which detailed the Treasury Management Strategy for 2015/16 together with the Prudential Indicators for 2015/16 to 2017/18.

Cllr Turner, Board Member for Finance, Asset Management and Public Health presented the report. He explained that because of the low interest rates, It was better for Council to invest in property rather than leave the money in the bank. Work on getting money back from Iceland was on-going.

The City Executive Board resolved to RECOMMEND that Council:

1. APPROVE the Treasury Management Strategy 2015/16, and adopt the Prudential Indicators 2015/16 – 2017/18 at paragraphs 8 to 37, and Appendix 2
2. APPROVE the Investment Strategy for 2015/16 and investment criteria set out in paragraphs 23 to 37 and Appendix 1.
3. APPROVE the Minimum Revenue Provision (MRP) statement at paragraphs 12 to 22 which sets out the Council's policy on debt repayment.

### **133. ADOPTION OF THE CORPORATE PLAN 2015-19**

The Head of Policy Culture and Communications submitted a report (previously circulated, now appended) which detailed the consultation on the Corporate Plan 2015-19 and proposes its adoption.

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

The City Executive Board resolved to:

1. APPROVE the draft Corporate Plan 2015 -19 as set out in Appendix 1.
2. RECOMMEND that Full Council approves the draft Corporate Plan 2015 – 19
3. DELEGATE authority to the Head of Policy, Culture and Communications to make minor textual changes to the Corporate Plan 2015 -19 in advance of formal publication.

### **134. ACQUISITION OF ST ALDATE'S CHAMBERS (SAC)**

The Executive Director for City Regeneration and Housing submitted a report (previously circulated, now appended) which detailed the acquisition of the long leasehold interest in St Aldate's Chambers; and to agree to vary the long leasehold interest at 5 Queen Street.

The Chief Executive presented the report he said it was a once in a generation chance to purchase the lease.

The Executive Director for City Regeneration and Housing explained that the Council was buying the long leasehold for 126 years. Merton College still owns the freehold of the building.

The City Executive Board resolved to

- 1) GRANT approval for the acquisition of the long leasehold interest in St Aldate's Chambers for £7,539,230 (which comprises the purchase price of £7,200,000 plus acquisition costs of £339,230).
- 2) AGREE the variations detailed in this report to the long lease of 5 Queen Street such that the City Council receives not less than £25,000 pa in rent until 2144.
- 3) RECOMMEND to Council the increase of the budget in the Council's Capital Programme for the purchase of property in the sum of £539,230 to be financed from underspends in the Council's General Fund Revenue Budget in 2014-15.

### **135. SCRUTINY COMMITTEE REPORT\_GRANT ALLOCATIONS TO COMMUNITY AND VOLUNTARY ORGANISATIONS**

The Scrutiny Officer submitted a report (previously circulated, now appended) which detailed comments from the Scrutiny Committee on the council's grant allocation for 2015/16.

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

The City Executive Board resolved to AGREE:

1. To work with OCVA to improve outreach and engagement activities with diverse community and voluntary groups, with a focus on building capacities and supporting bid-writing.
2. To consider providing a greater separation between grants allocated to smaller, localised community groups and those that seek to achieve wider community benefits.

### **136. GRANT ALLOCATIONS TO COMMUNITY AND VOLUNTARY ORGANISATIONS 2015/2016**

The Head of Leisure, Parks and Communities submitted a report (previously circulated, now appended) which detailed the proposed allocation of grants to community & voluntary organisations for 2015/16 through the Community Grants Programme.

Cllr Rowley, Board member for Leisure Contract and Community Partnership Grants presented the report. He said he was keen for officers to work with the Cutteslowe Community Association (CCA) to make their holiday scheme sustainable.

Shirley McCleery, Chair of the Cutteslowe Community Association (CCA) spoke on the CCA only receiving 25% of the grant it had requested to run a children's holiday programme. She was concerned there had been an error in calculating the cost per head and that the fees the children pay hadn't been taken off the

overall cost. This had made the total figure per head significantly more expensive than it actually was.

Cllr Price said that the Council would review its decision and would get back to the CCA.

Subject to Council subsequently agreeing the grants budget as set out in Table 1, the City Executive Board resolved to:

1. APPROVE the recommendations for the three year commissioning programme as listed in Appendix one, with the addition of reviewing the Cutteslowe Community Association grant.
2. APPROVE the recommendations for the applications received to the grants annual open bidding programme as set out in Appendix three.
3. APPROVE the recommendation for Oxford Friend to be funded through the Community Safety commissioning theme.
4. DELEGATE authority to the Board member for Leisure Contract and Community Partnership Grants in consultation with the Board member for Customer Services and Social Inclusion and the Head of Customer Services to approve proposals for the unallocated funding (£20,000) in the Advice and Money Management commissioning theme.

### **137. BARTON - ACQUISITION OF AFFORDABLE PROPERTY**

The Head of Housing and Property submitted a report (previously circulated, now appended) which updated Members on the costs and progress in acquiring the affordable housing at Barton Park.

Cllr Seamons Board Member for Housing and Estate Regeneration presented the report.

The Director for City Regeneration and Housing explained that Oxfordshire County Council had asked the City Council to act as the guarantor of the cost of the infrastructure works set out in the s278 agreement relating to the project. While the Director held delegated authority to agree this, he thought it would be useful for the Board to be aware of this position.

The City Executive Board resolved to

NOTE the progress in acquiring the affordable housing at Barton Park.

Note that the infrastructure works set out in the Barton Park development (s278 agreement) would be guaranteed by Oxford City Council.

### **138. ACQUISITION OF LAND AT FIDDLERS ISLAND OXFORD TO ERECT PERMANENT BRIDGE**

The Regeneration and Major Projects Manager submitted a report (previously circulated, now appended) which requested approval to acquire a site at Fiddlers Island.



The City Executive Board resolved to AUTHORISE the Executive Director of Regeneration and Housing, in consultation with the Head of Law and Governance and the Head of Finance to seek to acquire the site as shown in Appendix B by agreement with the owners or by compulsory purchase if agreement is not reached (any required CPO resolution to be agreed by the Board).

### **139. MINUTES**

The Board resolved to APPROVE the minutes of the meeting held on January 2014 as a true and accurate record.

### **140. SCRUTINY COMMITTEE REPORT\_ COMMUNITY AND NEIGHBOURHOOD**

The Scrutiny Officer submitted a report (previously circulated, now appended) which detailed the comments from the Scrutiny Committee on the work of the Communities and Neighbourhoods Services Team.

The City Executive Board resolved to AGREE that the review of priority areas draws on the findings of the Inequalities Scrutiny Panel, as well as the latest social and demographic research data.

### **141. SCRUTINY COMMITTEE REPORT\_ ACTIVITIES FOR OLDER RESIDENTS AND PREVENTING ISOLATION**

The Scrutiny Officer submitted a report (previously circulated, now appended) from the Scrutiny Committee on the City Council's activities for older people and efforts to prevent isolation.

The City Executive Board resolved to AGREE to complete a high level review to flag up any issues of non-compliance with the Equalities Act.

**The meeting started at 5.00 pm and ended at 6.35 pm**

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## Executive Response to recommendations of the Scrutiny Budget Review 2015/16

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Recommendation	Agreed Y/N	Executive response of Councillor Ed Turner, Board Member for Finance, Asset Management and Public Health
1. That reserves and balances are reviewed with a view to investing any overstated reserves.	Y	Agree. This is something that we are undertaking anyway, as we want to maximise return on investment. It is worth noting that reserves may not be “over-stated” but may still be suitable for investment if they are held against a risk or item of expenditure occurring in a future year.
2. That the City Council explores new ways of increasing public engagement in its budget setting process.	In part	We can look at the consultation and welcome suggestions. However, it is important to note that the budget is a politically-led process and that it would need to be consistent with the aims and values of the administration setting the budget.
3. That Council Tax is increased by 1.99% (rather than the proposed 1.50%) in 2015/16.	Y	Agreed.
4. That the City Council continues to engage constructively with other Oxfordshire Councils in order to optimise any potential benefits available from business rates pooling and distribution arrangements.	Y	Agreed. We already do work with the other councils on this, but at present pooling is not to our advantage.
5. That the City Council looks at ways of mitigating the impacts of higher than average rents on those Council tenants who will be most affected.	N	The overall average rent rise for council tenants is 3.49% but the range is -6.58% to 6.25%. If a tenant faces into difficulties, s/he should approach the Council for assistance. For instance, there may be tenants who are not receiving all funds to which they are entitled, or in some cases a claim for Discretionary Housing Payment might be appropriate. However, the far bigger issue is for tenants in privately rented accommodation, rather than those paying comparatively low council rents.
6. That further consideration is given to covering more enforcement costs through higher, related fees and charges. This should include keeping	Y	We are happy to do this, but it should be noted that some budgets are ring-fenced and there is a limit to what can be charged for.

legislation under review and asking the LGA what other local authorities charge for.		
7. That to protect future Park and Ride incomes, the City Council seeks agreement with the County Council on consistent charging rates across all Oxford Park and Rides.	Y	We want to have common charges with the County Council, to avoid extra journeys being made to visit a cheaper park and ride. Ultimately the charges levied by the County Council are a matter for that authority. Our budget figure is our best estimate of the approach to be taken by the County Council.
8. That the City Council explores mechanisms for the earlier release of land value locked up in the Barton Park development.	N	This does not look feasible or desirable. If the desire is to release waterfall payments earlier, that would not be possible without renegotiating the whole deal, which would not appear to be an endeavour with great prospect of success. Alternatively, if it is to borrow off the back of the deal, this would present the authority with additional risk, and it is not clear what the borrowing would fund. We are already providing well over £100 million of investment over the next ten years, and are borrowing around £232 million.
9. That the following efficiency savings are re-rated as high risk:  a) Shifting services towards community settings and online (£126k from 2017/18 in Customer Services),  b) Application portfolio & telephony review (£150k from 2015/16 in Business Improvement & Technology).	N	a) We believe this saving is deliverable and the risk rating is appropriate.  b) The applications review should deliver savings through reduced maintenance and reduced staffing resources that's why its medium risk. It doesn't make a difference to the budget since we provide a 40% contingency against unachieved savings for high and medium risks.
10. That there is a re-energising of attempts to identify new invest-to-save opportunities in future budget rounds (see recommendation 17d).	In part	We are very ambitious here already but will continue to look.
11. That sufficient flexibility is in place to mitigate the risk of the City Council having to repay £7m to the Housing Revenue Account.	Y	We will be in a position to mitigate this, but would be undesirable.
12. That the City Council explores how it can	In part	We believe we are appropriate and agile in this area of work, but are

become a more agile operator in the housing market to ensure it secures best value for new property acquisitions.		always happy to receive suggestions.
13. That half of the additional waste disposal costs pressure is re-instated in the budget from 2016/17.	N	Not agreed. It would not be in the interests of the authority to make this change, and if the budget is not deliverable it will be reviewed next year.
14. That off street parking income is re-modelled in light of the most recent parking data and experience with the temporary Westgate car park.	N	At this stage we do not see any evidence to suggest remodelling is necessary. Parking fees income has been hard to predict these last few years due to flooding, traffic works and other operators undercutting the Council's fees. We will respond to trends when we see them happening.
15. That any savings achieved through lower than assumed energy prices are invested in energy efficiency improvements.	N	Prefer not to ring fence energy savings but we will continue to prioritise energy efficiency regardless of the movement on energy prices.
16. That HRA void losses are modelled at 1.0% (rather than the proposed 1.2%), at least in the early years of the budget period.	N	It would be prudent to retain potential void losses at 1.2%, in case void levels are higher when the Barton development becomes available. The impact upon the budget is minor.
17. That the following areas should be priorities for further spending in the event that additional general fund resources become available (we have identified some options for raising revenue in the short to medium term). These suggested priorities are listed in no particular order:  a) Staff Training and Wellbeing – continue funding the training budget increase (£100k) and funding for staff wellbeing (£75k) beyond 2016/17,  b) Apprenticeships – reinstate £50k from 2015/16 or a sufficient amount to fund no fewer than 25 apprentices in future cohorts,	In part  (N a-f, Y g&h)	On all of these, they are really matters for councillors and groups to take a view of when it comes to budget setting.  a) The Staff wellbeing fund was initially seen as discrete one off fund.  b) Apprenticeships will be funded through the increased capital budget  g) “Beds in Sheds”, we are proposing a carry forward to continue to fund some of this work.

<p>c) Community Development (Social Inclusion) Fund – reinstate £60k from 2015/16,</p> <p>d) Business Improvement staffing reductions – reverse the £110k cut in 2016/17 in full or in part (see recommendation 10),</p> <p>e) Partnership development – new investment,</p> <p>f) Fund raising – new investment,</p> <p>g) Planning enforcement – continue funding the Beds in Sheds project at the post April 2015 level to April 2016. A more detailed review of alternative funding streams should be undertaken during this period,</p> <p>h) Discretionary Housing Payments – continue the current level of funding to April 2016.</p>		<p>h) We will, of course, review the situation with respect to DHP in the light of the coalition government’s dramatic, inappropriate reduction of our budget. We could, if needs be, support it from the homeless contingency, in some circumstances from the HRA, and we may also need to revisit the criteria for the scheme.</p>
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