

Council Briefing Note

Date: **Wednesday 19 February 2014**

Time: **5.00 pm**

Place: **Council Chamber, Town Hall**

For any further information please contact:

Mathew Metcalfe, Democratic and Electoral Services Officer

Telephone: 01865 252214

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

CONDUCT OF COUNCIL BUSINESS

Council is also being asked to adopt the attached procedure (page 1) of this Briefing Note) for dealing with the Budget debate.

1 APOLOGIES

2 DECLARATIONS OF INTEREST

Guidance on this is contained within the main agenda. Members' attention is drawn to Section 23 of the Constitution.

If Members have queries about possible interests, would they please discuss them with the Monitoring Officer, before the meeting commences.

3 PUBLIC ADDRESSES AND QUESTIONS THAT RELATE TO MATTERS FOR DECISIONS AT THIS MEETING

None to be heard.

4 REPORT OF THE COUNCIL'S CHIEF FINANCE OFFICER ON THE ROBUSTNESS OF THE 2014/15 BUDGET

See pages 3 to 18 of the supplement agenda.

5 MEDIUM TERM FINANCIAL STRATEGY 2014-15 TO 2017/18 AND 2014-15 BUDGET FOR CONSULTATION: A FAIR FUTURE FOR OXFORD

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- See pages 7 to 140 of the **main agenda** for the main report.
- See pages 9 to 14 of this **Briefing Note** for the Supplementary Budget report submitted to the City Executive Board on 12th February 2014.
- See pages 19 to 20 of the **supplement agenda** for an extract of the minutes of the City Executive Board held on 12th February 2014.
- See pages 15 to 18 of this **Briefing Note** for a supplementary budget report concerning Council Tax discounts.
- See pages 21 to 26 of the **supplement agenda** for the Liberal Democrat Group alternative budget proposals.

- See page 19 of this **Briefing Note** for details of an amendment in the name of Councillor Jean Fooks to parking fees in order to meet the Liberal Democrat budget proposals
- See pages 27 to 30 of the **supplement agenda** for the Green Group alternative budget proposals.

6 CORPORATE PLAN 2014-18

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- See pages 141 to 206 of the **main agenda**.
- See page 31 of the **supplement agenda** for an extract for an extract from the minutes of the City Executive Board held on 12th February 2014.
- See page 21 of this **Briefing Note** for amendment in the name of Councillor Jim Campbell.

7 TREASURY MANAGEMENT STRATEGY 2014/15

- See pages 207 to 234 of the **main agenda**.
- See page 33 of the **supplement agenda** for an extract from the minutes of the City Executive Board held on 12th February 2014.

8 COUNCIL TAX 2014/15

See pages 35 to 48 of the supplement agenda.

9 MATTERS EXEMPT FROM PUBLICATION

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BUDGET DEBATE 2014/15 – COUNCIL, 19th FEBRUARY 2014 - TIMINGS AND PROCEDURE

1. **Public involvement** - Lord Mayor invites any members of the public who have asked to address Council on the Budget or to ask questions on it to do so. Addresses limited to 5 minutes. Questions limited to 3 minutes. This Stage to last for a maximum of 30 minutes.
2. **Administration** proposes and seconds its Budget (General Fund, HRA and Capital) by way of moving the recommendation to Council from the CEB meeting on 12th February. Deputy Leader presents Budget and speaks for up to 15 minutes.
3. **Liberal Democrat Group Budget presentation.** Group proposes and seconds its alternative Budget proposals as an amendment to the Administration Budget. Proposer speaks for up to 15 minutes with any unused time being added to the overall time allowance for the debate on the Liberal Democrat Budget.
4. **Liberal Democrat Group Budget debate.** Overall time limit of a maximum of 15 minutes plus any unused time from Stage 2. Speeches limited to 3 minutes. Administration response and Lib Dem summing up included within the overall 15 minute timeframe. Vote on alternative Budget.
5. **Green Group Budget presentation.** Group proposes and seconds its alternative Budget proposals as an amendment to the Administration Budget. Proposer speaks for up to 15 minutes with any unused time being added to the overall time allowance for the debate on the Green Group Budget.
6. **Green Group Budget debate.** Overall time limit of a maximum of 15 minutes plus any unused time from Stage 5. Speeches limited to 3 minutes. Administration response and Green Group summing up included within the overall 15 minute timeframe. Vote on alternative Budget.
7. Depending upon outcome of the voting on the Liberal Democrat and Green alternative Budget amendments Council will either adjourn for the Administration to review their position, or proceed to Stage 8.
8. **Administration Budget debate.** Debate on the Administration Budget with individual amendments being permitted. Any amendments must be written down and circulated before debate upon them commences. Debate on the Administration Budget and amendments to it to last for up to 60 minutes with speeches limited to 3 minutes. Vote on amendments to Administration Budget and then Budget itself.

- 9 If the Administration Budget in unamended form is voted upon and agreed, Council will move on to the next business on the agenda. If the Administration Budget in amended form is voted upon and agreed, Council can only reach an 'in principle' decision. The Leader will then indicate, either at the meeting or afterwards, if the Executive accepts the amendments. If it does, Council's decision then becomes a substantive one. If it does not, then the City Executive Board will meet to review the position on 24th February and Council will meet again on 24th February at 5.00 pm to hear from the Board. Council's decision on 24th February on the Budget will be final.

Timings

Stage 1 – 30 minutes

Stage 2 – 15 minutes

Stage 3 – 15 minutes

Stage 4 – 15 minutes

Stage 5 – 15 minutes

Stage 6 – 15 minutes

Stage 8 – 60 minutes

Stage 9 (remaining business) – say, 15 minutes

TOTAL MAXIMUM TIME – 180 minutes (3 hours)

SUPPLEMENTARY_ BUDGET REPORT

CITY EXECUTIVE BOARD - WEDNESDAY 12 FEBRUARY 2014

Agenda No Item

6 **Budget and Medium Term Financial Strategy 2014/15 to 2017/18 and 2014/15 Budget**

Report of the Head of Finance.

The report presents the Council's Budget 2014/15 and Medium Term Financial Strategy 2014/15 to 2017/18

The Board is recommended to:-

- (1.) The City Executive Board is asked to consider the outcome of the public consultation, agree the amendments to the Consultation Budget and recommend that Council:-
 - a) approves the Council's General Fund Budget Requirement of £24.023 million for 2014/15 and an increase in the Band D Council Tax of 1.49% or £4.00 per annum as set out in Table 8 and Appendices 1-3, representing a Band D Council Tax of £272.19 per annum, subject to any alternative recommendation necessitated by the Secretary of State's determination as explained in paragraphs 6-10 below;
 - b) approves the continuance of the Council's Council Tax Support Scheme (formerly Council Tax Benefit) as referred to in paragraph 44;
 - c) approves the Housing Revenue Account budget for 2014/15 as set out in Appendix 4 and an increase in average dwelling rent of 5.42% representing £5.25 per week and taking the annual average rent to £102.08 as set out in Appendix 5;



INVESTORS
IN PEOPLE



- d) approves the Capital Programme for 2014/15 -2017-18 as set out in Appendix 6;
 - e) approves the Fees & Charges schedule as set out in Appendix 7 and;
 - f) approves the changes to the level of exemptions and discounts on empty homes and unoccupied properties as outlined in paragraph 44
- (2). The City Executive Board is also asked to adopt a retail relief scheme for business rates on the terms set out in Paragraph 19 and to delegate the authority to administer the Retail Relief Scheme to the Head of Customer Services in conjunction with the Section 151 Officer.

To: City Executive Board

Date: 12th February 2014

Report of: Head of Finance

Title of Report: Supplementary Report - Medium Term Financial Strategy 2014-15 to 2017-18 and 2014-15 Budget: A Fair Future for Oxford

Summary and Recommendations

Purpose of report: To present a supplementary report on the Council's Medium Term Financial Strategy for 2014/15 to 2017-18 and the 2014-15 Budget for recommendation to Council following the Government's late announcement of the 'excessive council tax' level.

Key decision Yes

Executive lead member: Councillor Ed Turner

Policy Framework: The Council's Corporate Plan

Recommendation(s): The City Executive Board is asked to recommend that Council:

- a) approves the Council's General Fund Budget Requirement of £24.080 million for 2014/15 and an increase in the Band D Council Tax of 1.99% or £5.34 per annum as set out in Table 1, representing a Band D Council Tax of £273.53 per annum.

INTRODUCTION

- 1 On 5th February 2014 the Government laid before the House of Commons a statutory report relating to Local Government Finance in England 2014-15. The report included :
 - The Council Tax referendum principles and the level of 'excessive council tax'
 - Confirmation of the Finance Settlement for 2014/15 and the illustrative figures for 2015/16

- 2 This report details changes to the recommendation to Council which appears elsewhere on the agenda, on the level of Council Tax increase as a result of latest information received from the Government

Referendum Principles – Excessive Council Tax

- 3 Successive governments have reserved the right to limit increases in council tax. In recent years the coalition Government has required any billing or precepting authority which set an 'excessive' Council Tax to hold a referendum. A Council Tax increase is deemed excessive if an authority's basic amount of council tax for the year in question is equal to or more than an amount set by the Government compared to the basic amount of council tax for the previous year. In 2013/14 this level was 2%. Authorities wishing to set a council tax at or in excess of this amount could only do so following a referendum. Since re-billing costs are estimated at around £40k and referendum cost estimated at £100k this is a decision which is not taken lightly.
- 4 There has been much speculation over the last two months on what level of council tax increase would be deemed excessive in 2014/15, ranging from 1.5% to 1%. Erring on the side of caution the CEB recommendation to Council was originally 1.49%.
- 5 However in light of the Government's announcement on 5th February that an excessive council tax increase for 2014/15 is one which is at or above 2%. The City Executive Board are asked to recommend to Council that the increase in council tax will be revised to 1.99%. At this level council tax income will be maximized producing additional revenue of approximately £56k per annum.

Finance Settlement 2014/15 and Illustrative Finance Settlement Figures 2015/16

- 6 The Government has also released the final figures for the Finance Settlement for 2014/15 together with illustrative Finance Settlement figures for 2015/16. The figures for 2014/15 show an increase in Revenue Support Grant of £1,633 with no change in the illustrative figures for 2015/16.

Use of the additional income

- 7 Whilst the Council has made a prudent provision to cover such costs of £150k to protect the General Fund Revenue Account, and has budgeted for a capital contribution to flood alleviation in Marston and Northway, this will need topping up. There is now a call for bids for flood prevention works to the Environment Agency, with an imminent deadline, but it is likely that some partnership funding from local authorities will be required. In the light of these potential pressures CEB will recommend to Council that the additional revenue referred to above be transferred to the flooding provision.

Summary of Changes to Medium Term Financial Strategy

- 8 The Council's General Fund Medium Term Financial Strategy is shown in Appendices 1-3 with a summary of the financial impact of the changes referred to above to the Medium Term Financial Plan, shown below:

Table 1 : Summary General Fund Medium Term Financial Strategy 2014/15 to 2017/18

	2014/15	2015/16	2016/17	2017/18
	£000's	£000's	£000's	£000's
Net Expenditure per Consultation Budget	24,023	21,268	20,797	20,339
Transfer to flood reserve	58	57	58	59
Net Budget Requirement	24,081	21,325	20,855	20,398
FUNDING				
Council Tax	11,365	11,536	11,710	11,886
Additional council tax	56	57	58	59
Revised council tax	11,421	11,593	11,768	11,945
Revenue Support Grant	6,339	4,433	3,682	2,940
Additional RSG	2	0	0	0
Revised RSG	6,341	4,433	3,682	2,940
Retained Business Rates	6,114	5,299	5,405	5,513
Collection Fund surplus	205	0	0	0
Total	24,081	21,325	20,855	20,398
Surplus/ (Deficit)	0	0	0	0

GENERAL FUND WORKING BALANCE				
Opening	3,621	3,621	3,621	3,621
Transferred to/(from)	0	0	0	0
Closing	3,621	3,621	3,621	3,621

The Net Budget Requirement has been increased by between £57k and £59k per annum over the four year period and these changes have been updated in the original appendices 1 and 2 which for expediency have not been reprinted.

Financial Implications

- 9 These are covered within the main body of the report

Legal Implications

- 10 The Council is required to set a balanced budget and agree the Council Tax before the beginning of the financial year.

Risk Implications

- 11 There are no risks in connection with the recommendation contained in this report

Equalities Impact Assessment

- 12 There are no additional implications on equalities impact in connection with the recommendation contained within this report.

Name and contact details of author:-

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List of background papers: None
Version number:

To: Council

Date: 19th February 2014

Supplementary Report of: Head of Finance

**Title of Report: Medium Term Financial Strategy 2014-15 to 2017-18 and
2014-15 Budget for Consultation: A Fair Future to Oxford**

Summary and Recommendations

Purpose of report: To change the recommendation from City Executive Board (CEB) 12th February 2014 relating to Council Tax Discount Class A

Key decision: Yes

Executive lead member: Councillor Ed Turner

Policy Framework: The Council's Corporate Plan

Recommendation(s): To change the recommendation (1.f) made by CEB on 12th February 2014 and retain the Class A discount at 25% for a maximum period of 1 year in accordance with paragraph 9 below.

Introduction

1. On 12th February 2014 the City Executive Board agreed a recommendation to Council to make changes to Council Tax Discounts and Exemptions for empty homes and unoccupied properties.
2. This report updates Members on additional information received and the subsequent necessary change to the recommendation made on 12th February 2014.

Background to Changes

- 3 The CEB report of 12th February agreed a recommendation to Council to vary Council tax discounts and exemptions for empty and unoccupied property as follows:

- To change Discount Class C (vacant - empty & unfurnished) to a 100% discount from the date the property becomes empty for a period of up to 1 month then apply 0% discount
 - To change Discount Class A (in need of structural repair) to give a 100% discount for 2 months and then apply a 0% discount. To give New Builds 100% discount for one calendar month then apply 0% discount.
- 4 Whilst the proposal in respect of the Class C discount stands, further information has been received with reference to the Class A discount which requires a change to the recommendation made in February.
- 5 The Explanatory Notes to the Council Tax (Prescribed Classes of Dwellings) (England) (Amendment) Regulations 2012 state in respect of Class A properties that:
- “Billing authorities will be able to decide what percentage of Council Tax to charge in relation to these classes of dwellings instead of the discount, up to the full amount.....but they will only fall into this class for a maximum period of 12 months”.
- 6 This was interpreted as providing latitude on the period of discount and the ability to apply different discounts to different categories of property within this Class.
- 7 Paragraph 11 (1) 4B of the Local Government Finance Act 2012 however states “a billing authority may not specify a description of dwellings ... **by reference (wholly or partly) to a shorter period**”.
- 8 Subsequent advice received from the Department for Communities and Local Government (DCLG) Council Tax Division indicated that it was not intended for the discount on Class A properties to be sub-categorised or set for a period of less than 12 months.
- 9 Consequently it is recommended that the Council Tax Discount for Class A empties remains unchanged from that agreed on 1st April 2013 namely a 25% discount for a period of one year.

Financial Implications

- 10 The initial proposal was intended to assist with administrative efficiencies rather than cashable financial benefits. Having operated with Class A in this capacity during 2013/14 reversion should not create any increased burden.

Legal Implications

- 11 These are covered in the report.

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List of background papers: Version number: 1.1

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AMENDMENT TO AGENDA ITEM5

Amendment in the name of Councillor Jean Fooksto agenda item 5 – Medium Term Financial Strategy 2014-15 to 2017-18 and 2014-15 budget for consultation: A Fair Future for Oxford (pages 7 to 140 of the main agenda)

Councillor Jean Fooksan amendment to the parking fees required to meeting the Liberal Democrat budget proposals as follows:

1. **Remove fee of 50p from one hour's parking** at Cutteslowe Park, Hinksey Park and Walton Well Road car park.

The new fee structure for these car parks would be

Cutteslowe Park; Harbord Road and A40

0-1	hour free, but ticket required
1-3 hours	£1.10
3-24	£2.20

Hinksey Park and Walton Well Road Port Meadow car parks:

0-1	hour free, ticket required
1-3 hours	£1.10
3-5 hours	£2.20
5-24 hours	£10.20

2. **Charge district centre fees at Alexandra Courts**, with permits for tennis players

New charges would be

Monday to Sunday (0800-20.00)

0-1 hours	£1.20
1-2 hours	£1.70
2-3 hours	£3.20
3-4 hours	£5.20
4-6 hours	£13.10
6-8 hours	£13.10
8+ hours	£13.10
All other times	£1.20

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AMENDMENT TO AGENDA ITEM6

Amendment in the name of Councillor Jim Campbell to agenda item 6 – Corporate Plan 2014-18 (pages 141 to 206 of the main agenda)

Councillor Jim Campbell seconded by Councillor Mark Mills will propose an amendment as follows:

In the main Corporate Plan document on page 10 (page 164 of the main Council meeting agenda), under the heading of Improving Oxford's city centre, to add a fourth bullet point as follows:

- Working in partnership with the traders to make effective use of the findings of the Retail group's report on the Future of the Covered Market, to increase footfall in the Market, and to ensure it plays a key role in the City Centre Retail offer.

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