

Agenda

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City Executive Board

Date: **Thursday 30 July 2015**

Time: **5.00 pm**

Place: **St Aldate's Room, Town Hall**

For any further information please contact:

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As a matter of courtesy, if you intend to record the meeting please let the Contact Officer know how you wish to do this before the start of the meeting.

City Executive Board

Membership

Chair

Councillor Bob Price	Corporate Strategy and Economic Development
Councillor Ed Turner	Finance, Corporate Asset Management and Public Health
Councillor Susan Brown	Customer Services and Corporate Services
Councillor Alex Hollingsworth	Planning, Transport and Regulatory Service
Councillor Pat Kennedy	Young People, Schools and Skills
Councillor Mike Rowley	Leisure, Parks and Sport
Councillor Scott Seamons	Housing
Councillor Christine Simm	Culture and Communities
Councillor Dee Sinclair	Crime, Community Safety and Licensing
Councillor John Tanner	Climate Change and Cleaner, Greener Oxford

The quorum for this meeting is three, substitutes are not allowed.

Future items to be discussed by the City Executive Board can be found on the Forward Plan which is available on the Council's [website](#)

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AGENDA

PART ONE PUBLIC BUSINESS

Pages

1 APOLOGIES FOR ABSENCE

2 DECLARATIONS OF INTEREST

3 PUBLIC QUESTIONS

When the Chair agrees, the public can ask questions about any item for decision at the meeting for up to 15 minutes. Questions must have been given to the Head of Law and Governance by 9.30am one clear working day before the meeting (email 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 COUNCILLOR ADDRESSES ON ANY ITEM FOR DECISION ON THE BOARD'S AGENDA

City Councillors may, when the Chair agrees, address the Board on an item for decision on the agenda (other than on the minutes). The member seeking to make an address must notify the Head of Law and Governance by no later than 9.30am at least one clear working day before the meeting. An address may last for no more than three minutes. If an address is made, the Board member who has political responsibility for the item for decision may respond or the Board will have regard to the points raised in reaching its decision.

5 COUNCILLOR ADDRESSES ON NEIGHBOURHOOD ISSUES

10 minutes of the meeting is available for any Councillor to raise local issues on behalf of communities directly with the Board. Priority will be given to those who have not already attended within the year and in the order received. Issues can only be raised once unless otherwise agreed by the Board. The Board's responsibility will be to hear the issue and respond at the meeting, if possible, or arrange a written response within 10 working days.

6 HOMELESSNESS PROPERTY INVESTMENT

7 - 34

Lead Member: Councillor Seamons, Executive Board Member for Housing

The Head of Housing & Property and the Head of Financial Services have submitted a report which seeks approval for the Council to invest in a dedicated property fund in order to lever in additional funding to that provided by the Council, to procure accommodation that can be used to house homeless households in the private rented sector.

Officer Recommendations: That the City Executive Board:

1. Grants project approval for the 'Real Lettings' initiative as set out in this report to enable the Council to enter into agreements with Resonance and St Mungo's Broadway;
2. Delegates authority to the Head of Housing and Property and the Head of Financial Services to enter into contractual agreements once these have been finalised and agreed by the Head of Law and Governance;
3. Delegates authority to the Head of Financial Services to publish a Voluntary Ex-ante Transparency (VEAT) Notice publishing the Council's intention to enter into such a contract;
4. Recommends that Council include this type of investment in its Treasury Management Strategy as part of non-specified investments and amend the Minimum Revenue Provision (MRP) policy in line with the principles outlined in this report;
5. Recommends that Council approve the £2.197 million balance on the Homelessness Property Acquisitions capital scheme be transferred to this investment.
6. Recommends that Council approve a supplementary estimate of £2.803m; financed from internal borrowing, as a revision to the Council's Capital Programme.

7 AWARD OF CONTRACT FOR IT INFRASTRUCTURE SERVICES

35 - 46

Lead Member: Councillor Brown, Executive Board Member for Customer Services and Corporate Services

The Head of Business Improvement has submitted a report which details the outcome of the tender process carried out to appoint one or more IT infrastructure partners and recommend award of a single contract for all five lots to Specialist Computer Centre Ltd (SCC Ltd).

Officer Recommendations: That the City Executive Board:

1. grants project approval for the new IT Infrastructure arrangements described in this report;
2. approves the award of a single contract to SCC Ltd. to deliver all five service lots as set out in the tender for IT infrastructure for a period of five years with the option to extend for up to a further five years;
3. delegates authority to finalise the detailed terms of the contract with the said supplier to the Executive Director, Organisational Development and Corporate Services, in consultation with the Head of Law and Governance.

8 ITEMS RAISED BY BOARD MEMBERS

9 MINUTES

47 - 58

Minutes of the meeting held on 9 July 2015

Recommendation: The City Executive Board APPROVES the minutes of the meeting held on 9 July 2015 as a true and accurate record.

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.

To: City Executive Board
Council

Date: 30 July 2015
23 September 2015

Report of: Head of Housing & Property
Head of Financial Services

Title of Report: Homelessness Property Investment

Summary and Recommendations

Purpose of report: To seek approval to enter into an investment in a dedicated property fund.

Key decision: Yes

Executive lead member:

Councillor Scott Seamons, Board Member for Housing
Councillor Ed Turner, Board Member for Finance, Asset Management and Public Health

Policy Framework: Corporate Plan Priority –Meeting Housing Needs

Recommendation(s): That the City Executive Board:

1. Grants project approval for the 'Real Lettings' initiative as set out in this report to enable the Council to enter into agreements with Resonance and St Mungo's Broadway;
2. Delegates authority to the Head of Housing and Property and the Head of Financial Services to enter into contractual agreements once these have been finalised and agreed by the Head of Law and Governance;
3. Delegates authority to the Head of Financial Services to publish a Voluntary Ex-ante Transparency (VEAT) Notice publishing the Council's intention to enter into such a contract;

4. Recommendsthat Council include this type of investment in itsTreasury Management Strategy as part of non-specified investments and amend the Minimum Revenue Provision (MRP) policy in line with the principles outlined in this report;
5. Recommendsthat Council approvethe £2.197 million balance on the Homelessness Property Acquisitions capital scheme be transferred to this investment.
6. RecommendsthatCouncil approve a supplementary estimate of £2.803m; financed from internal borrowing, as a revisionto the Council’s Capital Programme.

Appendices

Appendix A–Limited Partnership Structure

Appendix B–Cashflows and Agreements Flow

Appendix C–Risk Register

Appendix D–Equalities Impact Assessment

Appendix E–Support Provided from St Mungo’s Broadway

Background

1. Local housing authorities have a statutory duty to ensure households that are believed to be homeless, eligible for assistance and in priority need (primarily if the household is vulnerable or has dependents) are provided with interim accommodation. Following investigations, the Council may accept that it has a statutory duty to find suitable permanent accommodation for that household. Temporary Accommodation is the accommodation provided by the Council on either an interim basis or, where it has accepted a statutory homeless duty, for the period until it discharges that duty (usually through an offer of suitable housing).
2. Best practice, is to try to prevent statutory homeless applications and acceptances, by taking action as soon as possible to either prevent homelessness (by keeping the household in their current accommodation) or to alleviate it by finding alternative suitable accommodation and making it available.
3. Oxford has traditionally had a disproportionately large ‘homeless’ population compared to the size of the city. There are a number of factors for this:
 - the high cost of housing;
 - low average wages;
 - low educational attainment from many school leavers;
 - the perceived affluence of the city;
 - the thriving local economy;
 - Oxford’s proximity to London; and
 - a relatively young and transient population.

However, the ability of Oxford to respond to the pressure for accommodation is severely limited. The City has limited capacity for residential growth and a significant proportion of the housing stock (28%) is privately rented, compared to 17% nationally.

4. The mismatch between supply and demand is even more pronounced in relation to affordable housing. Average house prices in the City are high. Oxford was recently designated the least affordable city in the UK (Centre for Cities Outlook 2013) based on house price and rental affordability. The ratio of lower quartile house price to lower quartile earnings in Oxford is 10.20, compared to England's of 6.45 (Source: DCLG Live table 576, 2013).
5. To date, increasing demands for temporary accommodation have been managed through a number of different means, (see paragraphs 9 and 10). Although these have contained the pressure so far, demand remains. Hence the Council needs to take further action to mitigate against future pressure on its revenue budget.
6. There has been a sustained pressure on the Private Rented Sector (PRS) in the city for some years as landlords are able to select tenants not in receipt of benefit over those who are in receipt of benefits, particularly those in receipt of housing benefit or those with poor or non-established tenancy histories. The result is that homeless clients do not have access to this accommodation. The Council is also unable to lease new properties from private landlords, under its Private Sector Lease (PSL) scheme, and some existing properties have been lost due to landlords seeking to secure higher market rents.
7. A summary of monthly rents recorded between 1 Apr 2014 to 31 Mar 2015 by administrative area for England, Valuation Office Agency are as follows:

2 Bedrooms					
Area	Count of rents	Average	Lower quartile	Median	Upper quartile
ENGLAND	200,710	714	495	595	775
SOUTH EAST	30,170	820	675	780	900
Oxfordshire	2,123	921	780	865	1,000
Oxford	728	1,091	925	1,050	1,200

3 Bedrooms					
Area	Count of rents	Average	Lower quartile	Median	Upper quartile
ENGLAND	122,021	812	550	675	875
SOUTH EAST	17,502	998	795	925	1,150
Oxfordshire	1,220	1,145	925	1,095	1,295
Oxford	344	1,346	1,150	1,300	1,483

These compare to the Local Housing Allowance Rates: -

Local Housing Allowance Rates from April 2015		
Bedrooms	Weekly	Monthly
2 Bedrooms	192.48	834.08
3 Bedrooms	230.14	997.27

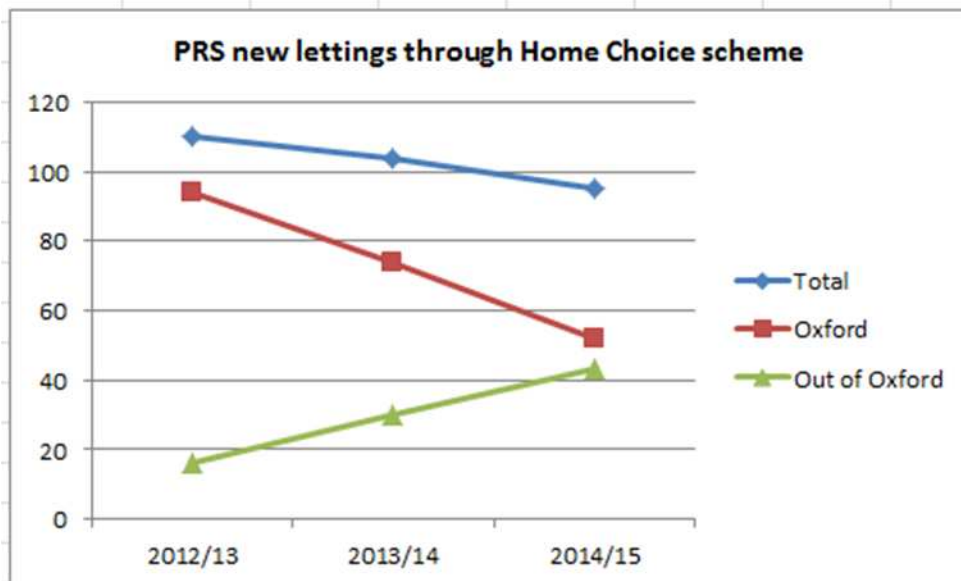
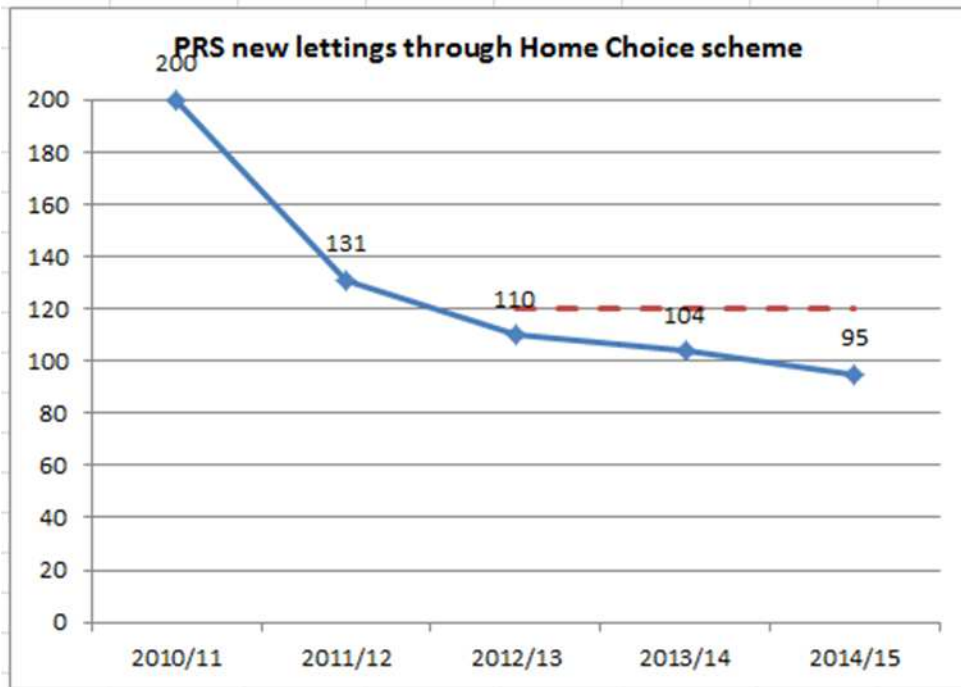
As can be seen even the cheapest properties attract higher rents than LHA rates, inevitably causing affordability issues for people on lower incomes.

8. A summary of clients supported through homelessness as at the 31st May 15 is:
- 938 clients in the PRS supported with a Home Choice deposit or bond
 - 182 clients pending referral to the Home Choice scheme – all being households we may have a statutory homeless duty to
 - 113 households in Temporary Accommodation - to whom we have accepted a statutory homeless duty to 77
 - 254 bed spaces in the adult homeless pathway (running at close to 100% occupancy rate)

Increasing Demands and Pressures on the Service

9. The significant pressures on the service arise from: -
- Lack of access to local Private Rented Sector move-on accommodation
 - Clients with very high and or, complex needs (i.e. mental ill health; alcohol or substance misuse), for whom shared accommodation is often inaccessible and unworkable
 - Clients requiring substantial resettlement support making out-of-area moves challenging
 - The impact of budget cuts in other parts of the public sector which affect support, e.g. new County contracts – currently out to tender and due to start in February 2016 –will reduce the Adult Homeless Pathway from 2 years to 9 months Rising rough sleeper numbers with local connection and a lack of access to No Second Night Out (NSNO) beds
 - Welfare reforms at the national level will increase financial pressures on households with limited means and result in more pressures on the homelessness service.
 - More clients being exempted from out-of-area moves (beyond Oxon) due to their having secured in excess of 16 hours local employment

10. The following graphs and table show the declining number of Home Choice new starts over the past five years, and the increasing reliance on out of area properties to compensate for the decline in access to suitable accommodation at sustainable rents in Oxford.



Actions Underway

11. The Council is working intensively with partners and stakeholders to try to address the situation. We invest significant funds locally to deliver services and work to promote best practice and ensure co-ordination of services across the sector. Recent activity has included:

Singles

- Launched a new 'sit-up' service in O'Hanlon House to provide seats/roll mats for more rough sleepers – to help bring them off the streets
- Funding a pilot with the Mayday Trust to test a new model of support for adults
- Funding a pilot with a number of Oxford Churches to develop an ethical landlord model
- The Housing First pilot to provide housing and intensive support to the most entrenched rough sleepers
- Met with providers to identify key gaps and 'brainstorm' barriers and ideas to overcome these, including out of area moves
- Working with the County, Oxfordshire Clinical Commissioning Group and others to secure the best outcomes from the County cuts – including maintaining local hostel bed spaces
- Facilitating the establishment of a specialist accommodation service for clients with complex needs
- Setting-up a personalisation budget with Broadway to help fund PRS deposits for Oxford clients without a Local Connection and with no connection with another district

Families

- Match-funding the Council's Welfare Reform team
- Discretionary Housing Payment (DHP) top up
- Funding the Sanctuary Scheme to secure the homes and prevent the homelessness of households experiencing violence or anti-social behaviour, or threats thereof
- Funding a new wrap-around Tenancy Ready Scheme – to support the Crisis provision and deliver the course in peoples own homes or in community locations as well as in the Crisis Skylight Centre
- Funding an additional officer to secure property out-of-area and help introduce and settle families into those locations

Homelessness Provision

12. Temporary accommodation is secured through:

- HRA accommodation
This is short term provision due to legislation, with up to 48 households being housed in two blocks currently earmarked for future redevelopment.
- General Fund Accommodation
General Fund accommodation is currently limited to 5 properties and without substantial capital investment; the amount of provision will not change. The 5 properties were funded from the £3.5 million Homelessness Property Acquisitions capital scheme of which there is £2.197 million budget remaining.
- Private Sector Landlords (PSL)
The PSL scheme (including staff costs) costs approx. £620k per annum.
- Bed and Breakfast

This is the most expensive form of accommodation with costs between £350 and £500 per week depending on household size. The net indicative costs for a smaller household are £265 per week or £13,780 per annum. Larger households would need at least two rooms which would double the cost. As other types of accommodation become less available and without an alternative solution the Council is likely to have to rely more on B&B accommodation.

Current Budget Position

13. The budget for Temporary Accommodation, Homelessness, and Housing Choice was £3.513 million in 2014/15. However, the budget overspent and had to utilise £265k of earmarked reserves in the year. The variance was largely due to sustaining existing clients in B&B and Home Choice accommodation.
14. The 2015/16 budget is £3.409 million (which takes into account additional efficiencies required for 2015/16). Assuming the same level of expenditure as 2014/15, the budget will be overspent by £369k at year end.
15. The homelessness reserves which can be used to finance one-off shortfalls in budget is £1 million. Assuming the same levels of demand, this reserve will be fully used in around 2.5 years' time. However, there may also be additional calls on reserves to deal with the consequences of cuts in hostel accommodation by the County Council.

Possible Solutions

16. Officers have been exploring possible solutions to relieve pressure on temporary accommodation since 2011. This has included developing options in partnership with a company called Orchard and Shipman, although suitable funding arrangements could not be agreed. In September 2013, the City Executive Board approved a model to directly procure additional temporary accommodation units.
17. Most recently the Council has been in discussion with Real Lettings – comprising Resonance (a Fund Management Company) and St Mungo's Broadway (a Homelessness Charity). The Real Lettings model uses a property fund to lever in additional funding to that provided by the Council, to procure accommodation that can be used to house homeless households in the PRS.
18. Until recently the fund has only been available to authorities in the Greater London area. In February of this year, Resonance put forward a proposal for an out of London fund. Most aspects of the fund are firmed up; however the service provision aspects are subject to a detailed negotiation to balance service provision and risk against costs.
19. Investment in this property fund is compared against two other options: -
 - Invest in a more general property fund and
 - Purchase properties direct and manage in-house

The relative costs of each are considered over a 10year period to allow for a phased introduction and the potential extension of Option 3 by 2 years.

Options

Option 1 – Invest in General Property Fund

20. As outlined at paragraphs 9 and 10, the future demands on the homelessness service and the associated financial pressures will only increase. If the Council does nothing to alleviate the service issues, the current trends suggest that pressures on temporary accommodation are likely to grow further, with consequential increased budget pressures.
21. If the Council were to invest £5 million in a normal property fund, it would expect to receive an annual return of around 6% or £300kper annum plus capital appreciation (assumed at 2% per annum) giving an overall average rate of return of 8%.
22. If the demands on the service increase, without additional property provision, the impact will be increased use of B&B accommodation. For 50 units this would cost in the region of an additional £800k a year which is not budgeted for.

Option 2 – Purchase properties direct and manage in-house

23. The Council has purchased 5 properties within the General Fund. The properties are managed within the General Fund and are rented out at Temporary Accommodation rates. This is the maximum allowed under the Housing Benefit subsidy cap – equating to 90% of the Jan 2011 LHA rate plus £60 per week. This is expected to change under the Universal Credit regime. Based on known and anticipated costs and income assuming a £5million investment and the provision of 28 properties, the financial impact is as follows: -

	Years		
	1 to 4	5 to 7	8 to 10
	£	£	£
"Cashflows"			
Net Rent	1,089,391	845,974	871,608
Running Costs	(394,613)	(351,571)	(364,380)
Investment interest lost	(225,273)	(196,152)	(164,385)
Capital cashflow	(5,000,000)	0	5,975,463
Net Cashflow	(4,530,495)	298,250	6,318,305
B&B "Saving"	1,588,001	1,276,330	1,354,451
Net "Cashflow" incl B&B	(2,942,494)	1,574,580	7,672,757
Cumulative "Cashflows"	(2,942,494)	(1,367,914)	6,304,843

24. The investment gives a return of 4.17% over 10 years excluding the reduction in bed and breakfast usage. The return is lower than that provided through a straight treasury investment because of the service delivery aspects of the arrangement. However, assuming that all tenancies reduced B&B usage, taking those savings into account the return is around 14.2% p/a.

Option 3 – Real Lettings Property Fund

25. This is a three way agreement between the Council, the property fund manager (Resonance), and the housing management provider (St Mungo's Broadway – a registered Housing Association) to provide additional temporary accommodation. A diagram illustrating the structure of the Limited Partnership is shown in Appendix A and a diagram illustrating cashflows and agreements is attached at Appendix B.
26. Resonance will operate a Property Fund under a Fund Management Agreement comprised of a number of investors including councils. The investors become Limited Partners to the Limited Partnership.
27. The property fund will purchase properties of the type required by St Mungo's Broadway based on a Framework Agreement. St Mungo's Broadway then operate the properties and manage the tenancies. Rental income is passed to the Property Fund by St Mungo's Broadway less 17½% which is retained by St Mungo's Broadway to cover their operating costs.
28. The Council will agree a Service Level Agreement (SLA) with St Mungo's Broadway. This will define the terms of St Mungo's Broadway's service. The SLA allows for the mix of properties to be influenced by the Council,

for the properties acquired to be within a specified geographic area, and for the Council to have nomination rights to them. The Council would be required to pay a nominations fee to St Mungo's Broadway which includes indemnity against some of the risks to St Mungo's Broadway from increased voids due to lack of nominations and excessive loss of rent. The precise arrangement is still open to negotiation, however the default is that the Council will pay a £3k fee for each nomination to mitigate the risk to St Mungo's Broadway; this is the assumption used to assess the financial impact to the Council.

The Fund

29. The Council would commit £5million over an initial seven year term to purchase units within the Fund, this would be extendable for up to two years by agreement.
30. The Fund has already attracted some in-principle match funding from Big Society Capital of up to £15m. The match funding is only available to the first three councils investing in the Fund. There would therefore be additional benefit to Oxford from being an early investor in the scheme. Initially there will be no gearing within the Fund with all acquisitions funded solely with equity. The commitment will be drawn down over an initial 2 to 3 year period. Tenancies taking place in years 3-7.
31. The Fund has a net target return of 5% per annum achieved through a combination of rental income and capital appreciation although this is not guaranteed. Any capital appreciation will likely be realised in the final two years of the Fund, given that the structure of the Fund is based on 5 year rental agreement periods on the investment properties. After the initial seven year term options include:
 - Extension of Fund by up to 2 year periods assuming agreement
 - Phased sale of properties over last 2 years of Fund
 - Potential sale to a follow on Fund, institutional investor or social landlords
32. In summary:
 - Approximately 50 properties would be acquired (subject to attracting match funding availability) in the Oxford locality, with acquisitions across the Oxford Broad Rental Market Area
 - The property portfolio would be split between one and two bed flats on a ratio of 10%/90% to 30%/70%
 - Properties will meet or exceed the Decent Homes Standard and will be let on Assured Shorthold Tenancies
 - The Council will seek to nominate persons ready to move-on from the Adult Homeless Pathway into the one bed homes. Two bed homes will be used to prevent the homelessness of households the Council is likely to otherwise have a statutory homeless duty to, usually through a Private Rented Sector Offer (PRSO) to households that it has accepted a duty to and is unable to place out of area, in order to discharge that duty, and reduce pressure on temporary accommodation

- Rental payments will be set at the Local Housing Allowance rates, with no requirement for deposits, bonds, or rent in advance payments
- Maintenance and risk on voids are the responsibility of St Mungo's Broadway under lease terms and conditions.
- St Mungo's Broadway will engage with clients with a view to progressing their independence, usually through gaining employment, and through the promotion of savings schemes. Tenants will be expected to move on from the tenancy into independent private rented accommodation in the third year of their tenancy, thus creating an opportunity for another nomination into the property. For more details of the service provided by St Mungo's Broadway, please see Appendix E.

Scheme History

33. Resonance and St Mungo's Broadway have been operating a similar scheme for London authorities since early 2013. ThatFund is now valued at £46.5 million a major investor being the London Borough of Croydon who has invested in a number of tranches. Whilst it is early days, the first Social Impact report showed 100% tenancy sustainment to date. The anticipated returns on the outside London scheme have been informed by the experience of the London scheme.

At the end of the Agreement

34. The current intention is that at the end of the investment period, including the 2 year extension, if the Council were minded to seek that, the Council would liquidate its investment. This approach means (subject to agreement with the Council's auditors) that no MRP needs to be charged to revenue for the principle invested.
35. Other options could include:
- All parties want to close the fund and liquidate assets (or have to, because the options below cannot be achieved) – in which case the properties will be sold.
 - Parties want to roll-on into another 7 year fund as is
 - Some parties want to roll-on, but not all in which case Resonance will seek to attract additional replacement investors into the scheme. The London Fund has beaten its own investment targets for securing additional investors already
 - Either of these would require a different approach to MRP.
36. To liquidate the asset clearly there would need to be a decant plan for residual tenants to alternative property and tenancies would need to be managed down over a period of time beforehand.
37. Option three gives an average 1% return (based on the 5% investment return) including the £3k nomination fee but excluding the reduction in bed and breakfast usage. The return is lower than option one because of the service delivery aspects of the arrangement. Assuming that all tenancies reduced B&B usage the return is around 14.9% p/a.

	Years		
	1 to 4 £	5 to 7 £	8 to 10 £
"Cashflows"			
Capital cashflows	(5,000,000)	0	5,692,631
Net Interest	181,686	124,814	62,407
Nominations	(228,000)	(225,000)	(75,000)
Net Cashflow	(5,046,314)	(100,186)	5,680,038
B&B "Saving"	1,821,278	2,279,160	1,197,199
Net "Cashflow" incl B&B	(3,225,036)	2,178,974	6,877,237
Cumulative "Cashflows"	(3,225,036)	(1,046,062)	5,831,175

Conclusion

38. Of the three options, Option 3 gives the greatest service benefit with the provision of 50 units compared to none for Option 1 and 28 for Option 2. In addition to this, the clients will benefit from close management and support from St Mungo's Broadway.
39. Ignoring the reduction in Bed and Breakfast usage, financially Option 1 gives the best return at 8% per annum, including an assumed capital appreciation of 2% per annum on average. Option 2 gives an average return of 4.2% and Option 3 an average return of 1.0%. Including the reduction in Bed and Breakfast usage, Option 3 becomes marginally the best option at 14.86%, followed by Option 2 at 14.19% and Option 1 at 8%.
40. It is therefore recommended that option 3 is pursued.

Legal Issues

Statutory Powers

41. Option 3 has both service aspect and investment aspects and the Council could, in theory choose either. Both would be capital expenditure and the effect on the Council through the accounting treatment has a similar effect. The service element costs £3k per nomination which would cost an average of £40k per year over the life of the scheme and which is therefore incidental to the main investment. The investment element is £5 million which would be invested in this specific property fund. This is therefore on balance a treasury management investment.
42. The Local Government Act 2003, section 12, provides a local authority with the power to invest for "any purpose relevant to its functions under

any enactment, or for the purposes of the prudent management of its financial affairs". The subsequent guidance issued by the DCLG forms part of the statutory guidance, which Local Authorities must have regard to.

43. There are certain conditions attached to the use of the investment power. Section 15 of the 2003 Act requires an authority to have regard to Investment Guidance issued by the Secretary of State, and the Investment Guidance re-issued in 2010 specifies that each authority should prepare an investment strategy, and that this strategy should set out policies for the prudent management of its investments, giving priority to the security of those investments and, secondly, their liquidity, before focusing on yield.
44. The Authority would be using its investment powers to enter into these agreements and through purchasing units within the Fund would be purchasing share capital in a body corporate which would constitute capital expenditure as per s25(d) of The Local Authorities (Capital Finance and Accounting) (England) Regulations 2003.
45. The Fund is an Unregulated Collective Investment Scheme for the purpose of Financial Services and Markets Act 2000 which means that it is not afforded FSA protection.

Procurement

46. This is not caught by the Public Procurement Regulations as it is a Treasury Investment. The service aspects of the agreement are entirely ancillary to these purposes. It is therefore proposed that the Council should publish a VEAT (Voluntary Ex-Ante Transparency) Notice (a Voluntary Notice stating the Council's intention to enter into contract and our belief that it is exempt in OJEU (Official Journal of the European union). This notice runs for 10 days and if it is not challenged within that period, then any subsequent challenge could only be brought in damages, rather than on the basis that the agreements should be made void.

Legal Agreements

47. The legal agreements have been received in draft form and will be fully reviewed by the legal department before they are entered into.

Financial Issues

48. Whether the money advanced to the Fund is undertaken through reliance on investment powers, or statutory powers driven by service objectives, it would be deemed capital expenditure. It would be an Unregulated Collective Investment Scheme for the purpose of Financial Services and Markets Act 2000. Where the Council incurs capital expenditure funded by borrowing, it needs to consider whether a Minimum Revenue Provision (MRP) is necessary to pay for the capital cost incurred and if so, how much.

49. An authority is required to make a “prudent provision” in respect of its MRP charge, and to arrange for its debt liability to be repaid over a similar period to that which the asset associated with the capital expenditure provides benefits such that the majority of new capital expenditure “financed by borrowing” is subject to a charge which reflects its estimated useful life. The guidance enables local circumstances and discretion to be taken into account.
50. In the case of the investment proposed under option three, the Head of Financial Services considers that there is no requirement to make an MRP over the term of the investment because the capital receipt would be used to repay the debt liability at the end of the investment period. This approach needs to be agreed with the Council’s auditors.
51. Should the value of the capital investment reduce and not be sufficient to repay the entirety of the “borrowing”; an MRP charge would need to be made to make up the shortfall.

Accounting Treatment

52. As investment powers will be used to purchase units in the Fund they will be recognised as a long term investment. Initial distributions will be recorded as investment income in the Income & Expenditure account and a reserve will be used throughout the life of the Fund to manage any fluctuations in the valuation of the investment until a capital gain or loss is realised on disposal of the properties.
53. If CEB approves the investment of £5 million into a property fund to support option 3, a capital supplementary estimate of an £2.803 million would be required. The Council already has £2.197 million remaining in the Capital Programme for homeless property provision.
54. The Council is not legally able to borrow to invest. This transaction would have to be funded from available internal cash balances. To ensure that this is transparent, resources to the value of the investment sum will be held in an earmarked reserve which will mitigate against risk of revenue impacts arising from any loss in capital value.

Environmental Impact

55. There are no issues arising directly from this report.

Risks

56. Appendix C lists the risk analysis relating to this activity and proposal

Equalities Impact

57. There is a positive impact around securing suitable and affordable accommodation locally for vulnerable homeless households in high housing need. See the Equalities Impact Assessment at Appendix D.

Environmental Impact

58. There are no issues arising directly from this report.

Name and contact details of author:-

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Nigel Kennedy

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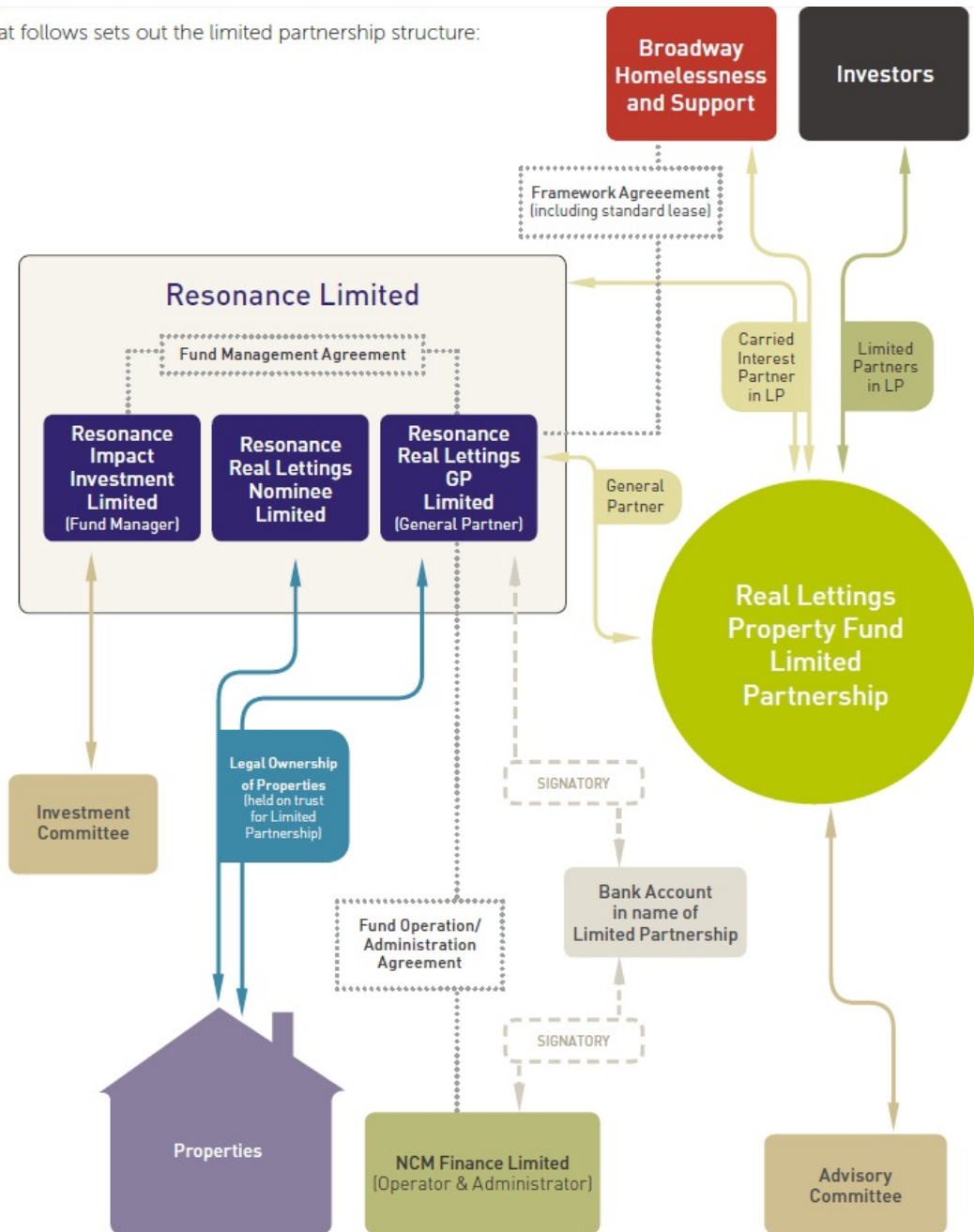
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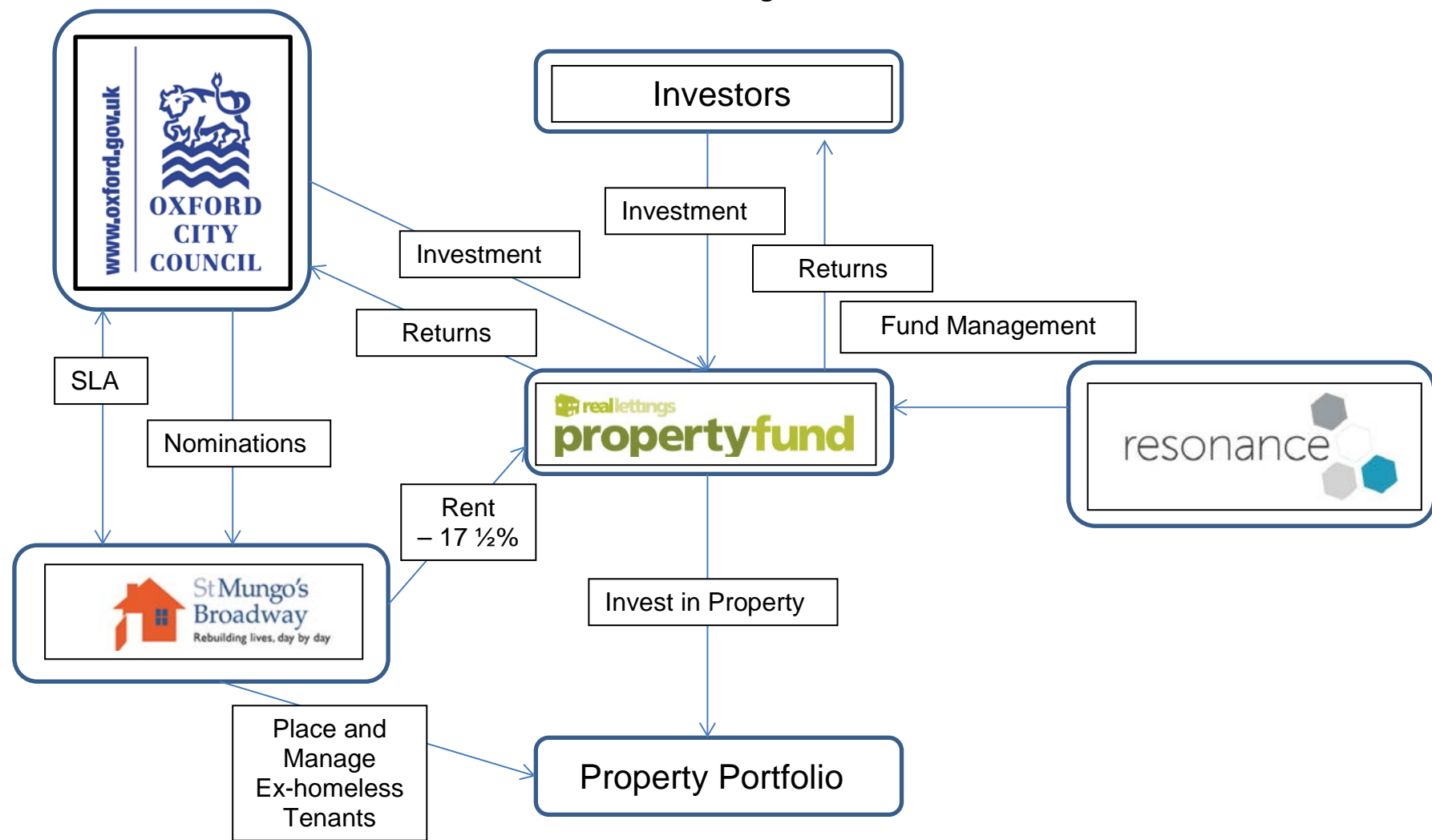
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The diagram that follows sets out the limited partnership structure:



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Cashflows and Agreements



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Risk Register

Appendix C

Homelessness Property Provision through the use of a property investment fund

Risk ID	Risk						Gross Risk		Current Risk		Residual Risk		Risk Mitigation
	Risk Title	Opportunity/Threat	Risk Description	Risk Cause	Consequence	Date raised	I	P	I	P	I	P	
1	Investment return	Threat	Investment returns, although targeted, would not be guaranteed	Actual investment returns being lower than projected through adverse impacts such as loss of rental income	Less council funding	16-Jun-15	3	4	3	3	3	2	Regular monitoring reports will be assessed; fund managers can be held to account in relation to the fund performance; The London Fund has been operational since 2013 and has achieved an average net initial yield of 4.5%
2	Liquidity	Threat	The Council must commit funds for a minimum of 7 years	Unforeseen circumstances lead to the Council requiring liquidation of its investment	Funds would not be available to support other requirements for the period of the agreement	16-Jun-15	4	4	4	3	3	2	The MTFS has assessed the risks of changes to external impacts on the Council's resources; The Council would have to try to sell its share in the fund, although the likelihood of being able to do so is small. Alternatively if the need is for capital resources, the Council could choose to take out external borrowing to pay for the new requirements
3	Security	Threat	The Council loses its principal investment	Market conditions deteriorate such that the capital value of the investment is not maintained	Loss of investment and revenue implications arising from MRP	6-Jul-15	4	2	4	2	3	2	The Council will require regular updates on the performance of the fund including the capital value of its investment. Any reductions in value, should they occur, will not impact only on one year because the Council's MRP policy would allow for the cost to be spread over the life of the asset.
4	Property Acquisition	Threat	The fund manager must find appropriate properties to deliver the service objectives and the projected yield from both an availability and selection perspective	Fluctuations in prices and market availability restrict the availability of suitable properties	Fund and service objectives are not met	16-Jun-15	5	4	4	3	3	3	Resonance have undertaken market analysis and have identified that there should be enough properties available that fulfil its criteria
5	Capital Values - loss	Threat	The capital will not be protected	Economic climate	Properties reduce in value resulting in a loss of capital values	16-Jun-15	5	4	4	3	3	3	Property prices tend to rise over the medium to long term; the Council could decide to leave its investment in a follow-on fund until the market conditions improve
6	Capital Values - MRP	Threat	The capital will not be protected	Economic climate	MRP will need to be payable leading to a charge on the revenue account	16-Jun-15	5	4	2	2	2	2	Resources to the value of the investment are held in a earmarked reserve which could then be use to mitigate the impact of the MRP charge

Risk ID	Risk						Gross Risk		Current Risk		Residual Risk		Risk Mitigation
	Risk Title	Opportunity/Threat	Risk Description	Risk Cause	Consequence	Date raised	I	P	I	P	I	P	
7	Long term property viability	Threat	Over time the properties are not fit for purpose	Changes in the type of clientele	The properties are no longer of the correct type to fulfil the needs of the service	16-Jun-15	3	3	3	3	2	3	Historical trends show that the main property requirement in this area is for 1 to 2 bedroom dwellings; this will be monitored to identify any emerging trends
8	Lettings Management	Threat	Properties and tenants are not managed as anticipated	Loss of staffing or other organisational changes reduces the ability of St Mungo's Broadway to manage the lettings part of the arrangement	The prevention and support outcomes are not achieved as envisaged	16-Jun-15	4	4	3	2	3	2	St Mungo's Broadway are a registered provider and as such are regulated by the Homes and Communities Agency; they are a large organisation and resources should be able to be diverted from other areas of the organisation to cover any short term issues; officers will monitor the position closely
9	Homelessness Demand	Threat	The demand to use these properties for homelessness purposes is not maintained	Presentations to the Council for homelessness support reduce	There is potential for loss to St Mungo's Broadway and the property fund leading to lower returns for the Council	16-Jun-15	4	4	4	2	2	2	The SLA will contain provisions that allow St Mungo's Broadway to utilise the property portfolio for other clients in the event of nominations from the Council reducing
10	Local Housing Allowance	Threat	Adverse changes to the Local Housing Allowance	Changes in welfare benefits impact adversely on the authority	The expected returns are not achieved	16-Jun-15	3	3	2	3	2	3	There have not been any changes to date in how the increases to the LHA are applied; the increases are already at CPI or 1% maximum which is below market rent increase. This will have been built into the financial models
11	Property disposal	Threat	Ability to exit the properties through a sale etc. at the full value of the investment at the end of the 7.5/9.5 years	The housing market changes and there is a reduction in the demand for properties	The expected capital returns will not be achieved and the fund may not be able to dispose of the properties to refund capital investments	16-Jun-15	4	4	4	2	3	2	Projections are that the demand for housing will increase over the medium term. Where something unforeseen occurs, the Council could choose to leave its investment in a follow-on fund until the market conditions improve
12	Property disposal	Threat	On liquidation the capital will not be available to be returned within the investment period	Property market slow	The capital is not available to be repaid in full at the end of the investment period; the full return is delayed whilst properties are disposed of	8-Jul-15	3	3	3	3	3	2	As the later stages of the fund are approached, Resonance would firm up on the exit strategy with investors (ie roll into another fund or phase disposal of assets) and the precise details and timing would be agreed with investors in order return capital at an agreed date; the Council will monitor progress as the time approaches

Appendix D: Equality Impact Assessment – CEB 30th July 2015

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 this proposal. The initiative recommended focuses on better meeting the needs of vulnerable homeless households through ensuring access to suitable and affordable private rented accommodation in the Oxford locality.

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

Persons approaching the authority as homelessness, or at risk of homelessness, will continue to be assisted under legislation, guidance, relevant case law, and best practice. Appropriate assessments will be undertaken for persons and their households that are eligible for assistance and where the authority has reason to believe they are homeless and in priority need. Consideration as to protected characteristics of customers will be considered within this process, and action taken to provide the most appropriate advice and assistance to that customers circumstances and needs.

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

No groups have been identified as being disadvantaged by this proposal, and it is expected to have a positive impact on many vulnerable homeless households.

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, relating to protected characteristics, have been identified.

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

This initiative will be monitored on a regular basis. Agreements and SLA will be formally monitored at least quarterly, and nominations will be reviewed monthly through operational monitoring and management arrangements.

Lead officer responsible for signing off the EqIA: Dave Scholes, Housing Strategy & Needs Manager. Date: June 2015

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Support Provided from St Mungo's Broadway

Real Lettings will be required to purchase self-contained properties that at least meet the Decent Homes standard. St Mungo's Broadway, a Registered Provider landlord (Housing Association) will manage these in accordance with best practice principles, with advice and guidance provided to tenants to enable tenancies to be sustained, and to assist tenants to move on into the wider private rented sector within three years. They will have a locally based housing management presence in Oxford.

St Mungo's Broadway (SMB) will engage with clients with a view to progressing their independence, usually through gaining employment, and through the promotion of savings schemes. Clients will be given a one year AST tenancy by St Mungo's Broadway (SMB) with the intention of renewing this for a further one year term. SMB have extensive experience of working with vulnerable clients, and proven success of moving many of them towards independence. This is the driving ethos of the organisation.

Clients will be given clear information and support prior to the start of the tenancy and throughout the first year, to ensure that they realise this is transitional accommodation, and that the aim is to help them move on after the two years. SMB view this as primarily being achieved through the clients securing work, and gaining confidence in themselves and in managing money and saving. A formal end of year one review will take place with each customer, leading into year two, which is seen as the key year for behavioural change.

The average length of stay in the London scheme is 2.5 years. If clients have not moved on by the end of the third year, SMB will be taking assertive action to more directly intervene with the client, and to secure possession of the property if they are not engaging and have exhausted all other options. Below are some high level conclusions against the 3 criteria measured from the second year of operation of the Real Lettings London Fund:

1. Improving housing opportunities - tenancy sustainment remains very strong (c 96% sustaining tenancy for over 6 months), offering evidence that those at risk of homelessness are capable of managing a household given the right context and support
2. Progressing towards work - the percentage of tenants in work and seeking work has remained constant even as the Fund has grown rapidly (38 in work / 7% training / 22% education)
3. Improving resilience against homelessness - majority (c 90%) of homes are kept in good / very good condition and majority of tenants are confident of meeting new people in the local area

The agreement between the Council and SMB will specify a number of responsibilities, including the following in relation to support:

Tenant Support Services

- Detailed assessment of the client's suitability for the PRS
- One point of contact for the Tenant for both assessment and resettlement
- Tenancy sign up (including explanation of rights and responsibilities)
- Tenancy set up (utilities, benefits, council tax, grant applications, furniture sourcing)
- Six months core resettlement support including 3 planned contact
- Referral to employment, training and education services

- In maintaining the properties, our staff pick up on un-reported issues
- Ongoing 'low level' support as and when required
- Signposting to external agencies where appropriate
- Monday – Friday Tenant helpline (with out of hours service)
- Encourage to access a peer support scheme as appropriate
- 12 monthly tenancy checks to ensure Tenant is still managing in tenancy/home
- Tight void/arrears management – Provision of support for Tenants in arrears

Outputs and Outcomes

- Tenancy sustainment
- Saving for a deposit
- Progress towards work
- Positive move on
- Showing signs of social integration
- Improved financial management
- Taking care of home
- Paying rent when on Universal credit
- Tenancy sustainment 12 months+
- Improved self-confidence and self esteem

The following extract from the Partnership Agreement with Resonance, also details some of the reporting measures around tenancy support, sustainment and move-on:

SCHEDULE 6

INVESTMENT OBJECTIVES⁷

1. INVESTING FOR SOCIAL IMPACT

The Fund has been structured in order to achieve significant social impact in the area of homelessness. It will achieve this by scaling up a proven effective model for transitioning formerly homeless people, or those at risk of homelessness, into successful private rented sector tenancies, with resulting improvements in housing options, progress towards work and re-integration into society, and greater resilience against reverting to homelessness. In addition, this will free up much needed hostel places to cope with rising numbers of rough sleepers.

The Fund will lease all properties acquired to the Lettings Carried Interest Partners for a minimum 5 year term. The lease terms will insulate the Fund from insurance and routine maintenance costs as well as the risk of tenant voids. The Lettings Carried Interest Partners will sub-let the properties to tenants at risk of homelessness on fixed short term tenancy agreements with rental in most cases coming from Local Housing Allowance. The Fund's relationship with the Lettings Carried Interest Partners is governed by the Framework Agreement.

2. IMPACT MEASUREMENT

The Fund will report annually to investors on its social impact using the measures shown in the table below.

Outcome sought	Measures	Definition/calculation	Why this measure?
Improving housing opportunities	Tenants have improved housing outcomes when they leave	Positive move-ons measured 3 months after tenants leave flat	Recovery – significant and lasting contribution to breaking the cycle of homelessness and helping people move on to a home of their own
	Tenants sustain their tenancies for more than 6 months	Percentage of people sustaining a tenancy for 6 months or more	
	Tenants save for a deposit so they can move into the private market	Percentage of people saved for one month's deposit	

<p>Progressing towards work</p>	<p>Tenants show one or more signs of progression towards work</p>	<p>Percentage of tenants showing one or more of: training completed; work experience/work placement; completed sector based work academy, or other work skills developed; regular volunteering; use of childcare; starting a job</p>	<p>Inspiration and empowerment – having a stable home enables tenants to take positive steps towards work, reflected in gaining skills and contributing to social and economic life</p>
<p>Improving resilience against homelessness</p>	<p>Tenants showing signs of social integration</p>	<p>Percentage of tenants (re-)connecting with family or friends regularly and/or participating in clubs, sports, social groups, etc.</p>	<p>Recovery and bridge building – tenants make new social connections</p>
	<p>Improved financial management (non rent)</p>	<p>Extent to which tenants have and keep to a budget; bills are paid on time; regular saving (non deposit); absence of late payment; absence of disconnection</p>	<p>Recovery and empowerment – tenants are in control of their finances and are better able to plan</p>
	<p>Taking care of their home</p>	<p>Percentage of tenants whose home is clean and well-maintained; absence of neglect or tenant damage; absence of neighbour complaints</p>	<p>Inspiration and empowerment – tenants demonstrate that they are motivated to look after their own space and take pride in it</p>

To: City Executive Board

Date: 30th July 2015

Report of: Head of Business Improvement

Title of Report: Award of contract for IT Infrastructure Services

Summary and Recommendations

Purpose of report: To advise the City Executive Board on the outcome of the tender process carried out to appoint one or more IT infrastructure partners and recommend award of a single contract for all five lots to Specialist Computer Centre Ltd (SCC Ltd).

Key decision: Yes

Executive lead member: Councillor Susan Brown, Board Member Customer and Corporate Services

Policy Framework: Corporate Plan Objective of delivering an efficient and effective Council

Recommendation(s): That the City Executive Board:

1. **grants project approval** for the new IT Infrastructure arrangements described in this report;
2. **approves** the award of a single contract to SCC Ltd. to deliver all five service lots as set out in the tender for IT infrastructure for a period of five years with the option to extend for up to a further five years;
3. **delegates authority** to finalise the detailed terms of the contract with the said supplier to the Executive Director, Organisational Development and Corporate Services, in consultation with the Head of Law and Governance.

Appendices:

- Appendix 1 – Risk register
- Appendix 2 – Tender scores

Background

1. The Council entered into a partnership agreement with Oxfordshire County Council in April 2009 for the provision of IT services. The partnership included the transfer of the City's IT staff to the County Council. Management of the business applications remained with the City Council and the staff carrying out these roles were subsequently brought together into a central support team within Business Improvement. The partnership agreement is due to expire on 31 March 2016.
2. The seven year partnership with the County Council has successfully delivered:
 - Replacement PCs and laptops across the whole estate
 - A virtualised server environment
 - Windows 7 upgrade
 - A resilient data centre now externally managed
 - A consolidated ICT Service Desk and Service Support function
 - A complete refresh of the Local Area (LAN) and Wide Area Networks (WAN)
3. The City and County jointly appointed an external specialist to review what if any options there might be for the partnership to continue, but concluded that a lack of synergy between the two service areas due to not utilising the same key applications or technology platforms would limit any longer term benefits of the partnership.
4. The commercial infrastructure market is mature and constantly innovating and able to provide a more agile option to meet the demanding timelines and flexibility in being able to scale up or down our server requirements or make changes in order to deliver future Council services.

Options for a new Infrastructure Partner

5. In the autumn of 2014 the Council carried out a soft market test to understand the available options. The outcome of this review was as follows:
 - **Partnership with other Councils**
At the time of the review other Councils that had their own infrastructure were unable to commit to offering infrastructure services to the Council due to their own priorities
 - **Purchase infrastructure as a service**
This is still fairly new in the marketplace and the current approved government frameworks limit the contract length to two years. The cost and work involved in transition and managing the change would make this option expensive and limit the ability to get any longer term value from the contract.
 - **Carry out an EU tender and award contract(s) for the range of infrastructure services required.**

A soft market test resulted in responses being received from five organisations. The information provided identified that all suppliers could offer services that would meet our requirements at a cost that was within budget. The soft market test also identified:

- Significant competition from a range of different suppliers
- A mature marketplace
- Suppliers with a good understanding and experience of public sector working and security standards.
- Specialist providers able to offer parts of the service, therefore enabling SMEs to apply for parts of the contract.

6. Consequently a full EU restricted tender has been carried out to maximise competitive leverage

Tender process

7. The tender was advertised as seven lots detailed below.

Lot	Name	Description
1	Data Centre Hosting	Provision of data centre capacity, racks and connectivity. Dual site resilience and resilient network connections
2	Server and Storage Capacity	Central processing unit and, memory and storage for virtual and physical machines. Including backup/recovery tools and capacity
3	Server technical support	Server Patching Event monitoring Performance Management Capacity Management Resources for Technical Projects
4	Database Administration	Database Patching Database Maintenance / Housekeeping Event monitoring Performance Management Capacity Management Resources for Technical Projects
5	Network Security Infrastructure and support	Design, Installation and maintenance of agreed security infrastructure and tools; Security Patching Event monitoring Performance Management Capacity Management Resources for Technical Projects
6	IT Service Management tools	IT Service Desk; Asset Management; ITIL Processes (incident, problem, change, service request); IT Service Catalogue
7	IT Service Desk Operations	Operational support of service desk and IT device management using IT service management platform

8. The tender was advertised in December 2014. The OJEU notice also listed other Oxfordshire Councils thereby providing an opportunity for others to use this contract in future
9. Forty seven expressions of interest were received.
10. Variable qualities of responses were received for lots six and seven proposing non- standard service desk solutions. These options would have limited the Council's ability to develop this part of the service in the future. Consequently the panel agreed not to proceed with lots six and seven and purchase a hosted service desk solution and bring this part of the service in house.
11. Sixteen bidders were invited to tender for the remaining five lots. To support the tender process two bidder events were held to ensure all bidders had the opportunity to ask questions and fully understand our infrastructure requirements.
12. The tender has been structured so that the Council enters into contracts with suppliers based on their standard service levels that meet our requirements. Bidders have not been asked to price for bespoke service levels that are not part of their standard service.
13. The tender evaluation has been carried out by the ICT technical management team, finance and procurement. Service representatives have attended the bidder interviews and clarification meetings, providing feedback and scoring for these areas.
14. References and a site visit have also taken place to fully understand the services provided by the proposed supplier to other organisations.
15. Price Waterhouse Cooper (PWC) the Council's internal auditors have also provided specialist support by reviewing the tender submissions and assisting in identifying potential areas of clarification that need to be addressed. PWC have also reviewed the final solutions and tender scores and provided assurance on the tender result and commercials.
16. External specialists in Infrastructure Outsourcing and Network Security provided guidance on the technical specification and reviewed the Invitation to Tender (ITT) responses to also identify specialist clarification points.

Tender evaluation results

17. Most of the bidders proposed a form of "cloud" services where multiple customers use shared but secure resources. SCC is proposing their "Sentinel" platform for the data centre hosting. This is already being used by more than 20 government customers. The platform has been independently accredited for use on Government secure networks which demonstrates its resilience and robustness. In the past 2 years the platform has been available 100% of the time.
18. Throughout the ITT process SCC consistently showed themselves to be professional and responsive by taking note of the information provided and

the specification requirements and offering relevant and comprehensive technical solutions.

19. All of the bidders were able to deliver the requirements as laid out in the specification and meet the required service levels. The references, site visit and stakeholder interview confirmed that SCC's culture of customer service was a good fit for this contract and matches the culture and aspiration of the Council.
20. Tender scores can be found in Appendix 2 together with a summary of the tender prices for each lot

Financial Implications

21. The available budget for the delivery of the ICT function currently provided by the County Council from 2016/17 is £979k.
22. The budget requirement to cover the cost of the services that will be delivered in house is £375k.
23. The available budget to deliver the five lots within this contract is therefore £604K and takes into account the £150k saving the service needs to achieve in 2016/17.
24. The tender price offered by SCC Ltd across the five lots is £577k. This price includes project days which are likely to be required to deliver new initiatives and application developments. These will be paid for on a "call off" basis up to the level as set out in the contract.
25. SCC Ltd offered the lowest price for three of the five lots and the lowest overall price for the combination of all 5 lots.
26. SCC Ltd also achieved the highest score based on price and quality for each individual lot.
27. The potential saving of £27k against the budget will be held as a contingency towards funding future hardware requirements.
28. Prices are fixed for the first five years of the contract with no additional indexation.
29. The contract pricing and budget requirements have been signed off by finance and independently reviewed by PWC.
30. The transition cost of changing from one provider to another requires a detailed work programme, appropriate skills, internal governance and budget.
31. The cost of transition with SCC Ltd is less than half the price quoted by any of the other bidders and is within the budgetary provision reserved for the project. This is partly due to their use of an existing platform and partly because they already host the data centre on behalf of the County Council.

32. The transition will commence on 1 September and be overseen by a project board which will subsequently form the IT contract management board.
33. The IT service has prioritised its own resources to manage the transition and Heads of Service are aware that this work is being prioritised above any other improvement projects. The County Council has also created resources to work proactively with the city to ensure a smooth transition for all parties.

Contract Management and Risk

34. Oxfordshire County Council has confirmed that they do not consider that TUPE will apply to any of their staff. The County IT service is designed so that the services provided to the city are part of their overall service provision and therefore it is understood that no one employed at the County is employed primarily on city work.
35. The new contract will be managed on a day to day basis by a dedicated contract manager within the new Business Improvement structure. A new ICT contract management board who will oversee the contract and have service representatives on the board. The board will be chaired by the Head of Business Improvement and will meet at least quarterly. The Chief Technology Manager will be accountable for the day to day management of the contract.
36. SCC Ltd will be required to produce monthly performance reports detailing performance against the KPIs, progress with project delivery and new innovations to deliver new savings and benefits to the Council. A financial framework to ensure there is sufficient disincentive to deliver below the agreed service level has been agreed and contractual terms which mitigate the Council's financial exposure to risk from service failure has been agreed and provides
 - A Service Credit framework offering a rebate up to 20% of the monthly fee if the service standards are not met.
 - Liquidated damages up to a maximum of £5 million for any incident due to failure of the service for a period of more than eight working hours.
37. SCC Ltd has provided a draft transition plan for the next six months to ensure a smooth transfer of services from the County Council. SCC Ltd already hosts our data within the County's data centre provision and has a good relationship with the both Councils. The County Council are already working with our IT team to separate our data structure and enable a smooth transition to a new provider.
38. The effective management of this contract is crucial as the service impacts on the delivery of almost all Council services.
39. The new contract will provide business continuity through a secure data centre based seven miles from the main data centre. All data on every live application managed in the data centre can be recovered within an eight hour maximum timeframe.

Equalities Impact

40. This will be a commercial contract with a regionally based supplier accredited and currently delivering similar services to 20 other government and public bodies.
41. SCC Ltd passed all of the Council's selection requirements covering our equalities requirements and is committed to paying our Living Wage. This contract will not present any equalities impact for our staff or the public.
42. TUPE has been covered in the next section of the report.

Legal Implications

43. This tender has been carried out using the restricted tender process in accordance with the UK Public Contract Regulations. The final contract award will be subject to finalising the contract terms.
44. The County Council has confirmed that following a review by their HR service they consider that TUPE will not apply to the transfer of the IT function to the Council or the new supplier. No IT function provided by our own IT team forms any part of the services included in this tender. And therefore TUPE is also deemed not to apply to any of the in house IT team.
45. The contract will be in place for a period of five years, any contract extension beyond five years will be at the discretion of the Council.

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List of background papers: Nil

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Title	Risk description	Opp/Threat	Cause	Consequence	Date Raised	Owner	Gross		Current		Residual		Comments	Controls				
							I	P	I	P	I	P		Control description	Due date	Status	Progress %	Action Owner
Contract performance	Supplier fails to meet quality standards and KPIs	T	Data centre and infrastructure development not working to and delivering to agreed standards	Lower service levels impacting on Council's ability to deliver services to residents	2nd July 2015	P Fleming	3	3	2	2	2	1	Contract has been developed to require industry standard KPIs and the supplier has confirmed that they can exceed these and evidenced achieving them over the past 2 years.	Contract includes financial penalties for small breaches of the service standards not being achieved and through to liquidated damages and termination including costs over the past 2 years.	01/09/2015	Open	75	P Fleming
Contract price	Contract price is insufficient to deliver future requirements	T	base contract price is above available budget or contract charges increase during the life of the contract	Unable to deliver required service levels within agreed budget or service levels fall below required level	2nd July 2015	P Fleming	2	2	2	2	1	1	Contract pricing is based on no RPI increases for core services during first 5 years; the contract charges have been reviewed with Finance to ensure that they fall within	Fixed pricing for first 5 years of the contract; Agreed level of ad hoc service days built into annual charges	01/09/2015	Open	75	P Fleming
Major incident	Major incident results in full failure of the service	T	Supplier has a major incident which prevents access for City users	Potential catastrophic service impact and full business continuity plans will need to be enabled	2nd July 2015	P Fleming	2	3	2	3	2	2	Proposed supplier is on the Government Approved list of priority fuel suppliers in the event of a national shortage	Disaster Recovery built into the core contract which allows systems to be recovered at a second site within 8 hours	01/09/2015	Open	75	P Fleming
Financial failure of supplier	Supplier goes into administration or is bought out	T	Wider economic climate / market conditions	Supplier unable to deliver agreed service levels or approach to service quality changes	2nd July 2015	P Fleming	3	2	2	2	2	2		Include break clauses in contract for insolvency or change of ownership	01/09/2015	Open	50	P Fleming
Service Transition	Delays or issues during service transition	T	Lack of knowledge / understanding of current ICT systems and processes cause delays in transition project	Individual services unavailable / degraded. Additional project costs due to extended running of existing County service	2nd July 2015	P Fleming	2	2	2	2	1	1	Network connection is the primary cause of delays in this type of project - this is not a factor given that we already have network connection to the proposed provider	Continue to work collaboratively County to ensure a smooth transition; Ensure that network connectivity is available early in the project; City ICT teams actively involved in migration planning and testing	01/12/2015	Open	10	P Fleming

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Appendix 2 – New ICT Partner ITT Evaluation

Quality Scores	Bidder 1	Bidder 2	Bidder 3	Bidder 4	Bidder 5	Bidder 6	Bidder 7	SCC	Bidder 9	Bidder 10
Lot 1 & 2 – combined	42.3	45.2	47		42.6	42.3	44.5	47.6	45.6	
Lot 3 – Windows Technical		43.3	47.3		42.9	44	44.2	48.4		
Lot 4 – Database Support		44.2	48.1				43.8	46.8		48.1
Lot 5 – Network Security	38.7	44.7	47.4	39.6				45.9		
Pricing Scores	Bidder 1	Bidder 2	Bidder 3	Bidder 4	Bidder 5	Bidder 6	Bidder 7	SCC	Bidder 9	Bidder 10
Lot 1 & 2 – combined	19.2	6.3	29.6		0	15.3	7.5	30	3.6	
Lot 3 – Windows Technical		26.6	0		5.3	12.2	10.7	30		
Lot 4 – Database Support		0	0				0	30		25.9
Lot 5 – Network Security	2.7	0	5.5	30				24.2		
Total Scores	Bidder 1	Bidder 2	Bidder 3	Bidder 4	Bidder 5	Bidder 6	Bidder 7	SCC	Bidder 9	Bidder 10
Lot 1 & 2 – combined	61.5	51.4	76.6		42.6	57.5	52	77.6	49.2	
Lot 3 – Windows Technical		69.9	47.3		48.2	56.2	54.9	78.4		
Lot 4 – Database Support		44.2	48.1				43.8	76.8		74
Lot 5 – Network Security	41.4	44.7	52.9	69.6				70.1		
Costs	£K 5 year total including transition costs and 130 days of project resource per annum									
	Bidder 1	Bidder 2	Bidder 3	Bidder 4	Bidder 5	Bidder 6	Bidder 7	SCC	Bidder 9	Bidder 10
Lots 1 & 2	£1,942	£2,555	£1,444		£2,972	£2,128	£2,494	£1,427	£2,683	
Lot 3		£833	£2,114		£1,365	£1,193	£1,231	£749		
Lot 4		£557	£590				£721	£256		£291
Lot 5	£918	£940	£873	£481		£530		£573		

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MINUTES OF THE CITY EXECUTIVE BOARD

Thursday 9 July 2015

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COUNCILLORS PRESENT: Councillors Price (Leader), Turner (Deputy Leader), Brown, Hollingsworth, Kennedy, Rowley, Seamons, Simm, Sinclair and Tanner.

OTHER MEMBERS PRESENT: Councillor Van Coulter, Councillor Andrew Gant and Councillor Craig Simmons

OFFICERS PRESENT: Peter Sloman (Chief Executive), Tim Sadler (Executive Director Community Services), Jackie Yates (Executive Director Organisational Development and Corporate Services), Lyndsey Beveridge (Senior Planner), Sarah Harrison (Senior Planner), Mai Jarvis (Environmental Policy Team Leader), Jane Lubbock (Head of Business Improvement and Technology), Jeremy Thomas (Head of Law and Governance), Julia Tomkins (Grants & External Funding Officer), Anna Winship (Financial Accounting Manager), Dave Scholes (Housing Needs Manager), Ian Wright (Environmental Development), Tanya Bandekar (Service Manager Revenue & Benefits), Adrian Roche (City Development) and Catherine Phythian (Committee Services Officer)

30. APOLOGIES

There were no apologies for absence.

31. DECLARATIONS OF INTEREST

There were no declarations of interest.

32. PUBLIC QUESTIONS

The City Executive Board noted the following public questions and the written officer responses (as published):

- Ms Sarah Lasenby (Item 4a - Report of the Scrutiny Inequality Panel)
- Members of the North Oxfordshire Association Community Centre (Item 7 - Diamond Place Development Brief Supplementary Planning Document (SPD) - Adoption)

33. SCRUTINY COMMITTEE REPORTS

Cllr Simmons, Chair of the Scrutiny ~~47~~ Committee submitted the following reports:

- Report of the Inequality Panel – Combatting inequality
- Grant Monitoring Information for 2014/15
- Statement of Community Involvement in Planning 2015
- Debt Management Policy – from the Finance Standing Panel – provisional
- Integrated Performance Report 2014/15 Q4 – from the Finance Standing Panel - provisional

34. REPORT OF THE SCRUTINY INEQUALITY PANEL - COMBATTING INEQUALITY: IS OXFORD CITY COUNCIL DOING ALL IT CAN TO MAKE OXFORD A FAIRER, MORE EQUAL PLACE?

The Inequality Panel of the Scrutiny Committee submitted a report (previously circulated now appended) which considers issues of inequality in the city.

Councillor Van Coulter, Chair of the Inequality Panel, presented the report.

On behalf of the Board, Cllr Price thanked the members of the Inequality Panel and the Scrutiny Committee for an excellent report which raised significant issues of concern. He said that he proposed to remit the report to all party groups for consideration and to prepare a substantive response from CEB. The Board suggested that the Scrutiny Committee should consider circulating the report to a wider audience such as the County Council and the Oxfordshire Strategic Partnership.

The City Executive Board resolved to:

1. REFER the report for discussion at the next meeting of the Cross Party Group;
2. INCLUDE the report on the agenda for the City Executive Board meeting in September.

35. REPORT OF THE SCRUTINY COMMITTEE - GRANT MONITORING INFORMATION 2014/15

Cllr Rowley, Board Member for Leisure, Parks and Sport responded to the Scrutiny Committee recommendation that “the underspend of £21,040 is rolled forward and spent on grants to community and voluntary organisations in 2015/16.”

He explained that this was not possible because the underspend had already been absorbed into the general fund but assured the Board that every effort would be taken to spend all of the grant allocation within the year on deserving projects.

36. REPORT OF SCRUTINY COMMITTEE - STATEMENT OF COMMUNITY INVOLVEMENT IN PLANNING 2015

The Scrutiny Committee recommendations were addressed during the discussion of agenda item 12 (Minute 46).

37. REPORT OF THE SCRUTINY FINANCE PANEL - DEBT MANAGEMENT POLICY

The Board noted the following responses to the Scrutiny Committee recommendations:

1. We recommend that the City Executive Board approves the Debt Management Policy subject to a minor amendment to the timescales for recovering Miscellaneous Debts set out in the table on page 9 of the policy.

A: There is an error on page 7 of the policy which will be corrected- this should say 10 days and not 7 days.

2. We reaffirm recommendation 15d of the Inequality Panel about the Council moving towards having a single view of debt. It will still require considerable effort to make this a reality but we strongly endorse this direction of travel and the progress made to date, including the use of fraud detection software to identify individuals with multiple debts owed to the Council.

A: The project to implement this software which will allow us the single view of debt is underway, and will greatly assist in the management of all outstanding debts to the Council and allow us to operate in accordance with the Corporate Debt Policy.

3. We recommend that consideration is given to restructuring relevant teams and resources around a single view of debt model as this initiative progresses.

A: This is already underway as the team restructures take effect and the software is implemented.

38. REPORT OF THE SCRUTINY FINANCE PANEL - INTEGRATED PERFORMANCE REPORT 2014/15 Q4

The Board noted the following responses to the Scrutiny Committee recommendations:

1. The City Council's General Fund outturn position for 2014-15 (a favourable variance of £1.808m) is a very good outcome and we recommend that officers are congratulated on overachieving against income targets.

- A: The favourable variance has largely arisen from increased income arising from commercial property rents, engineering works and other income.
2. We support the transfer of £1.4m to a Dry Recyclate Reserve and recommend that the City Council assesses options for significantly mitigating this serious budget pressure, including exploring the possibility of building and operating a waste transfer station and changing the Council's waste collection system.
- A: The Council is exploring a number of options to mitigate budgetary pressures around dry recyclate which have become apparent during negotiations for the renewal of the contract with the current waste transfer station provider. Due to changes in the market price for recyclate the current provider is seeking significant increases in gate fees in order to ensure the viability of the current operation.
3. We note that there are 4 red performance indicators against Meeting Housing Needs but only 3 are explained in the Corporate Summary. We recommend that this is corrected and that fuller explanations are provided for the amber risks relating to Environmental Development (section 4.3 in the Community Services Directorate).
- A: The missing red performance indicator for Meeting Housing Needs relates to Tenant satisfaction with their Estates; this has been discussed in a previous report and there is no new data. Further explanation on the risks within Environmental Development are included in an updated appendix (now appended).
4. We recommend that the City Executive Board considers:
- a) Re-directing a relatively small portion of the underspend (£50-100k) towards rough sleeping activities where it could potentially go a long way.
 - b) Explores other potential uses for part of the under-spend in improving performance against corporate targets, including investing in an additional HMO licensing officer.
- A: The under-spend from 2014/15 has been transferred to earmarked reserves largely to mitigate future budgetary pressures. A small proportion has been transferred to the capital funding reserve which is considered prudent given the size of the council's capital programme. There is already a substantive reserve available for the area of homelessness and this can be used if needed. HMO licensing is currently being consulted on and it will be appropriate to consider whether the staffing resource is adequate as part of the response to that consultation.
5. We recommend that the City Council continues to embed and improve the capital gateway process to further reduce capital slippage.
- A: The overall slippage on the capital budget was around £15million in comparison to the original budget of £63million. This primarily related to three schemes, Rose Hill Community Centre, Affordable Homes Programme, and Vehicles. The average spend on capital over the last 9 years has been around £20million and the delivery of £48.7 million in

2014/15 is significantly above this. The Council will continue to embed and improve its monitoring through the Capital Gateway process

39. COUNCILLOR ADDRESSES ON ANY ITEM FOR DECISION ON THE BOARD'S AGENDA

Cllr Gant addressed the Board with regard to agenda item 7: Diamond Place Development Brief Supplementary Planning Document (SPD) – Adoption

His comments were addressed during the discussion of that item (Minute 41).

40. COUNCILLOR ADDRESSES ON NEIGHBOURHOOD ISSUES

There were no Councillor addresses on neighbourhood issues.

41. DIAMOND PLACE DEVELOPMENT BRIEF SUPPLEMENTARY PLANNING DOCUMENT (SPD) - ADOPTION

The Executive Director of Regeneration and Housing submitted a report (previously circulated, now appended) which sought approval for the Diamond Place Development Supplementary Planning Document.

Cllr Hollingsworth, Board Member for Planning, Transport and Regulatory Service presented the report. He said that this document was intended to provide context and detail to the existing policies (such as SP14) and that they were intended as guidance to shape the plans for the development of Diamond Place. He stressed that the proposals in the document were not definitive and did not preclude any options that would emerge in more detailed planning discussions.

In response to the points raised by Cllr Gant he said that:

- The concerns about the Diamond Place / Banbury road junction were recognised and a range of options would be carefully considered
- Public open space would be available for all user groups
- Inclusion of other “health services” such as dental practices would be welcome
- All OCC housing policies would apply to the Diamond Place development
- The valued contribution of the North Oxfordshire Association Community Centre was recognised by the Council. NOA would be fully involved in the on-going discussions regarding the proposed relocation of the centre to ensure that there was no risk to services or reputation.

The City Executive Board resolved to:

1. ADOPT the Diamond Place Development Supplementary Planning Document;

2. DELEGATE AUTHORITY TO the Head of Planning and Regulatory to make any necessary editorial corrections to the document prior to publication in consultation with the Board Member for Planning, Transport and Regulatory Services.

42. CUMBERLEGE HOUSE - DEVELOPMENT APPRAISAL

The Head of Housing and Property submitted (previously circulated now appended) which detailed the options for Cumberlege House which is due to be vacated when the new Bradlands sheltered housing scheme is completed.

Cllr Seamons, Board Member for Housing recommended the report to the Board.

The City Executive Board resolved to:

1. AGREE not to pursue the disposal of Cumberlege House as approved in principle by Executive Board in November 2007;
2. ADOPT Option 4 in principle as set out in this report – to redevelop Cumberlege House for new Council housing and in consultation with the Council's S151 officer to include the scheme in the HRA new build development programme 2015-18, subject to a reassessment of the Council's HRA investment priorities;
3. APPROVE the demolition of Cumberlege House and instruct the Head of Housing and Property to procure and enter into contract to enable demolition works to start either as soon as the property is vacated or, should a short term lease be agreed, as set out in sections 18-19 of the report, then after that lease end date and prior to the development start on site; and in any case after the impact of the Right to Buy extension has been fully assessed;
4. GRANT delegated authority to the Head of Housing and Property to negotiate and enter into a fixed term lease, should a suitable lessee be identified within a two month period.

43. HOUSING IMPROVEMENT AGENCY CONTRACT AWARD

The Head of Housing and Property submitted a report (previously circulated now appended) which detailed the proposed arrangements for a Home Improvement Agency that is part funded through a contract with Oxfordshire County Council.

Cllr Seamons, Board Member for Housing introduced the report. He explained that the Home Improvement Agency provides services to enable disabled and elderly people to remain living in their own homes. He said that he was pleased to report that the County Council had asked to extend the scope of the contract to include a minor works element previously undertaken by a private contractor.

The Board suggested that there was scope for the Council to do more to publicise the work of the Home Improvement Agency, in terms of the range of valuable services that it provided to allow people to live in their own homes.

The City Executive Board resolved to:

1. GRANT delegated authority to the Executive Director of Regeneration and Housing, in consultation with the Head of Financial Services and Head of Law and Governance to enter into an appropriate contract for the provision of a Home Improvement Agency.

44. ADOPTION OF CORPORATE BIODIVERSITY STRATEGY

The Executive Director Community Services submitted a report (previously circulated now appended) which seeks approval for the adoption of A Biodiversity Action Plan for Oxford City Council 2015 - 2020 following a public consultation exercise.

Cllr Tanner, the Board Member for Climate Change & Cleaner, Greener Oxford presented the report, highlighting the wide range of wildlife and natural habitat to be found in the city.

The Environmental Policy Team Leader briefed the Board on the details of the Action Plan, noting the Board's concern that there must be close practical links between the biodiversity team and the parks team to ensure that the Council's practices complied with the principles of the Biodiversity Action Plan. In response to questions from the Board the Chief Executive said that he would be looking at ways in which to promote the Plan with the County Council and other organisations. He would also be looking at ways to promote the initiative to all members of staff.

The City Executive Board resolved to:

1. ADOPT the Biodiversity Action Plan for Oxford City Council;
2. DELEGATE authority to the Board Member for Climate Change & Cleaner, Greener Oxford and the Board Member for Leisure, Parks & Sport to work with officers to ensure that the park service management plans are consistent with the principles of the Biodiversity Action Plan.

45. SUMMARY OF MONITORING INFORMATION REPORTED BY COMMUNITY & VOLUNTARY ORGANISATIONS 2014/15

The Head of Community Services submitted a report (previously circulated now appended) which provided details of monitoring information returned by community & voluntary organisations awarded a grant by the City Council in 2014/15.

The Board was pleased to note that the level of grant funding was higher than 5 years earlier despite the reduction in funding from central government, demonstrating the Council's commitment to the voluntary sector.

The Board noted the comments from the Scrutiny Committee concerning the need for a rigorous assessment of all grant applications to ensure that they delivered the best value for money. Officers were asked to provide additional analysis on this point in future monitoring reports. Cllr Simm confirmed that this was an important aspect of the existing process to review grant applications and invited members to refer concerns about any particular scheme to herself and the Grants & External Funding Officer.

The City Executive Board resolved to NOTE the report.

46. ADOPTION OF THE STATEMENT OF COMMUNITY INVOLVEMENT IN PLANNING 2015

The Head of Planning and Regulatory submitted a report (previously circulated now appended) which detailed a revised and improved version of the Statement of Community Involvement in Planning following an extensive public consultation exercise.

Cllr Hollingsworth, Board Member for Planning, Transport and Regulatory Services presented the report. He explained that it was both best practice and a legal requirement that the Council had a formal Statement of Community Involvement in Planning. He said that the document had been subject to extensive public consultation and consideration by all councillors. He thanked the report author for her hard work in preparing the document.

With reference to the Scrutiny Committee recommendations on this item Cllr Hollingsworth said that the suggested drafting amendments would be addressed in the final version of the document; that the action plan would address the need to improve ICT systems to enhance the user experience; and that options for "neighbouring property notification letters" would be referred to all Political Groups for comment.

The Senior Planner briefed the Board on the detail of the report. She explained that an Action Plan had been added to capture issues raised by councillors and residents which could not be immediately addressed. She said that much of the focus of the Action Plan would be to continue to look at best practice and new ideas to promote greater interaction with a wider audience.

The Board noted that residents often felt frustrated by the lack of information available from developers at the earliest, pre-application, stages of large planning developments. The Board asked what could be done to address this. The Senior Planner explained that the document sought to encourage developers to engage with the local community from the outset but that this was not something that could be enforced. One local authority required developers

to sign its Statement of Community Involvement and this was an initiative that the planning officers would be monitoring.

The City Executive Board resolved to:

1. AGREE to adopt the Statement of Community Involvement in Planning as the Council's formal statement about how it will engage and involve people in planning decisions; and
2. DELEGATE authority to the Head of Planning and Regulatory, in consultation with the Executive Lead Member, to make any necessarily editorial corrections to the Statement of Community Involvement in Planning prior to final publication.

The Board noted that this was the final attendance at CEB of Adrian Roche, City Development officer. They thanked him for his work and support and wished him well in his new position.

47. FLAG FLYING PROTOCOL ON CIVIC BUILDINGS

The Head of Law and Governance submitted a report (previously circulated now appended) which detailed the proposed protocol for flag flying on civic buildings.

The City Executive Board resolved to:

1. APPROVE the Flag Flying Protocol (as set out at appendix 1 and its annex at appendix 2 to the report);
2. AGREE to delegate to the Head of Law and Governance the operation of the protocol including the arrangements for considering one off requests as outlined.

48. AWARD OF TEMPORARY AGENCY STAFF CONTRACT

The Head of Business Improvement submitted a report (previously circulated now appended) which detailed proposals for a temporary agency staff contract available for use by Oxfordshire Councils, following the current contract coming to an end.

The Head of Business Improvement and Technology presented the report explaining that it was a straightforward retender exercise for an existing contract arrangement.

The Board noted and welcomed the initiatives in place to reduce the level of agency staff employed by the Council but recognised that external factors such as the high cost of living and property prices in the city presented a challenge to the recruitment and retention of permanent staff.

The City Executive Board resolved to GRANT delegated authority to the Executive Director of Organisational Development and Corporate Services to award a new temporary agency staff contract.

49. DEBT MANAGEMENT POLICY

The Head of Financial Services submitted a report (previously circulated now appended) for the approval and formal adoption of the Oxford City Council Debt Management Policy.

The Executive Director for Organisational Development and Corporate Services presented the report. She explained that this draft Debt Management Policy was a refresh of the existing policy, dating from 2013, and that there were no major changes to note. She briefed the Board on the recent organisational changes within the Council which meant that there was now a closer alignment of all service teams dealing with debt management.

The Board was pleased to note the good collection rates for 2014/15.

The City Executive Board resolved to

1. APPROVE the Debt Management Policy, as set out in Appendix A to the report.

50. INTEGRATED PERFORMANCE REPORT 2014/15 QUARTER 4

The Head of Financial Services submitted a report (previously circulated now appended) which detailed the finance, risk and performance position as at the end of Quarter 4, 31 March 2015.

Cllr Turner, Board Member for Finance, Corporate Asset Management and Public Health presented the report, referencing the written responses to the Scrutiny Committee recommendations. He drew attention to the Council's General Fund outturn position for 2014-15 (a favourable variance of £1.808m) and congratulated officers in exceeding income targets. He also commented on the improved capital performance of the Council.

The City Executive Board resolved to:

1. NOTE the financial outturn and performance of the Council for the year 2014/15 and also the position on risks outstanding as at 31 March 2015;
2. NOTE the transfers to General Fund earmarked reserves detailed in the report and Appendix E5;
3. NOTE the transfers to the Housing Revenue Account (HRA) earmarked reserves as detailed in paragraph 16;

4. AGREE the carry forward requests outlined at paragraph 8 and detailed in Appendix E4;
5. NOTE the capital carry forwards as detailed in Appendix E2

51. ITEMS RAISED BY BOARD MEMBERS

No items were raised by Board Members.

52. MINUTES

The Board resolved to APPROVE the minutes of the meeting held on 11 June 2015 as a true and accurate record.

PART TWO **MATTERS EXEMPT FROM PUBLICATION**

The City Executive Board resolved to exclude the press and public from the meeting during consideration of the item 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.

53. NOT FOR PUBLICATION - APPENDIX 1B CUMBERLEGE HOUSE DEVELOPMENT APPRAISAL

The Board received and noted the contents of the not for publication appendix to the report at minute 42.

54. NOT FOR PUBLICATION - APPENDIX 2 - HOUSING IMPROVEMENT AGENCY CONTRACT AWARD

The Board received and noted the contents of the not for publication appendix to the report at minute 43.

The meeting started at 5.00 pm and ended at 6.25 pm

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Formal Risk Summary

(Oxford --> Community Services --> Environmental Development)

As at: Mar-2015

Ref	Title	Risk description	Risk			Date Raised	Owner	Gross		Current		Residual		Comments	Controls				
			Opp/ threat	Cause	Consequence			I	P	I	P	I	P		Control description	Due date	Status	Progress	Action Owner
Environmental Development																			
CRR-010	Carbon Management/Climate Change	Opportunity to develop Low Carbon City status and to share best practices outside organisation	O	Inadequate engagement/ persuasion of key partners/ stakeholders; poor internal Council performance giving rise to a loss of credibility. Inadequate civic leadership	Missed opportunity to drive change and hold the Council in exemplar status. Increased costs to council and key partners/ stakeholders	28-Feb-2011	Jo Colwell	4	4	3	3	2	3		Build vision of 'Low Carbon Economy'	31-Mar-2015	In Progress	50%	Tim Sadler
															Calculation of internal benefits to Low Carbon City	31-Mar-2015	In Progress	50%	Jo Colwell
															Share best practice with other organisations offering the service of	31-Mar-2015	In Progress	50%	Jo Colwell
SRR-001-ED	Service Failure	Opportunity to embed HMO licensing across the City and to regulate the private rented sector	O	Systems failure/ poor delivery of service; inadequate engagement; non-compliance with regulation/ legislation	Damage to Council reputation and potentially finances; risks to occupiers, neighbours	28-Feb-2011	Ian Wright	4	3	2	4	2	4	Enforcement levels remain high. Work required on identifying unlicensed HMOs.	Ensure that the HMO Business Plan is robust and up to date	31-Mar-2017	In Progress	50%	Ian Wright
SRR-004-ED	Compliance with environmental strategy action plan	Maintaining compliance with the ES Action Plan	T	Failure to corporately deliver agreed actions on time	Damage to council reputation and potential increased operational costs	28-Feb-2011	Jo Colwell	3	3	3	3	2	2		Programme in preparation to monitor planned and unplanned actions so as to ensure achievement by year end	31-Mar-2015	In Progress	75%	Jo Colwell
SRR-013-ED	Public Health Protection	Threats to public health eg, from food borne communicable disease	T	Uncontrolled spread of diseases; illness and possible deaths; damage to Council reputation.	Failure to adequately control/respond to outbreaks.	1-Apr-2012	Ian Wright	4	4	3	4	3	4	Staffing levels remained constant. Ebola threat diminishing.	Competent and experienced specialist staff; effective links with the CCDC; protocols for outbreak and control	31-Mar-2015	In Progress	50%	Ian Wright
SRR-014-ED	Night time economy	Threats to public safety, environmental quality and economic viability	T	Personal threats & injuries; damage to viability of business & community events; damage to Council reputation.	Failure to effectively regulate licensable activities and establishments.	1-Apr-2012	Richard J Adams	4	4	3	3	3	3		Defined work programmes including nighttime enforcement	31-Mar-2015	In Progress	50%	Julian Alison
SRR-017-ED	Contaminated Land Remediation	Potential budget pressure on the Council as a whole in future if we identify any Part 2A contaminated sites and we are found to be the 'appropriate person' liable to pay for the remediation .	T	Revocation of the Contaminated Land Remediation grant which was previously available from Government	Oxford City Council would need to fund or part fund investigation and remediation and communicate carefully. Financial consequence could range from 5K for an initial investigation to £ millions for full remediation	11-Jun-2014	Nathan Vear	4	2	3	3	3	3		CEB accept recommendation to adopt the Land Quality Strategy in September 2014. Objectives of the strategy include: using Part 2A as a last resort and to secure investigation and remediation through the planning process and voluntary action.	30-Sep-2014	In Progress		Nathan Vear
SRR-015-ED	Customer Service	Opportunity to meet customer expectations when handling service requests.	O	Increased complaints and use of limited resources to address failures.	Loss of public confidence due to failure at the public interface.	1-Apr-2012	Nathan Vear	4	3	3	3	3	3		Defined Customer First protocols and call handling frameworks	1-Mar-2015	Closed	100%	Helen Bishop

Current Risk Score

This is the risk score at the time that the risk is reviewed. When the risk is first identified it will be the same as the gross risk score. The current risk score is tracked to ensure that progress is being made to manage the risk and reduce the Council's exposure.

Residual Risk Score

This is the risk score after mitigating actions have taken place. The residual risk score shows how effective your action plans are at managing the risk.

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