

# Agenda

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## City Executive Board

Date: **Tuesday 18 July 2017**

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Time: **5.00 pm**

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

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For any further information please contact:

**Sarah Claridge, Committee and Member Services Officer**

Telephone: 01865 529920

Email: [executiveboard@oxford.gov.uk](mailto:executiveboard@oxford.gov.uk)

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

# City Executive Board

## Membership

<b>Chair</b>	Councillor Bob Price	Corporate Strategy and Economic Development
	Councillor Ed Turner	Finance, Asset Management
	Councillor Susan Brown	Customer and Corporate Services
	Councillor Tom Hayes	Community Safety
	Councillor Alex Hollingsworth	Planning and Regulatory Services
	Councillor Mike Rowley	Housing
	Councillor Dee Sinclair	Culture and Communities
	Councillor Linda Smith	Leisure, Parks and Sport
	Councillor John Tanner	A Clean and Green Oxford
	Councillor Marie Tidball	Young People, Schools and Public Health

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](#)

### **HOW TO OBTAIN A COPY OF THE AGENDA**

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# AGENDA

## PART ONE PUBLIC BUSINESS

### Pages

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|   | a <b>Scrutiny Response: Local Authority Trading Company</b><br>(may follow)              |         |
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| 8 | <b>LOCAL AUTHORITY TRADING COMPANY - PROGRESS REPORT.</b>                                | 11 - 32 |

**Lead Members:** Councillor Turner, Board Member for Finance, Asset Management, Councillor Tanner, Board Member for A Clean and Green Oxford and Cllr Brown, Board Member for Customer and Corporate Services

The Executive Director for Sustainable City has submitted a progress report on the establishment of the Local Authority Trading Company.

**Recommendations:** That the City Executive Board resolves to:

1. **Approve** the revised LATCo company structure as set out in this report, i.e. the creation of a "Teckal" company (to provide

Council services – “the Teckal Company”) and a trading company (to trade with external customers – “the Trading Company”)

2. Note that the Interim Chief Executive in consultation with the Council’s section 151 officer, Monitoring Officer and the Leader will be developing a full update report to be considered by the Board in September or October, which will contain recommendations on the following issues:
  - a. A date (“the Transfer Date”), on which all service delivery currently carried out by the Council’s Direct Services will be transferred to the two new LATCo companies. :
  - b. In regard to the Teckal Company, the terms of the Council’s entry into an appropriate agreement with the company (“the Service Contract”) under which the Teckal Company would undertake from the Transfer Date all relevant Council statutory functions and related work, as currently undertaken by Direct Services;
  - c. The arrangements to transfer all Direct Services staff engaged in service delivery immediately prior to the Transfer Date to the Teckal Company, such transfer being subject to the TUPE regulations;
  - d. The arrangements to ensure that all transferring staff will continue to have access to the Local Government Pension Scheme;
  - e. The terms of the contract between the two LATCo companies and the Council (“the Support Contract”) under which the Council would provide support services to both companies;
  - f. The terms under which the Council would enter into leases or licences with the two LATCO companies covering their occupation of relevant Council premises and use of Council resources;
  - g. The arrangements made to transfer to the Trading Company of all contracts with third parties in existence on the Transfer Date
  - h. The terms of the Shareholder’s Agreement to be made between the companies and the Council (acting through its Shareholder Group)
  - i. The provisions of an initial Business Plan (or Plans) for the Companies.

3. **Agree** to the transfer on the Transfer Date of all Direct Services staff engaged in service delivery immediately prior to the Transfer Date to the Teckal Company in accordance with all relevant employment law protecting terms and conditions of employment including pension, and for this to be reflected in the contract. This proposal being subject to consultation having taken place with the Trades Union concerned.
4. **Recommend** to the Teckal company that it incorporates the new Council three year pay deal (if endorsed by a ballot of Trades Union members) into the employment contracts of the transferring staff for the three year period following its implementation by the Council.
5. **Agree** to a transfer to the Trading company of the Council's order book/external customer list, on terms to be agreed.
6. **Agree** to grant a licence to the LATCo companies to use the Council's "ox and ford" logo and the name "Oxford Direct Services" on terms to be agreed.
7. **Recommend that Council** agrees to a further loan of a sum up to £200k to the LATCo companies, on State-Aid compliant terms, to enable the LATCo companies to fund their set up costs and to delegate to the Council's section 151 officer, in consultation with the Interim Chief Executive and Council Leader, authority to approve spending of this money on other related matters
8. **Approve** the governance arrangements for the LATCo companies set out in this report.
9. **Ensure** that "client side" arrangements as set out in this report in regard to the Council's management of its contract with the Teckal Company are fully worked up and agreed
10. **Delegate authority** to the Interim Chief Executive, in consultation with the Council's s151 and Monitoring Officers and the Leader of the Council to agree on behalf of the Council any matter requiring the Council's consent to properly implement the proposals set out in this report, including the terms of any leases or licences to be granted to the companies for operational premises, vehicles, intellectual property or other licences, the terms of any loan agreement and any other relevant matters

## 9 LOW EMISSIONS TAXI INFRASTRUCTURE SCHEME

33 - 40

**Lead Member:** Councillor Tanner, Board Member for A Clean and Green Oxford

The Director for Sustainable City has submitted a report which seeks project approval to spend capital funding of £370k granted by the Office of Low Emission Vehicles (OLEV). The funding is to deliver electric vehicle charging points for Hackney Carriages and Private Hire vehicles operating in Oxford. Further funding may be available depending on degree of uptake of ultra-low emission taxis. The total project value may therefore exceed £500k in total.

**Recommendations:** That the City Executive Board resolves to:

1. **Grant project approval** for the electric vehicle charging for taxis project referred to in this report;
2. **Delegate authority** to the Director for Sustainable City to complete negotiations with the Office of Low Emission Vehicles with a view to the Council being appointed as the accountable body for, and receiving grant funding under a funding agreement with the Office of Low Emission Vehicles;
3. **Delegate authority** to the Director for Sustainable City, in consultation with the Monitoring Officer and Section 151 officer, the authority within the funding envelope provided by the Council to enter into:
  - a) a grant agreement with the Office of Low Emission Vehicles;
  - b) appropriate agreements with our bid partners; and third parties required to deliver the project subject to their being selected under an appropriate procurement process.

## 10 COUNCIL TAX REDUCTION SCHEME FOR 2018/19

41 - 68

**Lead Member:** Councillor Brown Board Member for Customer and Corporate Services

The Executive Director of Organisational Development and Corporate Services has submitted a report to approve the proposals made for consultation on changes to the Council's Council Tax Reduction Scheme for 2018/19

**Recommendations:** That the City Executive Board resolves to:

1. **Agree** which options as set out in the table at paragraph 9 should be subject to public consultation.

2. **Agree to** consult on the proposals for an 8 week period from 19 July 2017 and;
3. **Instruct** the Executive Director of Organisational Development and Corporate Services to bring a further report to December CEB subject to the outcome of the consultation process.

## 11 **MINUTES**

69 - 80

Minutes of the meetings held on 15 June 2017 and 20 June 2017

**Recommendation:** The City Executive Board:

NOTES the minutes of the meeting held on 15 June 2017 as a true and accurate record.

NOTES the minutes of the meeting held on 20 June 2017 as a true and accurate record.

## 12 **DATES OF FUTURE MEETINGS**

Meetings are scheduled for the following dates:

15 August 2017  
19 September 2017  
17 October 2017  
21 November 2017  
19 December 2017

All meetings start at 5pm.

## **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.



## **HOW OXFORD CITY COUNCILLORS AND MEMBERS OF THE PUBLIC CAN ENGAGE AT THE CITY EXECUTIVE BOARD**

### **Addresses and questions by members of the public, (15 minutes in total)**

Members of the public can submit questions in writing about any item for decision at the meeting. Questions, stating the relevant agenda item, must be received by the Head of Law and Governance by 9.30am two clear working day before the meeting (eg for a Tuesday meeting, the deadline would be 9.30am on the Friday before). Questions can be submitted either by letter or by email ([executiveboard@oxford.gov.uk](mailto:executiveboard@oxford.gov.uk)).

Answers to the questions will be provided in writing at the meeting; supplementary questions will not be allowed. If it is not possible to provide an answer at the meeting it will be included in the minutes that are published on the Council's website within 2 working days of the meeting.

The Chair has discretion in exceptional circumstances to agree that a submitted question or related statement (dealing with matters that appear on the agenda) can be asked verbally at the meeting. In these cases, the question and/or address is limited to 3 minutes, and will be answered verbally by the Chair or another Board member or an officer of the Council. The text of any proposed address must be submitted within the same timescale as questions.

For this agenda item the Chair's decision is final.

### **Councillors speaking at meetings**

Oxford 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 9.30am at least one clear working day before the meeting, stating the relevant agenda items. 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.

### **Councillors speaking on Neighbourhood issues (10 minutes in total)**

Any City Councillor can raise local issues on behalf of communities directly with the Board. The member seeking to make an address must notify the Head of Law and Governance by 9.30am at least one clear working day before the meeting, giving outline details of the issue. Priority will be given to those members who have not already addressed the Board 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.

### **Items raised by Board members**

Such items must be submitted within the same timescale as questions and will be for discussion only and not for a Board decision. Any item which requires a decision of the Board will be the subject of a report to a future meeting of the Board

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**To:** City Executive Board  
**Date:** 18 July 2017  
**Report of:** Executive Director for Sustainable City  
**Title of Report:** Local Authority Trading Company - progress report

<b>Summary and recommendations</b>	
<b>Purpose of report:</b>	To report back on the establishment of the Local Authority Trading Company
<b>Key decision:</b>	Yes
<b>Executive Board Members:</b>	<p>Cllr Ed Turner - Deputy Leader and Board Member for Finance, Asset Management and Public Health</p> <p>Cllr Susan Brown - Board Member for Customer and Corporate Services</p> <p>Cllr John Tanner - Board Member for A Clean and Green Oxford</p>
<b>Corporate Priority:</b>	Efficient & Effective Council
<b>Policy Framework:</b>	Corporate Plan
<b>Recommendations:</b> That the City Executive Board resolves to:	
1	<b>Approve</b> the revised LATCo company structure as set out in this report, i.e. the creation of a “Teckal” company (to provide Council services – “the Teckal Company”) and a trading company (to trade with external customers – “the Trading Company”);
2	<p><b>Note</b> that the Interim Chief Executive in consultation with the Council’s section 151 officer, Monitoring Officer and the Leader will be developing a full update report to be considered by the Board in September or October, which will contain recommendations on the following issues:</p> <ul style="list-style-type: none"> <li>a. a date (“the Transfer Date”), on which all service delivery currently carried out by the Council’s Direct Services will be transferred to the two new LATCo companies. :</li> <li>b. In regard to the Teckal Company, the terms of the Council’s entry into an appropriate agreement with the company (“the Service Contract”) under which the Teckal Company would undertake from the Transfer Date all relevant Council statutory functions and related work, as currently undertaken by Direct Services;</li> </ul>

- c. The arrangements to transfer all Direct Services staff engaged in service delivery immediately prior to the Transfer Date to the Teckal Company, such transfer being subject to the TUPE regulations;
- d. The arrangements to ensure that all transferring staff will continue to have access to the Local Government Pension Scheme;
- e. The terms of the contract between the two LATCo companies and the Council (“the Support Contract”) under which the Council would provide support services to both companies;
- f. The terms under which the Council would enter into leases or licences with the two LATCO companies covering their occupation of relevant Council premises and use of Council resources;
- g. The arrangements made to transfer to the Trading Company of all contracts with third parties in existence on the Transfer Date
- h. The terms of the Shareholder’s Agreement to be made between the companies and the Council (acting through its Shareholder Group)
- i. The provisions of an initial Business Plan (or Plans) for the Companies.

3 **Agree** to the transfer on the Transfer Date of all Direct Services staff engaged in service delivery immediately prior to the Transfer Date to the Teckal Company in accordance with all relevant employment law protecting terms and conditions of employment including pension, and for this to be reflected in the contract. This proposal being subject to consultation having taken place with the Trades Union concerned.

4 **Recommend** to the Teckal Company that it incorporates the new Council three year pay deal (if endorsed by a ballot of Trades Union members) into the employment contracts of the transferring staff for the three year period following its implementation by the Council.

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8 **Approve** the governance arrangements for the LATCo companies set out in this report.

- 9 **Ensure** that “client side” arrangements as set out in this report in regard to the Council’s management of its contract with the Teckal Company are fully worked up and agreed
- 10 **Delegate authority** to the Interim Chief Executive, in consultation with the Council’s s151 and Monitoring Officers and the Leader of the Council to agree on behalf of the Council any matter requiring the Council’s consent to properly implement the proposals set out in this report, including the ,terms of any leases or licences to be granted to the companies for operational premises, vehicles, intellectual property or other licences, the terms of any loan agreement and any other relevant matters

<b>Appendices</b>	
Appendix 1	Draft Memorandum of Understanding between the Council and the Company
Appendix 2	Draft list of reserve matters for the Shareholder
Appendix 3	Risk Register

### **Executive Summary**

1. The City Executive Board in March 2017 approved in principle the setting up of a Local Authority Trading Company to carry out the performance of services currently provided to the Council and traded externally by Oxford Direct Services. The CEB requested a report back on a number of detailed matters and they are addressed in this report.
2. Detailed financial modelling has been carried out to demonstrate that it is in the financial interests of the council to follow this course and identify the model that provides best value.
3. This concludes that the optimum model is to :-
  - a) Form a single trading body know as Oxford Direct Services but that this should comprise a two company structure, one to primarily service the Council the other to trade with third parties, that are effectively grouped under the Council.
  - b) Transfer the services to those companies and ensure continuity of employment for existing staff by transferring their employment to the company that services the Council. Labour would then be sold as required to the trading arm.
  - c) Establish the companies as wholly owned by the City Council. Who will be the single shareholder. The shareholder will be represented by the City Executive Board

- d) The companies purpose would be to deliver value to the Council, through driving efficient, value for money services and through generating income from external trading
  - e) The modelling carried out demonstrates that the existing requirements of the Medium Term Financial Plan can be met with this model and that it provides considerable scope to exceed those requirements
  - f) Protection of the terms and conditions of transferring staff by will be achieved by following the full obligations of employment law and reflecting that in the contract between the Council and the companies. This includes the recent pay deal subject to the trade union members writing to accept in the forthcoming ballot. In addition to that staff in the companies will continue to have access to the Local Government Pension Scheme via Designated Body status
4. Good progress has been made towards having these arrangements in place to enable the transfers to be in place by the 1<sup>st</sup> November 2017 and the report makes a number of recommendations necessary to progress further the proposals.

#### **Further work in response to CEB recommendations**

5. In March 2017, CEB delegated authority to the Chief Executive, in consultation with the Council's statutory officers, to undertake further work and report back on the following matters:

#### The most appropriate financial and operational arrangements:

6. Detailed work has been undertaken to ensure that:
- a) The best interests of the Shareholder (the Council) are protected;
  - b) High quality services continue to be delivered on behalf of the Council ;
  - c) The company structures can effectively operate the respective services on behalf of the Council;
  - d) The Medium Term Financial Plan expectations are delivered and the potential for further growth enabled;
  - e) Major risks are identified and managed, and effective governance arrangements are in place to exercise control and ensure delivery of the desired outcomes efficiently and effectively.
7. A draft Memorandum of Understanding (MoU) has been developed which forms the basis for the "psychological" and actual contract between the Council and the companies. Included at Appendix 1, the 'MoU' sets out how proposed contractual arrangements between the company and the council will manage the financial risks, control and surplus distribution.
8. Ultimately the Council will exercise control over the companies through the Shareholders Agreements which will include a number of reserved matters. A draft is attached at Appendix 2. Other matters will be determined by the companies Directors (appointed by the Council). Day to day running of the organisations will be managed by the Managing Director under a scheme of delegation agreed by the Companies Directors.
9. Financial modelling and sensitivity testing has been undertaken by external consultants and signed off by the Council's Section 151 Officer and the Directors of

the company. This work informed the company structure taking into account corporation tax, VAT, etc.

10. In the previous CEB report a Holding Company (HoldCo – which sat above the Teckal and Trading arms) was proposed for two reasons; staff would TUPE transfer into the HoldCo, and; it would provide for a group structure which may have tax advantages for the Council.
11. Having undertaken further work, the consultants have advised that the HoldCo does not add value in terms of the staff transfer or group taxation. Therefore two companies will be set up, each being wholly owned by the Council and ‘Grouped’ by the Council for taxation purposes.
12. At the date of services starting to be provided by the company to the Council it is proposed that the payment for services will be largely on the existing basis. This is reflected in the risk sharing and other commercial matters in the contract. It is intended that by the end of year 3 of the contract a review of all those elements will be carried out to enable the relationship to be fine-tuned to optimise the outputs.
13. Property Assets will remain with the Council and leased to the companies at State Aid compliant market rates.

#### Transfer of staff:

14. The transfer of Direct Services will consequentially mean that Direct Services staff engaged in service delivery immediately prior to the transfer date will transfer across to the Teckal Company. The transfer will be in accordance with all relevant employment laws, protecting terms and conditions including pensions. This requirement will be written into the service contract. The new pay deal will also be a contracted requirement (assuming it is endorsed by trade union members in the forthcoming ballot).
15. The alternative of continuing to employ staff at the Council and seconding them to the Company has been considered but rejected because:
  - a) The Company is the ‘entity’ to which the work will transfer and hence staff have the legal right and expectation under TUPE to protect their jobs and terms and conditions of employment;
  - b) Secondment implies a short term arrangement and what is proposed is permanent;
  - c) Seconded staff would continue to require guidance and supervision from the Council which would add to time and cost;
  - d) Secondment would introduce complications regarding employment policies such as grievance and disciplinary that given the scale of the undertaking would not be manageable;
  - e) Confusion would be created regarding people’s employment;
  - f) The experience of other organisations is that staff need to feel 100% engaged with the endeavour which they can only achieve by being part of it on a permanent basis.

### Pension arrangements:

16. Officers have been in contact with Oxfordshire County Council (the Local Government Pension Scheme administrators) and have taken specialist advice to look at options for the pension arrangements for the companies. The 'must have' requirement is to ensure continued access for staff and this has been confirmed. The route to this is either through 'Designated Body' or 'Admitted Body' status. Designated Body status is more straightforward and fully meets the requirement that for staff there will be no change in their pension arrangements, the contributions they pay or the benefits they receive.
17. The County Actuary has confirmed verbally that with the Designated Body route and a scheme that is open to new members, there are no financial implications for the Council or the Company.

### Choice and flexibility in terms and conditions for new employees hired to the company after transfer:

18. On day one it is intended to offer the existing standard terms and conditions, including pension arrangements. However, Oxford Direct Services (ODS) needs to ensure it offers attractive terms and conditions of employment that reflect the market it operates in. Therefore it is intended to explore broadly equivalent alternative packages with the Trades Unions to see whether these would be attractive to new staff as part of the wider people strategy including alternative pension arrangements.
19. The LGPS can remain open to new starters after transfer or be closed to them. The intention is that the scheme will remain open and it is on that basis that the business and financial planning has been undertaken.
20. However, closing the scheme could be combined with developing an alternative attractive employment package which reflected the aspirations of new entrants to the work force and the commercial ambitions of the company. Members should note that there are potentially significant financial benefits from such an approach. It is intended to explore these possibilities with the trade unions post getting the companies up and running. However, there are also significant costs of closing the scheme to both the company and the Council due to restricting the number of scheme members to cover the past service deficit on the pension fund. Any new package would need to more than cover the LGPS pension costs. These are sensitive and complex matters that will need careful consideration and the agreement of the shareholder.

### Which services should be transferred or not and if so into which part of the structure principally having regard to the financial impact on the Council:

21. Having undertaken the detailed financial modelling and sensitivity testing, it is proposed that all services will transfer into the LATCo. Thereafter the services will reside in the most appropriate arm (Teckal or Trading) depending on the financial and operations circumstances of each service line



### Client side arrangements:

22. Robust client side arrangements will be put in place with a single senior officer within the Council acting as the principal contract manager and coordinator. The existing performance management standards and Key Performance Indicators will be built into the services contract.

## **General progress report**

### Company Set Up

23. The two Companies) have been registered with Companies House:

- a) Oxford Direct Services Limited (Teckal arm) – company number 10719222
- b) Oxford Direct Services Trading Limited (Trading arm) – company number 10719214

24. The Certificates of Incorporation are held on file and both companies are 100% owned by the Council as the sole shareholder.

25. The outline of the risk sharing agreement between the company and the Council is shown in Appendix 1.

26. A Shareholder Agreement and Articles of Association have been drafted for each company and (at a date to be agreed) the former will be considered by the Shareholder Group (as per the Housing Company) and the latter is scheduled for approval by the Board of Directors of the company at the July Board meeting.

27. The Shareholders Agreement will set out a list of reserved matters which need specific Shareholder approval, for example changing the name of the company or dismissing any Company Director. See appendix 2.

28. The two company boards have been set up, meeting monthly to oversee the project to get the companies up and running and in due course the delivery of the business plans. It is envisaged that at least two Shareholders meetings will be held each year with the full City Executive Board representing the Shareholder.

29. The Scrutiny Committee will be able to review or scrutinise decisions taken by the Shareholder Group.

30. The companies' Board of Directors will take decisions on matters not reserved to the Shareholder and will delegate day to day running of the company to the Managing Director. The directors will agree and implement an appropriate scheme of delegation to the Managing Director to facilitate this.

### Governance

31. The Teckal Company Business Plan and the Trading Company Business Plan will be presented to the Shareholder for comment and approval. It is envisaged that both LATCo companies will have formal meetings with the Shareholder group at least twice yearly. The activities of the Council's Shareholder group will be subject to member scrutiny.

32. Day to day financial and operational performance of the Companies and monitoring of Service Level Agreements with the Council's support service providers is a matter for the Company Boards.
33. Robust client side management arrangements will be put in place by the Council, with a single senior officer acting as the principal contract manager and coordinator. Service standards and Key Performance Indicators will be built into the services contract with the Teckal Company. Four formal meetings a year will take place to review financial and operational performance of the Teckal Company as well as the financial performance of the Trading Company. These will be convened by the Principal Contract Manager and designated client side managers and managers from within the Companies will be required to attend. In the initial period greater frequency may be helpful to support the bedding down of the new arrangements and processes.
34. The existing day to day performance management regime involving service managers and managers from Direct Services will continue.

Board Composition & Membership:

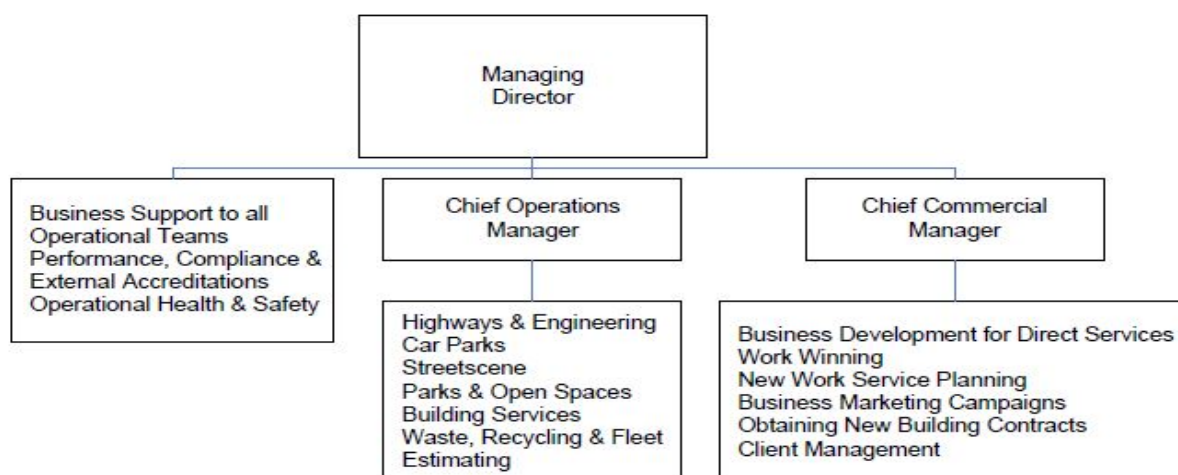
35. The Articles stipulate the Board composition and a minimum of three and maximum of six Directors for both companies. The Chief Executive recommended the following list to the Leader of the Council who on behalf of the Shareholder Group approved it:

<b>Name</b>	<b>Position</b>
Tim Sadler	Director (chair)
Jackie Yates	Director
Graham Bourton	Director/Managing Director
TBC	External Director
Lindsay Cane	Company Secretary

36. All but the External Non- Executive Director (NED) are now formally in place. Recruitment for the external NED will commence shortly with a view to recruiting skills and experience valuable to the companies that is not held by the other directors. Appointments will be approved by the Shareholder Group.

Company structure:

37. An initial management structure has been devised as follows, with the Managing Director (who is responsible for the day to day management of the company) reporting into the companies' Board.



38. The companies will undertake the Teckal and Trading activities through this structure.

Employee relations:

39. Communication and engagement with Direct Services staff about the LATCo continues to go well with staff briefings completed and regular meetings with trade union colleagues. As previously reported the company will recognise the existing trade unions Unison and Unite the Union and this will be formalised in a Recognition Agreement.

40. Trade unions have reflected on 'employee director' discussions and instead would prefer to have regular meetings with ODS management about operational issues and representation on committees as appropriate (e.g. Health & Safety).

41. Trade unions are concerned about how terms and conditions including pensions are protected above and beyond the statutory framework provided by the TUPE regulations. They are also concerned how different terms and conditions in the future could create a 'two tier' workforce. However they also understand the wider value of delivering additional revenue (achieved by a combination of growth and through more commercial terms and conditions of employment) back to the Council in terms of job security and potentially increased employment opportunities. Discussions are underway with trade union colleagues with the aim of coming to an agreement about future terms and conditions for new staff.

Support services:

42. Setting up a Local Authority Trading Company is a significant endeavour. Whilst the Council has established arrangements in place for support services, there is considerable work involved in disaggregating existing structures and creating the required separate company structures and procedures required to ensure appropriate financial management, billing, debt recovery, procurement, ICT, HR, payroll, legal, marketing and communications activities are in place. A number of officers engaged in the project are spending large amounts of time to facilitate the desired deadline for the company becoming operational on 1<sup>st</sup> November 2017.

## Financial implications

43. The project to set up the companies, which have a combined turnover of circa £50m, is considerable and the financial implications of undertaking this are becoming clearer as we progress. To date the Council has incurred around £87k in consultancy fees to examine the feasibility of establishing the company for which there is budget provision. It is estimated that a further cost of around £350k will be incurred primarily in re configuring IT systems, e.g. setting up a new payroll client for the company. Most of these costs will be charged to the company and funded from working capital. A loan of £250k has already been approved by CEB. It is therefore recommended that a further loan of up to £200k is now approved to enable completion of the set up process.
44. Increasing income to the Council is the main rationale. The fact that the company is wholly owned by the Council means that profits after tax would primarily be returned to the Council from both the Teckal and Trading company by way of rebate or dividend with a small amount being retained within the company. Such dividend allocation to be agreed and written into the shareholders agreement. In addition to the dividend the Council would receive payment for:
- a) Support services such as ICT, Finance, Legal, HR etc which will be charged to the company at a cost reflecting state aid compliance;
  - b) Assets purchased by the Council for which an asset charge will be made to the Company based on the cost of the asset;
  - c) The market rent of occupying depots at Horspath and Cowley Marsh;
  - d) Income from car parking would all be retained by the Council since the Teckal company will simply be acting as a managing agent;
  - e) The income from garden waste which will be retained by the Council;
  - f) Interest from state aid compliant loans to the company.
45. In addition to the above, the Company, will be required to purchase the order book for the externally traded business from the Council with a loan from the Council. The terms of which will need to be agreed. In assessing the financial business case for establishing the company one must consider the additional costs that will be incurred by the company over and above those that would be incurred by the Council. These have been included in the Financial options and include :
- a) Corporation tax which is chargeable on surpluses arising in the Trading company and on externally traded surpluses in the Teckal company currently at a rate of 19% subject to certain allowances - estimated to be £100k per annum
  - b) External audit fees of approximately £40k per annum
46. Surpluses in both the Teckal and Trading companies will be returned to the Council by way of a rebate or dividend after Corporation Tax based on the agreed proportion in the Shareholders Agreement. Statutory services within the Teckal Company are unlikely to be subject to corporation tax. The starting point for the arrangement will be to ensure the delivery of both surpluses from trading activity and costs of statutory services are in accordance with the current Medium Term Financial Plan over the next four year period after taking account of any additional costs that will be incurred by the company such as tax, or external advisors which

are not currently incurred by the Council. Any variance on this position either through increased costs payable to the Company by the Council or income passing into the Company from the Council will affect the MTFP to the extent that they are not fully returned to the Council through dividends. Therefore these additional costs will require mitigation through efficiencies and or additional turnover to deliver the MTFP requirement.

47. Members will recall that in 2016-17 Direct Services delivered a surplus of £1.24 million over the base budget largely due to the overachievement of income. It should be noted that some of this income is from one off contracts and is by no means certain in future years
48. In the last few months officers have been working with external consultants Grant Thornton on the financial business case for establishing the Company. This has shown that it is possible to deliver and potentially exceed the MTFP requirements through a Local Authority Trading Company structure.
49. In addition, officers believe that with investment, there is potential to double the annual turnover of the trading company in the medium to long term. This would provide additional income over and above the current Medium Term Financial Plan. The company's business plan will set out the investment, capital requirements and returns for the Council to consider.

### **Sensitivity Analysis**

50. A number of scenarios have been modelled over a period of 4.4 years (on the assumption the company commences trading on 1<sup>st</sup> November) against the base case referred to above i.e. an extra £2million per annum turnover. These scenarios point to the optimal arrangements set out in this report taking into account various risks and opportunities.

### **Legal issues**

51. The creation and implementation of the two LATCo companies clearly create a number of fairly complex legal issues, which have been addressed by both the Council's own legal department and external advisors. Work is on-going with the emphasis switching from an analysis of the need for, the benefits of and the structure of the proposed LATCo to the more operational concerns relating to the Service Contract and the Support Contract, as well as ensuring that the "client side" arrangements are sufficiently robust to facilitate an effective dialogue between the Council and the LATCo companies.

### **Level of risk**

52. An updated Risk Register is attached at Appendix 3.

### **Equalities impact**

53. An [Equalities Impact Assessment](#) was appended to the previous report and is linked above.

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**Background Papers:** None

## **Appendix 1**

### Memorandum of Understanding between Oxford City Council and the Oxford Direct Services group of companies

#### **Background**

Oxford City Council has set up the group of companies collectively trading under the name of Oxford Direct Services. The companies are Local Authority Trading Companies. They are Limited by Shares all owned by the Council. That means that they are wholly owned by the Council and their primary reason for existence is to serve the requirements of the Council

Whilst this document has no legal status - that is set out in the Memoranda and Articles of the Companies, the Shareholder Agreement and the contracts between the Council and the companies, it does set out in plain language the intention behind those documents with the aim to ensure that all engaged in the relations between the parties are clear.

The company structure is in two parts.

A "Teckal" exempt arm that will trade primarily with the Council, without the need for public procurement, to carry out statutory functions such as domestic waste collections and services that support the functions of the Council for example repairs and maintenance of the council's housing stock. This arm may carry out external trading relating to those services up to the limits proscribed in the Public Contracts Regulations 2015. This company will employ all the staff and will through a services contract provide labour to the trading arm

An arm that trades exclusively with third parties which is not bound by Public Law requirements.

At inception over 80% of the turnover of the group of companies will be with the Council.

#### **Purpose of setting up ODS**

The Council has been using surplus capacity in its direct services to earn external income to contribute to overheads for some time. It has been found that the Council services are valued and competitive in the market place. In light of this the Council is seeking to exploit this opportunity to reduce its costs and raise income.

Therefore the purpose of the ODS group of companies is to reduce expenditure by the Council by

- Sustain and grow an income stream back to the Council
- Drive further efficiencies
- Meet the requirements of the Local Government Act 2003 in relation to trading.
- Establish a platform for growth with the same opportunities as other commercial companies
- Maintain and grow good local employment opportunities

The distribution of profit between the company and the Council is set out in the shareholder agreement and reflects the level of risk that the Council wants to transfer to the companies. Risk transfer to the Teckal arm will be relatively small reflecting the close links with the Council whereas the Trading arm will carry more of its own risk..

These various elements have been modelled and the optimum balance to deliver the outcomes set out above is summarised as:-

- the focus will be to deliver the MTFP requirement
- There is an expectation that the current MTFP estimates can be exceeded by the company structure and this should be pursued
- The council through its role as shareholder will want influence over the core terms and conditions of employment
- The expectation is that a relatively low level of profit will be retained in the Teckal company to cover risk and fund investment
- The council is seeking a low level of risk transfer to the Teckal company
- The trading company will retain profit commensurate with the risk transferred.
- There will be a low level of control over the commercial activities of the trading company

### **Length of Relationship**

There is a balance to be struck between the commercial interests of the company and those of the Council to ensure that there is a truly symbiotic positive enduring relationship between the parties. Some local authorities have set up LATCs with the aim of “weaning” the direct service aim off being reliant on the council’s services and exposing those services to competition. This is not the intention in this case. The intention is to continue to build on that upward spiral of good, value for money services, being competitive, earning income and supporting the activities of the council.

The council and company will therefore enter into long term contracts for services on the same term length for



- The provision of services to the Council
- The purchase by the company of support services from the Council
- Leases for depots and plant
- Loans from the Council to the Company to support the development of the Company.

All of these arrangements will reflect the best interests of the shareholder, the Council and be compliant with “State Aid” requirements but will also ensure that the company is viable and an attractive proposition for third parties to do business with.

### **Initial Basis of charges**

At the point of inception charges for services to the Council will essentially be based on the budgeted costs subject to any previous agreements as to efficiency programmes currently in place. For example in building maintenance.

Subject to the detailed agreements on risk sharing those costs will be subject to

- Pay inflation
- Inflation in services and charges from the Council to the Contractor to support the provision of services
- Inflation in respect of materials
- Changes in policy imposed by the council
- Changes in service levels required by either party
- Efficiencies achieved in the provision of services by either party

These charges and costs may be varied as part of the overall package to ensure that the company set up is profitable, the arrangements are tax efficient and there is sufficient retained profit to cover risks transferred to the company and demonstrate a viable company to both potential customers and suppliers alike.

Mechanisms to incentivise cost reduction by both the company in providing services to the Council and vice versa will be reflected in the documentation between the Council and the company.

### **Risk sharing**

There will be a risk sharing agreement as part of the contractual arrangements between the Council and the Contractor. The risk sharing agreement will be based on the identification of key risks to cost and an apportionment ownership of that risk to the party best able to manage that risk. Risks retained by the Company will be reflected in the profits retained by the company and the view taken by its Directors on the declaration of dividend.

The key risks identified are:-

- Fuel costs
- Pension costs
- Policy requirements imposed on the company by the Council through its shareholder representatives
- Pay costs
- Utilities
- Repairs and Maintenance

Some of these risks are associated only with the Teckal company and the services contract with the council.

### **Assets**

Assets will be retained by the council and the the company will be charged market rate for leases for property and finance leases for plant and equipment

### **Customer book and goodwill**

The company will be charged the market rate on a revenue basis for the business transferred to the company.

### **Review**

Whilst the Council has been trading for some time the new arrangements will provide new ways of accounting and managing cost.

It inception services both direct and support will be largely as there are now and charged on a similar basis.

The Council and the company will be committed to take all opportunities achieve efficiencies from the status quo.

Over time experience is likely to demonstrate new and better ways of working and to ensure that a holistic review is taken of the opportunities a substantial review will be undertaken no later than year three which will renew a resetting of the base. The review will cover but will not be restricted to:-

- The services required by the council
- The cost of those services charged by the company
- The services required by the company
- The costs of those services
- Review of risk sharing agreement
- Review of dividend distribution

## Headline draft risk sharing agreement

Item	Risk / reward dimensions
Fuel	Company manages in year risk up to 5%, up and downward movement in price. Council thereafter. Trading company covers entire risk
Utilities	Lies with Council – on the basis the Council manages the contracts & large procurement benefit in place. Contract will require co-operation to achieve 3% per annum reduction in utility costs. Both operations.
Materials	As set out in MTFP, Risk sits with Client. Teckal only. Trading company manages it own risks
Salaries	Reflecting the adoption of the council's pay scheme the remains a client risk. Teckal only.
Pay mechanism for default	Same for services in both directions
Aged debt associated with trading activity.	Existing debt at date of transfer stays with council. Newer debt – 50/50 split (at the point of being uncollectable) i.e. main responsibility lies with the Council on the assumption there is an agreed process and that is adhered to by both sides. If the company overrides that process the associated debt transfers to the company. Trading company only.
Block payments (e.g. responsive repairs)	+/- 5% of average spend over proceeding 3 years sits with company. Teckal only.
Delivering MTFP (over / under)	MTFP as agreed with the company is guaranteed. Surplus distribution in line with dividend policy. Both
Pensions	Deficit at transfer remains with Council. On going payments with companies. Both
Recycling credits (and other statutory related incomes)	Stays with Council. Teckal only
New Council policies	Costed and additional charges made by the company. Both
Repairs and Maintenance	With Council as it manages all such functions. Total costs reflected in the lease charges. Trading company to cover that part that relates to trading activity.

## **Outline of proposed Dividend Policy**

- 1) Deliver the MTFP expectation
- 2) Cover unbudgeted costs/risks in the group
- 3) In year spending on enhancements of assets to reduce cost to council and build future business agreed with the Council
- 4) Dividend –in favour of council on the assumption 1,2 & 3 are covered first

## Appendix 2

### Draft List of Reserve Matters for the Shareholder

- 1.1.1 *altering in any respect the New Articles or the rights attaching to any of the Shares in the Company;*
- 1.1.2 *permitting the registration of any person as a member of the Company other than the Council;*
- 1.1.3 *issuing or allotting any Shares;*
- 1.1.4 *changing the name of the Company or its registered office;*
- 1.1.5 *adopting or amending the Business Plan approved by the Directors;*
- 1.1.6 *changing the nature of the Company's Business or commencing any new business by the Company;*
- 1.1.7 *forming any subsidiary or acquiring shares in any other company or participating in any partnership or joint venture (incorporated or not) outside of the Business Plan;*
- 1.1.8 *amalgamating or merging with any other company or business undertaking;*
- 1.1.9 *creating or granting any Security Interest over the whole or any part of the Business, undertaking or assets of the Company or over any Shares in the Company or agreeing to do so;*
- 1.1.10 *making any loan (otherwise than by way of deposit with a bank or other institution the normal business of which includes the acceptance of deposits) or granting any credit (other than in the normal course of trading) or giving any guarantee or indemnity;*
- 1.1.11 *borrowing any monies (other than from the Council) outside the course of normal business in excess of £100k;*
- 1.1.12 *purchasing leasing or otherwise acquiring assets (or any interests in assets) over £1m per year;*
- 1.1.13 *entering into any arrangement, contract or transaction outside the normal course of business over £1m per year;*
- 1.1.14 *tendering for new work which would fundamentally affect the business model;*
- 1.1.15 *changing the auditors of the Company or its financial year end;*
- 1.1.16 *making or permitting to be made any change in the accounting policies and principles adopted by the Company in the preparation of its audited or management accounts except as may be required to ensure compliance with relevant accounting standards under the Companies Act 2006 or any other generally accepted accounting principles in the United Kingdom;*
- 1.1.17 *declaring or paying any dividend outside of the Dividend Policy;*
- 1.1.18 *appointing or dismissing any Director;*
- 1.1.19 *making any remuneration decisions outside of the Remuneration Policy;*

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### Appendix 3 : Risk Register

Title	Risk description	Opp/ threat	Cause	Consequence	Date Raised	Owner	Gross		Current		Residual		Com ments	Controls				
							I	P	I	P	I	P		Control description	Due date	Status	Progress %	Action Owner
LATC	Support systems sub-optimal	Threat	Support systems changes needed to bring new company into effect are not delivered	Risk to business & reputation	01/06/2017	Simon Howick	4	3	3	3	2	2		Set out detailed requirements in accordance with project plan Additional resourcing as required	30/06/2017	Open	40%	Simon Howick
LATC	Adverse financial position	Threat	Financial benefits not delivered	Adverse impact on MTFP & potentially services	01/06/2017	Simon Howick	4	3	2	2	2	2		Expert internal and external scrutiny of financial data analysis and sensitivity testing	31//05./2017	Closed	100%	Nigel Kennedy
LATC	Organisation culture suffers	Threat	Erosion of 'One Council' ethos	Council & company less able to work together to achieve shared goal	01/06/2017	Simon Howick	3	3	2	2	1	1		MoU drafted & agreed All parties flexible in their position Learn from others Continue working closely with TU's	31/10/2017	Open	60%	Simon Howick
LATC	Service delivery suffers	Threat	Company focuses too much on external business	Service quality / delivery suffers	01/06/2017	Simon Howick	3	3	2	2	2	2		Drafting appropriate business plans for Teckal & trading Effective Client function Effective 'contract' between Council & Company	31/10/2017	Open	60%	Simon Howick
LATC	Depot	Threat	Depot not able to support the additional turnover	Unable to grow the business	17/01/2017	Simon Howick	3	3	3	3	3	3		Determine and agree expansion proposals	On-going	Open	50%	Simon Howick

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**To:** City Executive Board  
**Date:** 18 July 2017  
**Report of:** Executive Director for Sustainable City  
**Title of Report:** Low Emissions Taxi Infrastructure Scheme

<b>Summary and recommendations</b>	
<b>Purpose of report:</b>	The Council and its partners have been awarded £370k capital funding by Office of Low Emission Vehicles (OLEV). The funding is to deliver electric vehicle charging points for Hackney carriages and private hire vehicles operating in Oxford. Further funding may be available depending on degree of uptake of ultra-low emission taxis. The total project value may therefore exceed £500k in total. This report seeks to obtain Project Approval and delegated authority to allow officers to deliver the scheme.
<b>Key decision:</b>	Yes
<b>Executive Board Member:</b>	Cllr John Tanner, A Clean, Green Oxford
<b>Corporate Priority:</b>	A Clean, Green Oxford & A vibrant, sustainable economy
<b>Policy Framework:</b>	Low Emissions Strategy
<b>Recommendations:</b> That the City Executive Board resolves to:	
<ol style="list-style-type: none"> <li>1. <b>Grant project approval</b> for the electric vehicle charging for taxis project referred to in this report;</li> <li>2. <b>Delegate authority</b> to the Director for Sustainable City to complete negotiations with OLEV with a view to the Council being appointed as the accountable body for, and receiving grant funding under a funding agreement with OLEV;</li> <li>3. <b>Delegate authority</b> to the Director for Sustainable City, in consultation with the Monitoring Officer and Section 151 officer, the authority within the funding envelope provided by the Council to enter into:               <ol style="list-style-type: none"> <li>a) a grant agreement with OLEV;</li> <li>b) appropriate agreements with our bid partners; and third parties required to deliver the project subject to their being selected under an appropriate procurement process.</li> </ol> </li> </ol>	
<b>Appendices</b>	
Appendix 1	Project risk register

## Introduction and background

1. The Council has committed itself to a vibrant, sustainable economy and a clean, green Oxford in its corporate plan. The low emissions taxi infrastructure project will contribute to both of these priorities by accelerating the move to a low carbon economy through increased uptake of sustainable, low carbon transport technology and, in doing so, by improving air quality and reducing carbon emissions in the city.
2. The Office of Low Emission Vehicles (OLEV) is a cross-Government, industry-endorsed team combining policy and funding streams to simplify policy development and delivery for ultra-low emission vehicles. Its core purpose is to support the early market for electric and other ultra-low emission vehicles (ULEVs).
3. An Ultra-Low Emissions Vehicle (ULEV) produces 75g or less of CO<sub>2</sub> per kilometre from the tailpipe, in addition to eliminating or greatly reducing NO<sub>x</sub> and Particulate Matter (PM) emissions. At the moment, all cars which can achieve this use electric power to directly turn the wheels to some degree, from a 100% electric car to a plug-in hybrid or extended-range electric vehicle.
4. In 2014 OLEV announced it would make at least £20m available for an ultra-low emission Taxi Scheme. This scheme forms part of the £500m package to grow the market for ultra-low emission vehicles (ULEVs) from 2015-20
5. In a bid led by Oxfordshire County Council, Oxford successfully secured funding for a feasibility study which was delivered by the City Council in Spring 2016. Cities that had submitted a feasibility study to OLEV in 2016 were eligible to apply for further funding in December 2016 and it has been announced that Oxford City Council has been successful in its bid. The City Council has been awarded £370K towards a project with a total value of £493K.
6. The project is to remove barriers from uptake of ULEVs in the taxi trade. A barrier to uptake of ultra-low emissions vehicles in the taxi fleet is access to rapid charging infrastructure that enables them to charge vehicles during their normal break periods (e.g. 20-30 minutes). This project will provide the critical enabling infrastructure to remove that barrier.
7. Other barriers to the uptake of these vehicles will be addressed in parallel to the roll out of this project:
  - Hackney carriages in Oxford are currently required to be purpose-built taxis (i.e. “black cabs”). Both Metrocab and London Taxi Company are launching ULEV purpose-built vehicles in 2017 in London, and in the regions by early 2018. The Sustainable City team are in discussions with manufacturers to bring vehicles to Oxford for test driving at the earliest opportunity. In addition the council may consider whether non-purpose-built taxis could be licensed: this would allow other ULEV vehicles to be available to the hackney fleet. It should be noted that many drivers prefer purpose-built taxis and any licensing decisions are subject to subject to recommendation by General Purposes Licensing Committee and approval by Council:.
  - Understanding the business case for purchasing vehicles: the vehicles themselves may be more expensive than current vehicles adopted in the taxi fleet, but the operating costs are much lower. Through the Low Carbon Oxford programme we will engage local operators to support them in understanding the new model and financing packages on the market for vehicle purchase. The Sustainable City team will support operators in accessing Government

“top-up grants” towards the cost of ultra-low emissions purpose-built taxis. Vehicles in the existing fleet may also be within the scope of a potential Government scrappage scheme for diesel vehicles. Details of any scheme are not yet confirmed.

- Demand: Our bid had the written support of local organisations and businesses that procure for private hire services indicating that they would consider preferring low emissions taxis in future procurement exercises. The Sustainable City team will work with these organisations to support them to do so, and to communicate the benefits to the local taxi trade.
8. Oxfordshire County Council supports the scheme, City Council Officers will work with their counterparts at the County Council to deliver this project. The project board structures already in place for the “Go Ultra Low Oxford on-street residential charging” project will be expanded to include the ultra-low emissions taxi scheme.
  9. This approval by CEB is sought in parallel with the process for negotiations with OLEV, therefore absolute and final cost figures may be subject to change. The indication from OLEV is that there is the possibility of further funding towards infrastructure if the uptake and use of the EV charging points is good.

### **Financial implications**

10. Oxford City Council will be appointed as the Accountable Body and as such will receive, and will be accountable for, the whole of the funding payable.
11. Oxford City Council will receive £370K of capital funding from OLEV, this is 75% of the total cost of the project. Council approved £105k of capital for this project in the 2017/18 budget on 20 February providing 21% match. Soft market testing has shown that further match funding will be invested by the market and officers will seek this match when procuring the installation and operation of the charging points.
12. It is possible that the council will not need to commit all of the match it has set aside however the availability of this match funding is important to ensure that the council is not obliged to award the tender of installation and operation to the supplier with the most investment, but has the discretion to use its own match funding in order to ensure the best quality supplier.
13. The funding reflects typical costs for the installation of rapid and fast speed chargers. Cost for a given location may be higher if, for example, an upgraded connection to the electricity grid is required. We will discover the likelihood of these costs when we commission surveys by SSE (the local “distribution network operator”). They will be mitigated by spreading match funding across the programme, considering alternative locations, securing additional supplier investment and prioritising the viable locations until the point at which we seek further funding from OLEV. Overall project costs will be controlled to be within the funding envelope provided by the Council, the grant and any contributions from bidders.
14. An existing project manager based at Oxford City Council will be funded through the grant by capitalising their revenue costs to lead the project management and £18k of revenue match funding also approved by Council on 20 February.

## Governance

15. The Council has already entered into a partnership agreement with the County Council in relation to the Go Ultra Low Oxford (GULO) residential on-street charging project. The role of the County Council in both the GULO project and the low emissions taxi infrastructure project will be to process and approve the necessary Traffic Regulation Orders. The governance of the low emissions taxi infrastructure project will therefore be provided for by expanding the scope of the existing partnership agreement to cover both projects.
16. The operation of the project board and reporting to OLEV will be carried out by the project manager based at the City Council. The project manager will work closely with the General Licensing Team (who are currently the main point of contact for taxi operators in the city).
17. The City Council will undertake a competitive procurement for the installation and operation of the charge points. The tender will provide for the possibility of bidding for additional funding from OLEV at a later date, depending on the successful uptake of ultra-low emissions taxis in the early stages of the scheme.

## Environmental Impact

18. The scheme will reduce barriers to ULEV uptake, accelerating Oxford's transition to electric vehicle use. Our feasibility study showed that the air quality benefits relating to the Hackney carriage fleet are as shown below. Additional benefits from improvements to the private hire fleet are also expected but were not modelled in the feasibility study.

	<b>Present</b>	<b>With secured funding</b>	<b>If additional funding is secured</b>
Number of hackney carriages that are ULEVs	0	39 (36.4%)	56 (52.3%)
NOx Ave g/km	0.626	0.359	0.316
Total NOx (g)	2,708,458	1,555,129	1,366,213
Total NOx change (g)		1,153,329	1,342,245
<b>% change</b>		<b>43%</b>	<b>50%</b>

19. The impact on emissions levels depends on modelling and our feasibility study confirms that a positive impact would be expected. In addition, as taxis are used by visitors and local residents we may expect an additional benefit due to the normalisation of electric vehicles accelerating uptake by other stakeholders.

20. The environmental benefits, and associated health benefits, described above depend critically on the level of take up of ULEV taxis. Take up is needed not only because of the direct reduction in pollutants by those vehicles, but because an expectation of regular use of the charging points is needed to secure long term investment from the private sector operator that will operate the charging points.

21. To mitigate this risk officers are engaged in or considering the following actions:

- Setting bold standards for licensed hackney carriages in the city by bringing in an upper age limit for the renewal of hackney carriage licences and a requirement that newly licensing hackney carriage vehicles are “ultra-low emissions vehicles”
- Engaging with the hackney owners and drivers to establish the business case for investment in ULEVs and the benefits such as much lower operating costs and decreased maintenance requirements.
- Bringing manufacturers to Oxford and facilitating their engagement with the trade regarding, for example, typical operating costs, vehicle performance and financing packaging.
- Providing support to vehicle owners to help them access national grants towards the cost of new ULEV vehicles.
- Providing support to operators to access national and local grants to install electric vehicle chargers on their premises (i.e. in addition to the charger we will install around the city).
- Exploring ways in which the Go Ultra Low Oxford residential on-street charging project can enable taxi drivers living in the city to access overnight charging.
- Providing support to vehicle owners to access any diesel vehicle scrappage scheme that the Government may bring forward as part of its Air Quality Action Plan.
- Working closely with the trade and with manufacturers regarding the timing of the launch of ULEV purpose-built taxis in order that local measures are joined up with market availability of vehicles.

22. Similar age and performance requirements may be imposed in respect of the Private Hire fleet. However, this fleet is substantially different in that the vehicles tend to be newer and many are already hybrid electric.

23. A full risk register is included in Appendix 1.

### **Equalities Impact**

24. The scheme supports ultra-low emissions vehicle uptake by Hackney carriage and private hire companies operating in Oxford.

25. The barrier that the project seeks to address relates to charging infrastructure suitable for taxis and will focus on locations recommended in our feasibility study (e.g. close to taxi ranks and locations that drivers often take breaks).

26. Monitoring of the scheme’s impacts will be designed in detail in the initial phase of delivery and opportunities to gather data regarding equalities will be considered in that design.

27. The Council's current Hackney Carriage requirements have ensured that all such vehicles in operation are wheelchair accessible. The approval of new vehicle types will have to have regard to accessibility issues.

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**Background Papers:** None

Appendix 1 - Risk Register

Title	Risk description	Opp/ threat	Cause	Consequence	Date Raised	Owner	Gross		Current		Residual		Comm ents	Controls				
							I	P	I	P	I	P		Control description	Due date	Status	Progres s %	Action Owner
Partnership management	The Council is the accountable body for a significant capital programme delivered by partners	Threat	Partnership approach is needed to draw on policy lead and traffic regulation orders team at the County Council	Deliverables could be at risk if not well managed by partners and the programme governance	27/3/17	OCC	3	1	3	1	1	1		Project board will be formed by expanding the role of the current Go Ultra Low Oxford project board which involves the same partners and has appropriate experience to manage risk and control the project.	TBC		0	OCC
Financial management	Securing match funding	Opportunity and Threat	Grant funding secured is for 75% of the match. A further 21% match can be made by the council. There is a gap in funding and if we succesfully secure further funding later, further match will be required.	Insufficient budget	27/3/17	OCC	4	1	4	1	1	1		Soft market testing indicates that suppliers in the market will invest in the project and may even be willing to offer all the match needed. Officers will seek investment in the tender for the operation and installation of the charging points. The council's own match will be important to ensure that we are not forced to accept the bid from the supplier with the most investment and ensuring the highest quality and value for money are achieved.	TBC		0	OCC

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**To:** City Executive Board  
**Date:** 18 July 2017  
**Report of:** Executive Director of Organisational Development and Corporate Services  
**Title of Report:** Consultation on proposals for a revised Council Tax Reduction Scheme for 2018/19

<b>Summary and recommendations</b>	
<b>Purpose of report:</b>	To approve the proposals made for consultation on changes to the Council's Council Tax Reduction Scheme for 2018/19
<b>Key decision:</b>	Yes
<b>Executive Board Member:</b>	Cllr Susan Brown, Customer & Corporate Services
<b>Corporate Priority:</b>	An efficient and effective Council Meeting housing need
<b>Policy Framework:</b>	Financial Inclusion Strategy.
<b>Recommendations:</b> That the City Executive Board resolves to:	
<ol style="list-style-type: none"> <li>1. <b>Agree</b> which options as set out in the table at paragraph 9 should be subject to public consultation.</li> <li>2. <b>Consult</b> on the proposals for an 8 week period form 19 July 2017 and;</li> <li>3. <b>Instruct</b> the Executive Director of Organisational Development and Corporate Services to bring a further report to December CEB subject to the outcome of the consultation process.</li> </ol>	

<b>Appendices</b>	
Appendix 1	Explanation of Options
Appendix 2	Consultation Documents
Appendix 3	Risk Register
Appendix 4	Initial Equality Impact Assessment

## Introduction and background

1. In April 2013 the Council Tax Benefit (CTB) Scheme was replaced by a new Council Tax Reduction (CTR) Scheme. CTB was funded by the Department for Work and Pensions (DWP) and supported people on low incomes by reducing the amount of Council Tax they had to pay.
2. The new scheme is for working-age customers and determined locally by District Councils rather than nationally by the DWP. The scheme that exists for pension age recipients is a national scheme prescribed by regulations and cannot be varied locally. Whilst the Government initially provided funding for the new local scheme, the funding has reduced each year in line with the reduction in Council's Revenue Support Grant. Consequently, from 2019 no funding will be provided for the CTR scheme.
3. Oxford City Council is one of only 37 Councils whose CTR scheme has maintained the same level of financial support as existed within the CTB scheme. Most Councils have reduced the cost of their schemes by providing a lower level of support. Oxford City Council's scheme will cost £1.2m for the current year, and from 2019 will cost a minimum of £1.8m.
4. Councils are required to review their CTR scheme on an annual basis and determine whether to revise it or not. Since the introduction of the CTR scheme there have been many changes to the benefits regime. Therefore, it is appropriate for the Council to revisit its existing arrangements to ensure they are aligned with relevant benefit legislation. In addition, Universal Credit will start to be rolled out to all customer types in Oxford from October 2017. This presents an opportunity to develop a separate CTR scheme for those customers, which is aligned to the new benefit.
5. In order to change its scheme a council is required by law to:
  - Consult with the major precepting authorities
  - Consult with other persons it considers are likely to have an interest in the operation of the scheme.The Council Tax Reduction Scheme itself must be adopted by Full Council, and cannot be delegated to an Officer or Committee.
6. Local Schemes must take account of and support:
  - Work incentives and in particular avoid disincentives for those moving into work
  - The Council's duties to protect vulnerable people (under the Equality Act 2010, The Care Act 2014, Child Poverty Act 2010, The Housing Act 1996)
  - The Armed Forces Covenant
7. The table below sets out the cost and caseload for the Council's CTR scheme since its introduction. The cost of the scheme is shared by the Oxford City Council (16.3%), Oxfordshire County Council (74.3%) and Thames Valley Police (9.4%) in accordance with the proportion of Council Tax levied by each. The table shows that the gap between the net and gross cost to the Council is narrowing as government grant reduces.

	2013/14	2014/15	2015/16	2016/17	2017/18
Cost of Pension Age	£3,567,670.00	£3,557,465.57	£3,326,141.95	£3,274,618.97	£3,344,383.31
Pension Age caseload	3,572	3,424	3,261	3,122	3,125
Cost of Working age (passported)	£4,325,799.47	£4,314,383.13	£3,900,289.58	£3,911,684.93	£4,003,114.83
Cost of Working age (non-passported)	£2,267,836.28	£2,171,003.49	£2,334,149.37	£2,445,567.77	£2,657,566.68
Working age caseload	6,434	6,121	5,963	5,841	5,853
Total cost	£10,171,311.75	£10,052,397.19	£9,569,804.90	£9,640,834.67	£10,014,042.82
Total Caseload	10,006	9,545	9,224	8,963	8,978
Gross Council cost	£1,712,631.22	£1,626,666.96	£1,575,328.94	£1,572,710.90	£1,626,327.03
Net Cost to Council	-£11,784.64	£193,395.98	£523,976.96	£875,604.26	£1,207,237.42

**N.B.** Passported cases are those whose main income is a welfare benefit such as Jobseekers Allowance, Income Support or Employment & Support Allowance. Such cases currently receive a 100% reduction on their Council Tax bill. Non-passported cases have another form of income, usually earnings from employment or self-employment.

## Introduction of Proposals

8. Broadly speaking the proposals are:

- for a new CTR scheme to be introduced for customers on Universal Credit,
- to amend the existing CTRS for working age claimants not on Universal Credit to bring it in line with changes made to Housing Benefit since 2013. These changes will streamline the administration process in preparation for the roll out of Universal Credit from October 2017.
- to reduce the overall cost of support paid to claimants
- to highlight the implications of making no change as well as capping the cost of the scheme

The options are listed in the table below and detailed in Appendix One attached. Members are asked to agree which proposals if any should be submitted for public consultation. The consultation will last for a period of eight weeks beginning on 19 July 2017. The proposed consultation document is attached at Appendix Two.

9. The cost and savings figures below relate to the cost to the Council of providing support. Options 1 to 9 reflect a simplification of process which would lead to a greater efficiency in processing CTR claims. The net savings from the recommended options are £5,931. The anticipated annual growth in cost of the scheme is £68,306. This is based on Council Tax increasing by 4.2% which is the amount Council Tax bills increased by in unparished areas of Oxford this year.

Option No.	Description of change	Cost/Saving in £'s
1	Create an income band scheme for Universal Credit customers	£33,535
2	Restrict support to the level for a Band D property	-£14,129
3	Remove second adult reduction provision	-£8,370
4	Reduce capital limit from £16,000 to £6,000	-£9,236
5	Limit backdating to one month	-£3,896

6	Introduce a minimum income floor for self-employed claims	£0
7	Reduce period where someone can claim whilst abroad	£0
8	Limit number of dependent children within the CTR calculation to two	-£2,327
9	Remove family premium	-1,508
10	Introduce a minimum charge of 30%	-£370,831
11	Cap the cost of scheme to the current level	-£73,184
12	Do nothing	£0

10. Efficiency savings could be achieved from the banded scheme (option 1) when Universal Credit is more fully rolled out. These would be based on a simpler assessment process, a reduction in the number of changes to Council Tax bills, and less customer contact as a result. The parameters of a banded scheme could subsequently be amended to deliver further savings, or increase the amount of support provided. However, savings would need to be considered in the context of potential additional pressures resulting from the wider rollout of Universal Credit.
11. Council Tax regulations make provision for discretionary support to be made available on the application by a customer who is facing difficulty paying their Council Tax. Currently no budget is provided for making such discretionary payments. However if changes to the CTR scheme resulted in a reduction in support for individuals, then it may be prudent to make a small budgetary provision to enable discretionary support to be provided in exceptional cases. In such an event officers should seek an agreement with the County Council to fund this provision, as the County is the main beneficiary from the provision of this support.

### **Impact of Reducing Support**

12. Informal benchmarking shows that 81% is the average collection rate of additional Council Tax raised by reducing support in the CTR scheme. These figures are taken from six Local Authorities whose overall Council Tax collection performance ranges from top quartile to bottom quartile for 2015/16. Oxford's performance for 2015/16 was at the top of the third quartile. Applying this to Option 10 above (applying a minimum 30% charge), means that the potential saving of £370,831 becomes an actual saving of £296,665.
13. As the additional charge will be levied on people on low incomes it is likely that additional recovery work will be required, thereby increasing cost. It is estimated that if Option 10 was implemented, an additional two full time members of staff would be required to manage this increase in work, at a cost of £65,000.

### **Financial implications**

14. The current cost of the CTR scheme has been factored into the Council's Medium Term Financial Plan, and so is budgeted for until 2021/22. However, as outlined above, the Council will bear the full cost for its share of the scheme from 2019/20, and the cost of the scheme will increase year on year from this point as a consequence of Council Tax Increasing.

15. As the County Council are the principal precepting authority, it is difficult for Oxford City Council to make significant savings in its cost of support, i.e. to save £1 an additional £6 must be raised.

### **Legal issues**

16. In considering changes to the CTR scheme, the Council must take into account the provisions of The Council Tax Reduction Schemes (Prescribed Requirements) (England) 2012 and subsequent amendments.

17. Since the introduction of CTR schemes, there have been a number of legal challenges against local schemes. Most of these challenges have been mounted in relation to the consultation undertaken and have questioned whether due regard was given to the equality impact assessment when changes were made to schemes. A Supreme Court ruling in 2014 – R (Moseley) v London Borough of Haringey has meant that consultation on changes to Council Tax Reduction schemes must also include an option on how the current scheme could be retained on the same level of funding. This would be funded through reductions in funding for other services. As such, there are questions in the consultation paper on these options.

### **Level of risk**

18. A risk register is attached at Appendix Three. The identified risks relate to the undertaking of consultation, rather than the changes to the CTR scheme.

### **Equalities impact**

19. An Initial Equalities Impact Assessment is attached at Appendix Four. In the event that the consultation results in proposals to make changes to the CTR scheme, a full impact assessment will be conducted.

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**Background Papers:** None

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## Appendix One

### Council Tax Reduction Scheme - Explanation of Options

#### Option 1 - Create an income band scheme for Universal Credit customers

The migration to Universal Credit creates an opportunity to reduce the cost of CTR administration. The existing CTR scheme is based on the same principles as Housing Benefit, and HB and CTR claims for the same customer are assessed as part of a single process. However as claims migrate to Universal Credit, the CTR scheme could be made simpler to administer by basing it on the Universal Credit system, instead of Housing Benefit. Moving to an income banded system based on the income used in the UC assessment will reduce the time to assess CTR claims, and the proposal detailed below will reduce the volume of changes, which will also result in fewer amended Council Tax bills being issued.

Initial modelling has been carried out by using information in the existing benefit database to calculate the weekly income that existing CTR customers would receive in UC. This modelling is based on introducing a scheme which disregards income received in the UC system in relation to housing costs, for having children, having limited capacity for work (through ill health or a disability) and having a caring responsibility. It also disregards income from all other benefits, including child benefit and personal independence payment. The remaining income would be applied to the bands below to determine the level of support that could be provided. Deductions would then be made in respect of any non-dependants living in the property, in the same way as they are under the current scheme.

The proposed bands below ensure that overall, a similar level of support is provided as currently. The modelling projects that the scheme will cost the Council £33,353 more annually than the current scheme. The proposed income bands and levels of support are as follows:

£0 - £119.99 = 100% of Council Tax liability  
£120 - £179.99 = 75% of Council Tax liability  
£180 - £279.99 = 50% of Council Tax liability  
£280 - £384.99 = 25% of Council Tax liability  
Over £385 = No support

The rationale for the figures above are as follows:

£120 is 16 hours on the national minimum wage (NMW), (and ensures that all existing cases receiving 100% rebate, continue to do so)  
£180 is 24 hours on NMW  
£280 is 30 hours on the Oxford living wage  
£385 is the Benefit Cap

The modelling for this scheme identifies the following impacts on the financial support customers will receive:

<b>Gain/Loss</b>	<b>No. of customers</b>
Gain over £10 per wk	451
Gain between £5 and £10 per wk	472
Gain between £1 and £5 per wk	456
Change of less than £1 per wk	3,912
Loss of between £1 and £5 per wk	216
Loss of between £5 and £10 per wk	408
Loss over £10 per wk	299

The main difference between an income banded scheme and the existing scheme is the rate at which support is withdrawn. The current scheme reduces the amount of support received by 20p for each additional £1 of income. However in the proposed scheme support is reduced by 25% at each band threshold. This creates winners and losers when compared to the current scheme. People at the lower end of an income band lose out compared to the current scheme, whereas people towards the top of an income band gain.

The advantages of a banded scheme are that it is simpler to administer. Small changes in income won't result in a change to the amount of support received, and so there won't be a need to issue as many Council Tax bills. It is proposed that any changes reported will only be applied from the following month, further reducing the number of amended bills to be sent. As the banded scheme will be linked to the Universal Credit award, the customer's income will have already been collected and verified by the DWP. This means that the CTR application form can be much shorter than currently, and only need to capture household information, and any additional income or capital. It is estimated that 200 customers will migrate each month from Housing Benefit to UC and so the banded scheme would be rolled out gradually to these customers.

Further analysis of the 707 customers losing more than £5 per week is shown in the Initial Equality Impact Assessment. For all households facing a reduction in support, they have improved work incentives as a result of moving onto Universal Credit. The current benefits system traps individuals on 16 hours of work, and couples on 24 hours of work jointly. This is the maximum amount of work that can be undertaken before welfare benefits are withdrawn. This "benefit trap" is the main barrier for customers of the Welfare Reform team increasing their hours. It is only the compounding impact of other benefit reductions which provide an incentive to increasing hours of work. However under Universal Credit, benefit is withdrawn at a consistent rate of 63p for each £1 of income, and so any increase in work will lead to an economic benefit.



## **AMENDMENTS TO SCHEME FOR CUSTOMERS WHO ARE NOT ON UNIVERSAL CREDIT**

Working age customers remaining on Housing Benefit would continue to have the existing CTRS applied to them. However as this has not been amended since it was introduced in 2013, there is an opportunity to make some changes to simplify the administration. Some of these changes would deliver small savings in the cost of the scheme.

### **Option 2 - Restrict support to the level for a Band D property**

The current Council Tax Reduction scheme uses the full amount of Council Tax charge irrespective of the band of the property. There are eight Council Tax Bands A to H with Band D being the national average. It is proposed that where an applicant lives in a property which is Band E, F, G or H then the Council Tax Reduction will be calculated on the basis of a Band D charge.

Restricting support to the maximum of a Band D property would impact 243 households and result in a reduction in expenditure of £85,631, resulting in a saving to the Council of £14,129. A breakdown of the impact on households that would lose out as a result of this measure is included in the Initial Equality Impact assessment.

### **Option 3 - Remove second adult reduction provision**

Second adult rebate can be claimed by Council Tax payers whose income is too high for them to claim Council Tax Support themselves. However they can claim it in respect of a second adult living with them, who isn't their partner and whose income is low enough or who is on certain benefits. The amount of rebate depends on the second adult's income but is a maximum of 25%

In 2016/17 £50,724 was paid in respect of second adult rebate, and benefitted 132 households. Removing this would deliver a saving of £8,370 per annum for the Council, and simplify the administration of the scheme.

### **Option 4 - Reduce capital limit from £16,000 to £6,000**

In the current scheme, anyone with capital over £16,000 is ineligible for support. It is proposed to reduce this to £6,000. Reducing the limit to £6,000 would exclude 83 recipients of CTR reducing expenditure by £55,974, which equates to a saving £9,236 per annum for the Council.

### **Option 5 - Limit backdating to one month**

Currently our CTRS allows for claims to be backdated six months if the customer can show continuous good cause as to why they have not claimed. This is administratively onerous, as a subjective view has to be taken and as such may attract requests for reconsiderations and appeals. Backdating rules for Housing Benefit have recently changed to only allow for a month's backdate. It is proposed to bring our CTRS in line with this.

The current scheme saw total of £6,032 per week paid in backdated CTR to 300 claims for a total of 32,532 days. As such, restricting backdating to a month would have reduced this period to 11,519 days reducing CTR expenditure to £2,136 per annum for the Council.

### **Option 6 - Introduce a minimum income floor for self-employed claims**

In order to align Council Tax Reduction with Universal Credit, the Council proposes to use a minimum level of income for those who are self-employed. This would be in line with the National Living Wage for 35 hours worked per week. Any income above this amount would be taken into account based on the actual amount earned. The income would not apply for a designated start-up period of one year from the start of the business. Variations would apply to part-time workers.

This change would reduce the significant time spent by assessors checking the accounts of self-employed people. 380 households would be impacted by making a larger reduction in their entitlement, on the basis that they have a higher level of earnings than they are reporting. However this could also encourage self-employed people to expand their business to increase their earnings.

This measure would help prevent fraud in relation to under reported earnings. It is proposed that a grace period of 12 months would be given to new businesses to give them time to establish themselves.

### **Option 7 - Reduce period where someone can claim whilst abroad**

Currently CTR is able to be paid when people are abroad for up to 13 weeks. The Housing benefit regulations have recently been amended to reduce this period to four weeks. It is proposed to bring our CTRS in line with this. Absences of 4 to 13 weeks are not recorded in the benefit system so it is not possible to say how many people will be affected by this change. However it is felt that this change is not controversial and likely to meet with public support.

### **Option 8 - Limit number of dependent children within the CTR calculation to two**

From April 17, no additional tax credits or housing benefit will be paid for families with more than two children. It is proposed to bring the CTRS in line with these rules, although only for new claims as with the changes to the other benefits.

Currently, for each child an additional allowance of £66.90 per week is made. This means that £66.90 can be earned without any loss in support. Oxford's CTRS reduces support by 20p for each £1 of income so removing the allowance would potentially reduce the amount of support provided by £13.38 per week, for a third or additional child. However this would not affect any household in receipt of a passported benefit (Jobseekers Allowance, Income Support or Employment and Support Allowance).

### **Option 9 - Remove family premium**

From April 2016, the family premium was removed from Housing Benefit. It is proposed to bring the CTRS in line with this change, although only for new claims. The family premium is worth £22.20 per week for single parents or £17.40 per week for couples. It operates in the same way as the child allowance above. As such, removing it potentially reduces support by £4.44 or £3.48 per week, respectively. Again it does not affect any household on a passported benefit.

## **REDUCING THE COST OF SUPPORT**

### **Option 10 - Introduce a minimum charge of 30%**

Applying a minimum payment of 30% of the Council Tax bill for all Working Age recipients of CTR would have reduced total expenditure for 2016/17 from £1,572,711 to £1,201,880, a saving of £370,831 per annum for the Council. However, to generate a saving of £370,831 for the City Council, an additional £2,247,459 in Council Tax would be need to be levied on low income households (as only 16.3% of Council Tax levied is attributable to the City Council, the remainder passing to the County Council and Police and Crime Commissioner). For someone living in Blackbird Leys in a Band D property, 30% of their liability is £541.29 for the current year.

When amending the CTR scheme it is possible to protect certain groups. The reduction in potential savings arising from the protection of certain groups is shown below (the savings figures relate to the reduction in savings for the City Council based on the example of a 30% minimum charge):

Carers: £19,533 (307 households)

People with a severe disability: £36,393 (673 cases)

Lone parent with child under 5: £37,982 (738 cases)

### **Option 11 – Cap the cost of scheme to the current level**

One way of preventing an increase in the cost of the CTRS is to cap the cost of the scheme at the amount for the current year. This would require a decision to be taken about who pays for the Council Tax increase each year. One approach would be to add the increase to everyone's bills. However currently there are 4,000 households who receive a 100% rebate from the CTRS. The annual increase in Council Tax for 2017/18 was 4.2%, so this would have resulted in bills of less than £100 being raised for those households who don't pay anything. These would be uneconomic to collect, and where recovery action was taken would see court costs in excess of the Council Tax charge being added to the bill.

An alternative approach would be to allocate the additional cost to households who don't receive a 100% rebate. However this would provide a challenge to administer, and would be difficult for customers to understand.

## **Option 12 – Do Nothing**

The gross cost of the CTRS to the City Council is approximately £1.63m and is currently part funded by the government grant. The cost to the city council is increasing year on year as a result of the reduction in grant. By 2019 the council will bear the full cost of the scheme. Since CTR was localised the gross cost of the scheme has reduced slightly year on year as a result of the reduction in the number of claimants. It is unlikely that the number of claimants will reduce much further, and so the scheme cost will then increase year on year as a result of the annual increase in the Council Tax charge. Assuming that Council Tax bills increase by 4.2% each year (as they did this year), the cost of the CTR Scheme will increase from £1.63m to £1.9m in four years.

In the event of an economic recession there could also see a significant increase in claimant numbers (potentially 15% based on historic claimant figures). This would increase the scheme cost by approximately £250,000, based on cost for the current year.

## **Appendix Two**

### **Council Tax Reduction Consultation Documents**

Below are the two main documents which will be used in the consultation on proposals to change the Council Tax Reduction scheme. The first is a background document which gives some context to the consultation. The second is a detailed list of questions to be asked in the consultation, together with the format of the answer. This document will be adapted so that it can be used on both the Council's e-Consult system, and made available in hard copy.

#### **Background Document**

In April 2013 the Council Tax Benefit Scheme was replaced by a new Council Tax Reduction Scheme. Council Tax Benefit had been funded by the Department for Work and Pensions and supported people on low incomes by reducing the amount of Council Tax they have to pay.

The Council Tax Reduction scheme is determined locally by District Councils rather than the Department of Work and Pensions. Although the Government initially provided funding for the scheme, the funding has reduced each year in line with the reduction in Revenue Support Grant provided to councils. From 2019 no funding will be provided for the scheme.

Unlike most other Councils, Oxford's Council Tax Reduction scheme has retained the same level of financial support as existed within the Council Tax Benefit scheme. Providing this level of support will cost the council £1.2m in the current year, and from 2019 will cost a minimum of £1.8m.

People can claim full Council Tax Reduction if they are on certain benefits. These include income based jobseekers allowance, income support, guarantee credit which is part of state pension credit and income related employment and support allowance. Others receive some Council Tax Reduction based on their income and other factors.

A separate national scheme is retained for people of pension age. Councils are only able to vary their schemes for people of working age.

Councils are required to review their schemes each year and decide if they want to make any changes. Before any changes can be implemented, they must be subject to public consultation.

Oxford City Council is proposing a number of changes to its existing scheme and so in line with Government guidance, we have a duty to consult you and provide you with the opportunity to tell us your views on the proposed changes to our Council Tax Reduction Scheme.

The Council is consulting on the following changes to its scheme for 2018/19:

- Introducing an income band scheme for Universal Credit customers
- Restricting the maximum level of support to that of a Band D property
- Removing the second adult reduction
- Reducing the capital limit from £16,000 to £6,000

- Restricting backdating of awards from six months to one month
- Introducing a minimum income floor for self-employed customers
- Restricting the period where support will be paid when someone is abroad
- Limiting the number of dependent children used in the calculation of support to two
- Removing the family premium
- Making no changes to the existing scheme
- Introducing a minimum charge of 30%
- Capping the overall cost of the scheme at current levels

In Oxford, 8,978 people currently receive Council Tax Support. The gross cost of the scheme is £10 million which is spread across the City Council (16.3%), Oxfordshire County Council (74.3%) and Thames Valley Police (9.4%), in accordance with the proportion of Council Tax which each organisation levies (which is shown in brackets).

### Consultation Questions

1. I have read the background information about the Council Tax Reduction Scheme?

Answer: Yes/No/Don't know

### OPTIONS PROPOSED BY THE COUNCIL TO CHANGE THE COUNCIL TAX REDUCTION SCHEME

#### Option 1 - Introduction of an Income Band Scheme for customers on Universal Credit

The existing Council Tax Reduction Scheme is based on the same principles as Housing Benefit. This means that Housing Benefit and Council Tax Reduction claims for the same customer can be assessed as part of a single process. However, as customer move to Universal Credit, there is an opportunity to simplify the Council Tax Reduction Scheme by using the information from the Universal Credit claim to determine the level of support.

It is proposed to introduce an income band scheme for new Universal Credit customers providing support as outlined below. Income would be based on that used to calculate Universal Credit (UC) entitlement. However, it would disregard income received in the UC system in relation to housing costs, for having children, for having limited capacity for work (through ill health or a disability) and having a caring responsibility. It also disregards income from all other benefits, including child benefit and personal independence payment. However, deductions would be made for any non-dependants in the property, in line with the current scheme. The proposed income bands are as follows:

Weekly Income Band	Percentage reduction in Council Tax Bill
£0 - £119.99	100%
£120 - £179.99	75%
£180 - £279.99	50%
£280 - £384.99	25%
Over £385	0%

The main difference between an income banded scheme and the existing scheme is the rate at which support is withdrawn. The current scheme reduces the amount of support received by 20p for each additional £1 of income. The proposed scheme reduces support by 25% at each band threshold. This creates winners and losers when compared to the current scheme. People at the lower end of an income band lose out compared to the current scheme, whereas people towards the top of an income band gain.

It is additionally proposed that any changes in circumstances resulting in a change to the amount of support will only be applied to the Council Tax bill at the start of the following calendar month.

The impacts of this are:

- This scheme is simpler and quicker to administer than the existing Council Tax Reduction Scheme
  - The Council will be administering three different schemes, compared to two currently
  - Few Council Tax bills will be issued to people who have regular changes in their income
  - People at the lower end of an income band lose out compared to the current scheme, whereas people towards the top of an income band gain. However those losing out, can significantly increase their earnings without losing any support
2. Do you agree with the principle of introducing an income band scheme for Universal Credit customers?  
Answer: Yes/No/Don't know
  3. Do you agree with the proposed income bands?  
Answer: Yes/No/Don't know
  4. Your comments on Option 1  
Answer: Free text

### **Option 2 - To restrict the maximum level of Council Tax Reduction payable to the equivalent of a Band D charge**

The current Council Tax Reduction Scheme uses the full amount of Council Tax charge irrespective of the band of the property. There are eight Council Tax Bands A to H with Band D being the national average. It is proposed that where an applicant lives in a property which is Band E, F, G or H then the Council Tax Reduction will be calculated on the basis of a Band D charge.

The impacts of this are:

- It can be seen as a fairer method of providing support with those claimants living in higher banded properties and receiving Council Tax Reduction having to pay more
- All working age claimants living in premises with a Council Tax band of higher than Band D will have their Council Tax Reduction restricted
- Reductions in awards may affect families living in larger homes

5. Do you agree with the principle that the maximum level of Council Tax Reduction payable should be restricted to a maximum of a Band D charge?  
Answer: Yes/No/Don't know
6. Your comments on Option 5  
Answer: Free text

### **Option 3 - To Remove Second Adult Reduction from the scheme**

The current Council Tax Reduction Scheme can grant a reduction up to 25% in certain cases where the income of a 'second adult' (not the applicant's partner) who resides with the applicant is unemployed or has a low income.

- It removes an element of the current scheme where the reduction bears no relationship to the income of the claimant
  - A small number of people who currently receive Second Adult Reduction will receive less support
7. Do you agree with the removal of Second Adult Reduction?  
Answer: Yes/No/Don't know
  8. Your comments on Option 5  
Answer: Free text

### **Option 4 - Reduce the capital limit from the existing £16,000 to £6,000**

At present, residents with savings, capital and investments of more than £16,000 are not entitled to any Council Tax Reduction. Under the proposed change; this limit would be reduced to £6,000.

The impacts of this are:

- Only those working age residents with at least £6000 in savings will be affected.
  - There is a low risk to causing any hardship
  - Where a working age resident has in excess of £6,000 in savings, no reduction whatsoever will be payable
9. Do you agree with principle that the capital limit should be reduced to £6000?  
Answer: Yes/No/Don't know
  10. Your comments on Option 5  
Answer: Free text

### **Option 5 – Limit Backdating to one month**

Currently claims for Council Tax Reduction from working age claimants can be backdated for up to 6 months where an applicant shows they could not claim at an earlier time. Central Government has reduced the period for Housing Benefit claims to 1 month. It is proposed that the Council's Council Tax Reduction Scheme be aligned with the changes for Housing Benefit.



The impacts of this are:

- It is a simple alteration to the Scheme which is easy to understand when claiming Housing Benefit and Council Tax Reduction.
- New working age residents may see a reduction in the amount of support they received if they are unable to claim on time.

11. Do you agree with option 5?

Answer: Yes/No/Don't know

12. Your comments on Option 5

Answer: Free text

### **Option 6 - Using a set income for self-employed earners after 1 year's self-employment**

In order to align Council Tax Reduction with Universal Credit, the Council proposes to use a minimum level of income for those who are self-employed. This would be in line with the National Living Wage for 35 hours worked per week. Any income above this amount would be taken into account based on the actual amount earned. The income would not apply for a designated start-up period of one year from the start of the business. Variations would apply to part-time workers.

The impacts of this are:

- The treatment of income for self-employed claimants for Council Tax Reduction will be brought broadly into line with Universal Credit.
- It should encourage self-employed working age applicants to expand their business
- Where a working age claimant is self-employed and continues to run a business where their income is below the minimum living wage level, the Council will assume they earn at least the minimum level (based on a 35-hour week, regardless of the hours they work).

13. Do you agree with the principle that claimants who are self-employed for more than one year should have a minimum income floor applied to their claim?

Answer: Yes/No/Don't know

14. Your comments on Option 6

Answer: Free text

### **Option 7 - Reducing the period for which a person can be absent from Great Britain and still receive Council Tax Reduction to 4 weeks**

Within the current scheme, applicants can be temporarily absent from their homes for up to 13 weeks without it affecting the Council Tax Reduction. This replicated the rule within Housing Benefit. Housing Benefit has been changed so that if a person is absent from Great Britain for a period of more than 4 weeks, their benefit will cease. It is proposed that the Council's Council Tax Reduction Scheme is amended to reflect the changes in Housing Benefit. There will be exceptions for members of the armed forces and certain other occupations.

The impacts of this are:

- The treatment of temporary absence will be brought into line with Housing Benefit
- There are exceptions for certain occupations.
- If a person is absent from Great Britain for a period which is likely to exceed 4 weeks, their Council Tax Reduction will cease from when they leave the Country. They will need to re-apply on return

15. Do you agree with the change to the temporary absence rule?

Answer: Yes/No/Don't know

16. Your comments on Option 6

Answer: Free text

### **Option 8 - To limit the number of dependent children within the calculation for Council Tax Reduction to a maximum of two**

Within the current scheme, claimants who have children are awarded a dependant's addition of £66.90 per child within their applicable amounts. This means that for each child, and additional £66.90 of income can be earned without any reduction in support. There is no limit to the number of dependant's additions that can be awarded. From April 2017 Central Government limited dependant's additions in Universal Credit, Housing Benefit and Tax Credits to a maximum of two.

It is proposed that the Council's Council Tax Reduction Scheme is amended to reflect the changes in Housing Benefit and Central Government Benefits. This will only affect households who have a third or subsequent child on or after 1 April 2017.

There will be exceptions where: there are multiple births after 1 April 2017 (and the household is not already at their maximum of two dependants within the calculation); adopted children or where households merge.

The impacts of this are:

- Council Tax Reduction will be brought into line with Housing Benefit, Universal Credit and Tax Credits
- It is simple and administratively easy
- Claimants who have a third or subsequent child after 1 April 2018 (and are not excepted from the rules) may receive less Council Tax reduction than a claimant who has more children born before 1 April 2018

17. Do you agree with the change to the temporary absence rule?

Answer: Yes/No/Don't know

18. Your comments on Option 8

Answer: Free text

### **Option 9 - Family premium**

The removal of family premium from 1 April 2018 for new claims will bring the Council Tax Reduction Scheme in line with Housing Benefit. The family premium is part of how we assess the 'needs' of any applicant which is compared with their income.

Family Premium is normally given when an applicant has at least one dependent child living with them. Removing the family premium will mean that when we assess a claimant's needs it would not include the family premium (currently £17.45 per week). This change would not affect those on Universal Credit, Income Support, Income Related Employment and Support Allowance or Income Based Jobseeker's Allowance.

The impacts of this are:

- It brings the Council Tax Reduction Scheme in line with Housing Benefit changes proposed by Central Government;
- New working age residents may see a reduction in the amount of support they received.
- Some households with children will pay more

19. Do you agree with the change to the temporary absence rule?

Answer: Yes/No/Don't know

20. Your comments on Option 6

Answer: Free text

### **Option 10 - Minimum Charge of 30%**

The Council currently provides 100% support for approximately 4,000 households through the current Council Tax Reduction Scheme. This proposal would see all households charged 30% of the total of their Council Tax bill, before any support from the Council Tax Reduction Scheme is applied. Reducing the maximum level of support available is a simple change to the scheme which is easily understood.

The impacts of this are:

- It is a simple alteration to the scheme which is easy to understand.
- The increased cost is shared by everyone.
- All working age households receiving Council Tax Reduction will be required to pay more with a risk of some households being pushed into poverty
- It may be difficult and costly to collect the additional Council Tax from households on a low income

21. Do you agree with the principle that all households should contribute something towards the cost of Council services in Oxford?

Answer: Yes/No/Don't know

22. Do you agree with the proposal to introduce a minimum Council Tax charge of 30% for all households?

Answer: Yes/No/Don't know

23. Your comments on Option 10

Answer: Free text

### **Option 11 – Cap the cost of the Scheme to that of the current year**

In order to prevent the cost of the Council Tax Reduction Scheme increasing each year in line with increases in Council Tax, the Council could cap the cost of support. In order to do this, the Council would need to predict the increase in the cost of the

scheme for the following year, and introduce proposals to limit the increase, similar to those outlined above.

The impacts of this are:

- The Council stops incurring additional costs from the Council Tax Reduction Scheme
- The Council would have to consult annually on changes to the scheme
- Many working age people currently receiving support would see their support reduced

24. Do you agree with the proposal to cap the cost of the Council Tax Reduction Scheme?

Answer: Yes/No/Don't know

25. Your comments on Option 11

Answer: Free text

### **Option 12 – Make no changes to the existing Scheme**

The Council does not have to make any changes to the Council Tax Reduction Scheme. However, if Council Tax bills increase by 4.5% each year (as they did this year), the cost to the Council of the Scheme will rise from £1.2m to £4m in four years.

The impacts of this are:

- The Council would have to make cuts, find other savings or increase fees and charges to pay for the scheme.
- Existing recipients of support from the Council Tax Reduction Scheme would continue to receive the same level of support
- The Council would lose an opportunity to simplify the Scheme

26. Do you agree with the proposal to cap the cost of the Council Tax Reduction Scheme?

Answer: Yes/No/Don't know

27. Your comments on Option 11

Answer: Free text

### **ALTERNATIVES TO REDUCING THE AMOUNT OF HELP PROVIDED BY THE COUNCIL TAX REDUCTION SCHEME**

Where councils bring forward proposals that could reduce the support an individual receives, they are also required to consult on alternative proposals to reducing this support.

Do you think we should choose any of the following options rather than the proposed changes to the Council Tax Reduction Scheme? Please select one answer for each source of funding.

28. Increase the level of Council Tax

Answer: Yes/No/Don't Know

29. Find savings from cutting other council services

Answer: Yes/No/Don't know

30. Increase fees and charges

Answer: Yes/No/Don't know

31. Please use the space below if you would like the Council to consider any other options.

Answer: Free text

32. Please use this space to make other comments on the scheme

Answer: Free text

## About You

We ask these questions:

- To find out if different groups of people in the Council's population have been able to take part in the consultation and identify if any groups have been excluded. This means it is not about you as an individual but to find out if people with similar characteristics have had their say.
- To find out if different groups of people feel differently about the options and proposals in comparison to each other and all respondents. This means it is not about you as an individual but to find out if people with similar characteristics have answered in the same way or not.

This information is completely confidential and anonymous.

Your personal information will not be passed on to anyone and your personal details will not be reported alongside your responses.

33. Are you, or someone in your household, getting a Council Tax Reduction at this time?

Answer: Yes/No/Prefer not to say

34. What is your gender?

Answer: Male/Female/Transgender/Prefer not to say

35. What is your age?

Answer: 16-18, 19-24, 25-44, 45-59, 60-74, 75 or above

36. What is your ethnic group?

Answer: White British/White Irish/Other White/White and Black Caribbean/White and Black African/White and Asian/Other Mixed/Indian/Pakistani/Bangladeshi/Other Asian/Carribbean/African/Black other/Chinese/Other (Specify below)

37. If other, please enter details in the space below

Answer: Free text

38. Do you consider yourself to have a disability or life limiting illness?

Answer: Yes/No

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Appendix 3 Risk Register

					Date Raised	Owner	Gross		Current		Residual		Comm ents	Controls				
Title	Risk description	Opp/ threat	Cause	Consequence			I	P	I	P	I	P		Control description	Due date	Status	Progress %	Action Owner
Challenge to consultation process	Customers challenge the effectiveness of the consultation	Opp	Due regard not given to statutory guidelines or relevant case law.	Any changes in the CTR scheme may not be upheld by Tribunals or Courts, when challenged by a customer.	2/6/17	Paul Wilding	3	2	1	2	1	2		Reference the relevant regulations and case law in planning the consultation	19/7/17		50	Paul Wilding
Increased customer contact	Customers are concerned at potential changes to the support they get and contact the Council about them.	Threat	Poor explanation of changes, and no mitigation planned.	Customers are not clear about the impact of the changes.	2/6/17	Paul Wilding	2	2	1	1	1	1		Simple explanations given of the proposed changes, together with details of mitigation.	19/7/17		50	Paul Wilding
Council reputation	Proposals for changes not clearly thought through, and impact not properly understood, resulting in damage to Council	Opp	Insufficient modelling undertaken, and/or impact of changes not properly understood	Informed customers spot impacts of changes that the Council has not properly identified, undermining both the proposals and	2/6/17	Paul Wilding	3	3	3	2	3	2		Expert team from different service areas assembled to work on the proposals, time taken to model changes and understand customer impact.	19/7/17		100	Paul Wilding

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## Initial Equalities Impact Assessment screening form

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

Council Tax Reduction is claimed by low income households in the city. The following groups are over represented in this cohort compared to the general population:

Women

Single parent households

Ethnic Minorities

People with a disability of lifelong illness

Although the changes proposed are not intended to reduce the overall level of financial support provided through the scheme, some individuals will see the support provided to them reduce, and this will inevitably impact on the groups listed above.

In most cases the proposed changes will impact a small number of people as they will only apply to new claims, or when a significant change in circumstances occurred. For this reason it is not possible to identify which customers will be affected in the first year of a new scheme. However analysis has been conducted into the impact of the two biggest changes on the basis of them being applied to the existing caseload of claims. These are the introduction of an income band scheme and the restriction of support to that of a Band D property.

### INCOME BAND SCHEME

A breakdown of the 707 customers who are projected to lose more than £5 per week compared to the current scheme is detailed below.

These households comprise 633 with a single adult and 74 where the claimant has a partner. 99 households contain one or more non-dependent adults, and 23 currently receive a premium in respect of a disabled person in the household. 40 households are currently affected by the Benefit Cap, and 28 are affected by the Bedroom Tax.

The following tables show the breakdown by tenure and the number of children in the household.

Tenure Type	No. of households
Local Authority	176
Private rented	288
Housing Association	235
Temporary Accommodation	8

No. of children	No. of households
0	22
1	128
2	237
3	168

4	102
5	32
6 or more	17

### Top 20 losers

Additional analysis has been carried out of the 20 households which stand to lose the most from the proposed income band scheme. On average these households will have a reduction in support of £1,082 per year. However they will still receive nearly £1,000 on average in support with their Council Tax. They also have a significant amount of income disregarded from the calculation of their support. After their housing costs, and any non-UC benefits, they have an average of £519 in income from Universal Credit disregarded.

These cases lose out because they are at the lower end of an income band. However this creates a good work incentive as they are able to increase their earnings by an average of £456 per month before losing any more support with their Council Tax.

### IMPACT OF CAPPING SUPPORT AT BAND D

243 households would be affected by capping support at the level of a Band D property.

This would have a greater impact proportionally on couples and people accommodated by Housing Associations, when compared to the general benefits population. The tables below provide a breakdown of tenure type, income and children in the household.

Tenure	No. of households
Local Authority	16
Private	53
Housing Association	173
Temporary	1

Income Type	No. of households
Income Support	43
Jobseekers Allowance	11
Earned Income	124
Employment & Support Allowance	65

No. of children	No. of households
0	63
1	48
2	45
3	43
4	27
5	9
6 or more	8

160 households contain a single adult and 83 contain couples. 110 households also have one or more non-dependent adults resident. 28 households are currently

affected by the Bedroom Tax.

The 135 households whose income comes from earnings or from JSA, are well placed to mitigate the restriction in Council Tax Support by moving into work or increasing their hours of work. The 110 households with a non-dependant adult also potentially have an additional source of income from the non-dependant.

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

Proposals to adopt a minimum Council Tax charge for all households are not being taken forward. This would have reduced the support provided to all working age recipients of Council Tax reduction, and introduced a charge for 4,000 households who currently receive a 100% rebate.

Proposals for the new scheme which will apply to Universal Credit customers have disregarded income received in relation to having children, limited capacity work or for being a carer within the Universal Credit system. Income from other benefits is also disregarded.

Within the existing Council Tax regulations, there is provision for discretionary payments to be made to people experiencing hardship. If any of the consultation proposals are taken forward, a further report to CEB will be required and this will include a recommendation to make a budgetary provision for discretionary support.

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

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

The main report seeks approval for consultation about changes to the proposed scheme. This includes general public consultation, as well as attendance at any relevant meetings of partners or stakeholders.

Groups supporting people with disabilities will be contacted for their views.

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

Adjustments have been proposed as outlined in Section 2.

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

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

The impact will be monitored via applications for discretionary support. This should highlight any areas of concern.

As the changes will be rolled out on a gradual basis, as people see changes in their circumstance, there will be an opportunity to revise the scheme in future years, if there is an unexpected negative impact on certain groups of customers.

Lead officer responsible for signing off the EqIA: Paul Wilding

Role: Revenues & Benefits Programme Manager

Date: 1 June 2017

## **Minutes of a meeting of the CITY EXECUTIVE BOARD on Thursday 15 June 2017**

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### **Committee members:**

Councillor Price (Chair)  
Councillor Brown  
Councillor Hollingsworth  
Councillor Smith  
Councillor Tidball

Councillor Turner (Deputy Leader)  
Councillor Hayes  
Councillor Rowley  
Councillor Tanner

### **Officers:**

Caroline Green, Assistant Chief Executive  
Lindsay Cane, Acting Head of Law and Governance  
Nigel Kennedy, Head of Financial Services  
Jennifer Thompson, Committee and Members Services Officer

### **Also present:**

Councillor Andrew Gant, Liberal Democrat Group Leader, Liberal Democrat shadow member for Corporate Strategy & Economic Development, Customer and Corporate Services, Liberal Democrat Group Leader

### **Apologies:**

Councillor Sinclair sent apologies.

### **1. Declarations of Interest**

There were no declarations.

### **2. Addresses and Questions by Members of the Public**

None received.

### **3. Councillors Addresses on any item for decision on the Board's agenda**

There were no addresses.

## **4. Councillor Addresses on Neighbourhood Issues**

Councillor Brown spoke about the steps the council were taking to reassure tower block residents that the towers had adequate fire safety protection and that the refurbishments did not increase the risk of a catastrophic fire, in light of the tragedy at Grenfell Tower in London. She thanked staff for getting publicity and information out to residents and the public.

The Board invited the Head of Housing to update the Board. He explained how the refurbishments and existing measures reduced the risk of a fire spreading and reduced the risk of the stairwells becoming unusable in the event of a fire.

He said that he would look at providing drop-in sessions at the tower blocks to allow residents to ask questions and raise concerns.

## **5. Items raised by Board Members**

None received.

## **6. Scrutiny Committee Reports**

### **a) Scrutiny Response: Local Plan - Preferred Options report**

Councillor Gant, Chair of the Scrutiny Committee, presented the report and the recommendation from the committee (attached as a supplement to the agenda).

The scrutiny committee recommended: That consideration is given to the possibility and desirability of using planning policy to protect and control shopping frontages in smaller shopping areas that are not classified as local centres.

He highlighted two further points:

- The concerns of the boating community
- Only the most up-to-date information on the current consultation and the most current locations of the roadshow should be shown to avoid confusion.

The Board Member for Planning and Regulatory Services said that:

- he agreed in part with the recommendation Local centres are considered in the Local Plan Preferred Options document as part of the hierarchy of centres for town centres uses. Town centres are where town centre uses should be directed. The definition of Town centres in the NPPF explicitly excludes neighbourhood centres. An option to include a lower tier of centres (below Local Centres) has not been put forward in the Plan, as this is not therefore considered to be compliant with the NPPF which sets out that small parades of shops are not classed as 'centres'. The proposed Local Centres are listed in the Options document, and if consultees consider further areas should to be identified as centres, they can be put forward during the consultation, and if it's considered that they do meet the NPPF definition then they can be included in the draft plan.;
- in light of comments from the boating community, amended wording for section 2.3 ii) Homes for boat dwellers would be proposed;
- and agreed with the point about the consultation

## 7. Local Plan Preferred Options

The Head of Planning, Sustainable Development and Regulatory Services submitted a report which seeks approval to submit the draft Oxford Local Plan 2036 for public consultation.

Cllr Hollingsworth, Board Member for Planning and Regulatory Services presented the report and the consultation documents and proposed amendments to section 2.3 ii) Homes for boat dwellers boxes a and c:

	Option for policy approach	Consequences of policy approach	Options, Conclusion
a	Add before the text: <i>Assess need for residential boat moorings and include....</i>	add before the text <i>The Gypsy, Traveller and Showpeople Accommodation assessment 2017 will be updated to assess the need for residential moorings. However it is not expected that if a need is identified it will be possible to fully meet that need because of limited capacity. The proposed approach ensures</i>	Preferred option
B	No change	No change	No change
c	No change	No change	Alternative <u>Rejected</u> option

The consultation process was discussed.

### The City Executive Board resolved to:

1. **approve** the Oxford Local Plan 2036 Preferred Options document for consultation with the amendment above; and
2. **delegate Authority** to the Head of Planning, Sustainable Development and Regulatory Services, in consultation with the Board Member for Planning and Regulatory Services, to make any necessary editorial corrections to the document and to agree the graphically designed version before publication.

## **8. Tender for Maintenance and Repair work**

The Executive Director of Sustainable City submitted a report seeking approval to submit a bid to Ubico for the maintenance and repair service to vehicles, mobile plant and equipment, as the potential value of the bid exceeds delegated authority levels. Cllr Turner, Board Member for Finance and Asset Management presented the report.

### **The City Executive Board resolved:**

1. **to authorise** the submission of a bid to Ubico (a company wholly owned by Local Authorities) to undertake maintenance and repair service to vehicles, mobile plant and equipment owned by West Oxfordshire District Council.
2. and in the event that the bid is successful, **to grant delegated authority** to the Executive Director of Sustainable City, in consultation with the Council's S151 Officer and Monitoring Officer, and subject to the contract making a satisfactory contribution towards overheads, to enter into an appropriate contract for the supply of the relevant repair and maintenance services.

## **9. Minutes**

The City Executive Board resolved to approve the amended minutes of the meeting held on 11 May 2017 as a true and accurate record.

## **10. Matters Exempt from Publication**

The City Executive Board did not move into confidential session.

## **11. Exempt Appendix 1\_Bid for Maintenance and Repairs Work**

The City Executive Board noted without discussion the contents of the not for publication appendix to the tender report.

**The meeting started at 5.00 pm and ended at 5.50 pm**

**Chair .....**

**Date: 18 July 2017**



# Minutes of a meeting of the CITY EXECUTIVE BOARD on Tuesday 20 June 2017

## Committee members:

Councillor Turner (Deputy Leader)	Councillor Brown
Councillor Hayes	Councillor Hollingsworth
Councillor Rowley	Councillor Sinclair
Councillor Smith	Councillor Tanner

## Officers:

Ian Brooke, Head of Community Services  
Lindsay Cane, Acting Head of Law and Governance  
Rachel Drinkwater, Support Assistant  
Caroline Green, Assistant Chief Executive  
David Growcott, Community Services  
Jan Heath, Business Improvement & Performance Manager  
Nigel Kennedy, Head of Financial Services  
Gordon Mitchell, Interim Chief Executive  
Catherine Phythian, Committee Services Officer  
Fiona Piercy, Interim Assistant Chief Executive, Regeneration and Economy  
Tim Sadler, Executive Director Sustainable City  
Jennifer Thompson, Committee and Members Services Officer  
Jackie Yates, Executive Director Organisational Development and Corporate Services  
Paul Wilding, Programme Manager Revenue & Benefits  
Richard Wyatt, Senior Planner

## Also present:

Councillor Andrew Gant, Chair of the Scrutiny Committee.

## Apologies:

Councillors Price and Tidball sent apologies.

## 12. Apologies for Absence

The Deputy Leader sent apologies for his late arrival.

In the absence of the Leader and the Deputy Leader, the Board agreed that Councillor Smith chair the meeting until the arrival of the Deputy Leader.

### **13. Declarations of Interest**

None.

### **14. Addresses and Questions by Members of the Public**

None received.

### **15. Councillors Addresses on any item for decision on the Board's agenda**

None received.

### **16. Councillor Addresses on Neighbourhood Issues**

None received.

### **17. Items raised by Board Members**

None received.

### **18. Scrutiny Committee Reports**

Councillor Gant, Chair of the Scrutiny Committee, reported that while there were no recommendations to the Board, the Committee had made comments as set out in the minutes of their meeting on 14 June.

For the consultation documents on the railway station SOPD, they had asked for updated timelines and dates.

With the community leases, the committee asked that, as they would like all community associations to have satisfactory leases, the lines of communication should be kept open and everyone on the associations should be made aware of the lease conditions.

The Committee had discussed the safeguarding report and welcomed the progress made.

### **19. Headington Neighbourhood Plan**

The Head of Planning, Sustainable Development and Regulatory Services submitted a report presenting the Headington Neighbourhood Plan for adoption so that it can become part of the Oxford Development Plan.

Councillor Hollingsworth, Board Member for Planning and Regulatory Services, introduced the report and drew attention to the immediate increase in Community Infrastructure Levy funds available to the Headington Neighbourhood Plan area that would result from the adoption of the plan.

The Committee noted the relationship between this plan, the current Local Plan and the emerging Local Plan; and that its policies would be included in the determination of applications at committee and under delegated powers.

The Committee commended all those who had worked to get the plan to the stage of adoption.

**The City Executive Board resolved to:**

1. **Agree** to 'make' the Headington Neighbourhood Plan;
2. **Recommend Council** to adopt the Headington Neighbourhood Plan as part of the Council's development plan for the Headington neighbourhood area.

*Councillor Turner arrived after the start of this item and took part in the discussion.*

## **20. Oxford Railway Station Supplementary Planning Document (SPD)**

Councillor Smith handed the Chair to Councillor Turner at the start of this item.

The Interim Assistant Chief Executive for Regeneration and Economy and the Executive Director for Sustainable City submitted a report which sought approval of the Draft Oxford Station Supplementary Planning Document (SPD) for public consultation.

Councillor Hollingsworth, Board Member for Planning and Regulatory Services, introduced the report.

**The City Executive Board resolved to:**

1. **Approve** the Draft Oxford Station Supplementary Planning Document (SPD) for public consultation (Appendix 1)
2. **Approve** the Draft Oxford Station SPD as a material consideration in determining planning applications
3. **Endorse** the accompanying Strategic Environmental Assessment (SEA) Combined Screening and Scoping Report (Appendix 2)
4. **Delegate authority** to the Head of Planning, Sustainable Development and Regulatory Services to make any necessary editorial corrections to the document prior to publication, in consultation with the Assistant Chief Executive for Regeneration and Economy and the Board Member for Planning and Regulatory Services.

## **21. Community Leases**

The Head of Community Services submitted a report which established clear criteria and processes for the award of a community lease and to approve terms for new leases for Bullingdon, Headington, Risinghurst and Florence Park Community Centres

Councillor Dee Sinclair, Board Member for Culture and Communities presented the report.

The Board asked questions to satisfy themselves that these leases presented no disadvantage either to the community associations named in the report or other community associations. The Board agreed to delegate authority to the Head of Community Services to include for Bullingdon CA break clauses contained in other protected tenancy leases as deemed appropriate and feasible, and report back to the Board

**The City Executive Board resolved to:**

1. **Agree** the process and criteria for awarding a community lease
2. **Approve** terms for new leases for Bullingdon, Headington, Risinghurst and Florence Park Community Centres and delegate authority to the Executive Director of Sustainable City in consultation with the Monitoring Officer to complete the leases.
3. **Delegate** authority to the Head of Community Services to include for Bullingdon CA break clauses contained in other protected tenancy leases as deemed appropriate and feasible

## **22. Refurbished of Barton Neighbourhood Centre**

The Executive Director for Organisational Development and Corporate Services submitted a report which requested project approval for improvements to the Barton Neighbourhood Centre.

Councillor Dee Sinclair, Board Member for Culture and Communities; presented the report.

The Board noted the risks and benefits, and options available, to change the use of those parts of the centre designated for the pharmacy and GP surgery should these not move into the centre.

**The City Executive Board resolved to:**

1. **Grant project approval** for the scheme as outlined in the report.
2. **Delegate authority** to the Executive Director for Organisational Development and Corporate Service to proceed with these works within current budget allocations.

## **23. Otlands Road Recreational Ground Car Park**

The Head of Direct Services submitted a report which introduced a parking tariff at Otlands Road Recreation Ground.

Councillor Hollingsworth, Board Member for Planning and Regulatory Services presented the report.

**The City Executive Board resolved to:**

1. **Agree** to introduce a pay & display parking scheme at Oatlands Road Recreation Ground Car Park;
2. **Add** Oatlands Road Recreation Ground Car Park to the existing City of Oxford Off Street Parking Places Order;
3. **Agree** that excess and penalty charges be applied to Oatlands Road Recreation Ground Car Park in accordance with the City of Oxford Off Street Parking Places Order;
4. **Agree** the tariff level and hours of operation at the car park as set out in Appendix 1 attached.

## **24. Proposal for an Oxford Lottery to raise money for good causes**

The Executive Director Organisational Development and Corporate Services submitted a report which proposed the set-up of an Oxford lottery to raise resources for the voluntary and community sector in Oxford in light of the growing need to raise money for good causes within the city.

Councillor Susan Brown, Board Member for Customer and Corporate Services, presented the report.

The Board noted that the lottery required the grant of a licence from the Gambling Commission.

They asked that if the survey was repeated it should include a question asking if there was support for the principle of a lottery.

**The City Executive Board resolved to:**

1. **Agree** to set up an Oxford lottery to raise money for good causes within the city in accordance with the provisions of this report;
2. **Delegate authority** to the Executive Director for Organisational Development and Corporate Services, the arrangements to establish the lottery.

## **25. Oxford 2050: A vision for a successful and sustainable city for everyone**

The Assistant Chief Executive submitted a report which presents the strategy document *Oxford 2050: A vision for a successful and sustainable city for everyone*: an overarching strategy to support and guide future corporate plans and delivery documents.

The Board noted the need to incorporate the long term vision in this document into medium term strategies.

**The City Executive Board resolved to:**

1. **Approve** the text in Annex 1 Oxford 2050 to be the subject of active stakeholder engagement and formal consultation;
2. **Delegate authority** to the Assistant Chief Executive, in consultation with the Leader of the Council, to develop in conjunction with other relevant officers an engaging communications plan and supporting materials for internal and external use to ensure the content and aims of the Vision are accessible for a range of audiences.

## **26. Safeguarding Report 2017/18**

The Assistant Chief Executive submitted a report which reports on the progress made on the Oxford City Council's Safeguarding Action Plan 2016/17.

Councillor Tom Hayes, Board Member for Community Safety presented the report and councillors discussed the key emerging challenges.

**The City Executive Board resolved to:**

1. **Note** the key achievements of the Safeguarding work delivered through Oxford City Council during 2016/17;
2. **Agree** the Safeguarding Action Plan 2017/18 set out in Appendix 1.

## **27. Appointments to charities, trusts, community associations and other organisations 2017/18**

The Acting Head of Law and Governance submitted a report which agreed appointments to charities, trusts, community associations and other organisations for the 2017/18 Council Year.

The Board noted:

- Oxford Preservation Trust had agreed to reduce Council appointees to 2 and Councillor Fry was relinquishing his appointment.
- Non ecclesiastical charities of St Mary's Magdalen had asked for only one nominee.

**The City Executive Board resolved to:**

1. **Approve** appointments to charities, trusts, community associations and other organisations as shown in Appendix 1;
2. **Note** the guidance for appointees as detailed in Appendix 2;

3. **Agree** to remove Oxford in Bloom, the Oxford Advisory Hub and Headington Action from the list of charities, trusts, community associations and other organisations.

## 28. Replacement of Housing Computer Systems

The Heads of Business Improvement and Housing and Property have submitted a report which seeks approval for an increase in the budget to extend the scope of the project and achieve additional longer term savings.

Councillor Rowley, Board Member for Housing presented the report.

### The City Executive Board resolved to:

1. **Approve** the increased budget for the tendering of the Council's replacement housing ICT systems to £1.0 million;
2. **Grant project approval** for the scheme and;
3. **Delegate authority** to the Executive Director for Organisational Development and Corporate Services to award the contract for the new Housing IT System(s) on the basis of the most economically advantageous bid.

## 29. Quarterly Integrated Performance 2016/17 - Q4

The Heads of Financial Services and Business Improvement submitted a report which detailed the Council's finances, risk and performance at the end of the financial year 2016/17.

Councillor Ed Turner, Board Member for Finance and Asset Management presented the report.

The Board noted that the any unspent portion of the Community Infrastructure Levy assigned to ward members in 2016/17 should be carried forward to 2017/18.

They asked for a report on the recommendations from the Health Inequalities Board.

### The City Executive Board resolved to:

1. **Note** the financial outturn and performance of the Council for the year 2016/17 and also the position on risks outstanding as at 31st March 2017
2. **Agree** the carry forward requests in respect of the General Fund and recommend to Council the establishment of budgetary provision of £745k in respect of the new bids shown in paragraph 6 and Appendix D;
3. **Agree** the transfer to the General Fund Capital Financing Reserve of £158k detailed in paragraph 2 a; and
4. **Agree** the carry forward requests outlined in paragraph 15 and 16 in respect of the HRA as detailed in Appendix D and recommend to Council the establishment of budgetary provision of £300k in respect of the new bids;

5. **Agree** the transfer to the HRA Capital Financing Reserve of £1.151m detailed in paragraph 2c;
6. **Agree** the transfer of the underspend on the Capital Programme of £219k detailed in paragraph 20 to be returned to capital Financing Reserve.

### **30. Super Connected Wireless Concession Award Authority**

The Interim Assistant Chief Executive for Regeneration and Economy has submitted a report which requests approval to award a contract for a Wireless Concession, as part of the Super Connected City project approved by CEB in October 2013.

Board members noted that the method of controlling of the advertising content needed to be finalised and asked that a method of secure sign-on as well as open network should be considered.

**The City Executive Board resolved to approve** the Wireless Concession contract referred to in this report to the supplier selected in accordance with the procurement process undertaken.

### **31. Minutes**

The Board noted that the minutes of their meeting of 14 June would be submitted to the next meeting.

### **32. Matters Exempt from Publication**

The Board did not go into confidential session.

### **33. Exempt Appendix 1\_Super connected wireless concession award**

Noted.

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

Chair .....

**Date: Tuesday 18 July 2017**