

Agenda

Finance and Performance Panel (Panel of the Scrutiny Committee)

This meeting will be held on:

Date: **Monday 22 January 2024**

Time: **6.00 pm**

Place: **Zoom - Remote meeting**

For further information please contact:

Alice Courtney, Scrutiny Officer

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Members of the public can attend to observe this meeting and.

- may register in advance to speak to the committee in accordance with the [committee's rules](#)
- may record all or part of the meeting in accordance with the Council's [protocol](#)

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Committee Membership

Councillor James Fry (Chair)

Councillor Tiago Corais

Councillor Dr Hosnieh Djafari-Marbini

Councillor Chris Jarvis

Councillor Dr Amar Latif

Councillor Dr Christopher Smowton

Apologies received before the publication are shown under *Apologies for absence* in the agenda. Those sent after publication will be reported at the meeting.

Agenda

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1 Apologies	
2 Declarations of Interest	
3 Chair's Announcements	
4 Notes of the previous meeting	9 - 14
<p>The Panel is asked to agree the notes of the meeting held on 06 December 2023 as a true and accurate record.</p>	
5 Finance and Performance Panel Work Plan	15 - 16
<p>The Panel is asked to consider the Work Plan and agree any amendments.</p>	
6 Report back on recommendations	17 - 26
<p>At its meeting on 13 December 2023, Cabinet considered the following reports from the Finance and Performance Panel and made responses to the recommendations:</p> <ul style="list-style-type: none">• Integrated Performance Report Q2 2023/24• Treasury Management Mid-Year Report <p>Cabinet's responses to recommendations were presented to the Scrutiny Committee at its meeting on 16 January 2024 for noting.</p> <p>The Panel is asked to note Cabinet's responses to its recommendations.</p>	
7 Council Tax Reduction Scheme 2024/25	27 - 56
<p>Cabinet, at its meeting on 24 January 2024, will consider a report from the Head of Financial Services seeking approval for changes to the Council's Council Tax Reduction Scheme for 2024/25. Cllr Ed Turner, Deputy Leader (Statutory) and Cabinet Member for Finance and Asset Management, Nigel Kennedy, Head of Financial Services and Laura Bessell, Benefits Manager have been invited to present the report and answer questions. The Panel is asked to consider the report and agree</p>	

any recommendations.

8 Housing Revenue Account (HRA) Rent Setting Report 2024/25

57 - 68

Cabinet, at its meeting on 24 January 2024, will consider a report from the Head of Financial Services presenting the outcome of the Council's annual rent review and associated rent setting proposal for 2024/25 in respect of all Council dwellings within the Housing Revenue Account, including the setting of associated services and facilities charges. Cllr Ed Turner, Deputy Leader (Statutory) and Cabinet Member for Finance and Asset Management, Nigel Kennedy, Head of Financial Services and Jason Jones, Finance Business Partner (HRA) have been invited to present the report and answer questions. The Panel is asked to consider the report and agree any recommendations.

9 Corporate Key Performance Indicator (KPI) Review [presentation]

The Panel is asked to receive a presentation followed by an opportunity for discussion; and to agree any recommendations.

Cllr Susan Brown, Leader of the Council, Mish Tullar, Head of Corporate Strategy and Sally Hicks, Business Intelligence Unit Lead have been invited to present this item and answer questions.

10 Dates of future meetings

The Panel is asked to note the dates and times of future meetings of the Finance and Performance Panel:

- 26 March 2024, 6pm

Meetings will take place remotely via Zoom.

11 Matters Exempt or part exempt from publication and exclusion of the public

If the Panel wishes to exclude the press and the public from the meeting during consideration of any aspects of the preceding or following agenda items it will be necessary for the Panel to pass a resolution in accordance with the provisions of Section 100A(4) of the Local Government Act 1972 specifying the grounds on which their presence could involve the likely disclosure of exempt information as described in specific paragraphs of Part 1 of Schedule 12A of the Act if and so long, as in all the circumstances of the case, the public interest

in maintaining the exemption outweighs the public interest in disclosing the information.

(The Access to Information Procedure Rules – Section 15 of the Council’s Constitution – sets out the conditions under which the public can be excluded from meetings of the Council).

11a Budget 2024/25 - Draft Report of the Budget Review Group

The draft 2024/25 Budget Review Group report will follow.

At the request of the Budget Review Group, the following items will be considered as part of this item:

- Museum Income – modelling and assumptions
- Strategic Review of Services Provided Across Community Services – outline scope
- Leisure Management Contract – *discussion following consideration of report by Scrutiny Committee on 16 January 2024*
- Strategic Review of Spend on Services Provided by ODS – outline scope

Reports on the above items will follow or updates will be provided at the meeting; discussions on these items may feed into the draft Budget Review Group report, along with any recommendations arising from discussion.

Peter Matthew, Executive Director (Communities and People), Nigel Kennedy, Head of Financial Services and Ian Brooke, Head of Community Services have been invited to present and answer questions.

The Panel is asked to:

1. **Agree** any recommendations to Cabinet on the basis of the presentations and discussion on the items listed above.
2. **Approve** the draft 2024/25 Budget Review Group report for submission to the Scrutiny Committee meeting on 06 February 2024 for approval and submission to Cabinet, subject to any necessary amendments.
3. **Delegate authority** to the Scrutiny Officer, in consultation with the Finance and Performance Panel Chair, to implement any agreed amendments to the report and make any necessary minor editorial amendments prior to submission to the Scrutiny Committee.

11b Exempt Treasury Management Matters [discussion item]

Information for those attending

Recording and reporting on meetings held in public

Members of public and press can record, or report in other ways, the parts of the meeting open to the public. You are not required to indicate in advance but it helps if you notify the Committee Services Officer prior to the meeting so that they can inform the Chair and direct you to the best place to record.

The Council asks those recording the meeting:

- To follow the protocol which can be found on the Council's [website](#)
- Not to disturb or disrupt the meeting
- Not to edit the recording in a way that could lead to misinterpretation of the proceedings. This includes not editing an image or views expressed in a way that may ridicule or show a lack of respect towards those being recorded.
- To avoid recording members of the public present, even inadvertently, unless they are addressing the meeting.

Please be aware that you may be recorded during your speech and any follow-up. If you are attending please be aware that recording may take place and that you may be inadvertently included in these.

The Chair of the meeting has absolute discretion to suspend or terminate any activities that in his or her opinion are disruptive.

Councillors 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; licenses 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". 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.

Members Code – Other Registrable Interests

Where a matter arises at a meeting which directly relates to the financial interest or wellbeing** of one of your Other Registerable Interests*** then you must declare an

interest. You must not participate in discussion or voting on the item and you must withdraw from the meeting whilst the matter is discussed.

Members Code – Non Registrable Interests

Where a matter arises at a meeting which ***directly relates*** to your financial interest or wellbeing (and does not fall under disclosable pecuniary interests), or the financial interest or wellbeing of a relative or close associate, you must declare the interest.

Where a matter arises at a meeting which affects your own financial interest or wellbeing, a financial interest or wellbeing of a relative or close associate or a financial interest or wellbeing of a body included under Other Registrable Interests, then you must declare the interest.

You must not take part in any discussion or vote on the matter and must not remain in the room, if you answer in the affirmative to this test:

“Where a matter affects the financial interest or well-being:

- a. to a greater extent than it affects the financial interests of the majority of inhabitants of the ward affected by the decision and;
- b. a reasonable member of the public knowing all the facts would believe that it would affect your view of the wider public interest You may speak on the matter only if members of the public are also allowed to speak at the meeting.”

Otherwise, you may stay in the room, take part in the discussion and vote.

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

** Wellbeing can be described as a condition of contentedness, healthiness and happiness; anything that could be said to affect a person’s quality of life, either positively or negatively, is likely to affect their wellbeing.

*** Other Registrable Interests: a) any unpaid directorships b) any Body of which you are a member or are in a position of general control or management and to which you are nominated or appointed by your authority c) any Body (i) exercising functions of a public nature (ii) directed to charitable purposes or (iii) one of whose principal purposes includes the influence of public opinion or policy (including any political party or trade union) of which you are a member or in a position of general control or management.

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Minutes of a meeting of the Finance and Performance Panel (Panel of the Scrutiny Committee) on Wednesday 6 December 2023



Committee members present:

Councillor Fry (Chair)

Councillor Djafari-Marbini

Councillor Jarvis

Councillor Latif

Councillor Snowton

Officers present for all or part of the meeting:

Nigel Kennedy, Head of Financial Services

Bill Lewis, Financial Accounting Manager

Anna Winship, Management Accountancy Manager

Jason Jones, Finance Business Partner (HRA)

Paul Jeffery, Treasury Manager

Sonal Khade, Management Accountancy Manager

Alice Courtney, Scrutiny Officer

Apologies:

No apologies were received

19. Declarations of Interest

None.

20. Chair's Announcements

None.

21. Notes of the previous meeting

The Panel agreed the notes of the meeting held on 06 September 2023 as a true and accurate record.

The Panel noted that written responses to its questions submitted after the previous meeting in respect of the Integrated Performance Report Q1 2023/24 and the Treasury Management Annual Report 2022/23 had been published as a supplement to the notes of the meeting held on 06 September 2023.

22. Finance and Performance Panel Work Plan

The Panel considered the Work Plan.

The Chair noted that the Panel had two remaining meetings scheduled before the end of the 2023/24 municipal year, one in January and one in March. He noted that the January meeting agenda was likely to be busy as a result of the Budget Review Group process and that the Panel may wish to defer some of the items listed for January to the March meeting, but this could be kept under review until nearer the time.

The Panel agreed the Work Plan as set out in the agenda pack.

23. Integrated Performance Report Q2 2023/24

The Chair advised the Panel that this was the last Finance and Performance Panel meeting that Anna Winship, Management Accountancy Manager would be attending before she left Oxford City Council for a different role. The Panel thanked the Management Accountancy Manager for all of her help and support and wished her the very best for the future.

Anna Winship, Management Accountancy Manager introduced the report, which provided an update on Finance, Risk and Corporate Performance matters as at 30 September 2023.

In response to questions, the Panel was advised that:

- The variance stated in respect of Town Hall Business Rates was as a result of the delays in letting St Aldate's Chambers, as while St Aldate's Chambers was empty the Council was still responsible for Business Rates.
- The Customer Experience Change Programme was being led by the Executive Director (Corporate Resources) and the Head of Business Improvement; the programme involved work such as streamlined processes for Revenues and Benefits and delivery of savings within the Contact Centre as a result of process automation. A series of online forms were set to be launched in March 2024, for which a communications plan was being developed.
- The Council had an ambitious Capital Programme and the budget was profiled throughout the year; there had been significant slippage in Q2 but the figures included in the report were expected to be achieved in 2023/24 at this stage.
- There was £900k in earmarked reserves that the Council could put towards supporting the overspend in respect of Temporary Accommodation.
- The unfreezing of the Local Housing Allowance would increase the amount of Housing Benefit that the Council received towards Temporary Accommodation from 01 April 2024, but exact figures were not yet known.
- The Budget pressure in relation to income from the letting of St Aldate's Chambers would level out over time across the Medium Term Financial Plan once rent was being paid by the tenant.
- The Council was revisiting business cases for capital programmes in the context of current Budget pressures and was comfortable ceasing programmes where they were no longer viable.
- There was reasonable confidence that the £4m dividend from Oxford Direct Services would be paid in the current financial year.
- A project had been mobilised to try to mitigate the cost of Temporary Accommodation, including looking to bring in more private sector leasing.
- Budget pressures contained in the report relating to Leisure were for the current financial year and current contract with Fusion. It was noted that the tender process for the Leisure Management Contract took into account the Council's experiences with the current provider and accounted for any risks.

- The OxLEP funding in respect of the Standingford House project was not retrievable.
- Delays in both legal agreements with the County Council in respect of Go Ultra-Low Oxford (GULO) and the changes to parking orders to introduce charging on Godstow Road and Florence Park car parks were as a result of a backlog within Law & Governance, which was due to the significant number of vacancies which there had been within the service. There had been a revision of the salary structure within that service in order to support recruitment and retention. The car parking charges were anticipated to be operational from the New Year.
- Errors in relation to the Single Person Discount Council Tax letters were as a result of a system error; the errors were quickly rectified and it was not anticipated that the errors would be repeated.
- More robust challenge of assumptions was required in respect of the slippage of ICT programmes, which would be done for the Integrated Performance Report for Q3 2023/24; there had been staffing issues within ICT which affected the service's ability to deliver on projects.
- The Council would continue to do all it could to support those experiencing homelessness within the constraints of the financial resources available, but difficult decisions may be required in the not too distant future.

The Panel **agreed** to recommend to Cabinet that:

1. The Council produces a summary document which clearly sets out all of the possible options available to the Council for reducing Temporary Accommodation costs, alongside the advantages and disadvantages of those options.
2. The Council challenges the optimism bias assumptions applied to initial assumptions within capital and revenue programmes, with a view to arriving at more realistic assumptions and avoiding the current high degree of slippage going forward.

24. Treasury Management Mid-Year Report

Bill Lewis, Financial Accounting Manager introduced the report, which provided an update on the performance of the Treasury Management function for the six months to 30 September 2023. The Panel was assured that Treasury Management activity had been managed within the confines of the Treasury Management Strategy agreed by Full Council in February 2023.

In response to questions, the Panel was advised that:

- Returns on investment were calculated as a percentage of the original investment.
- There was a statutory override in place to mitigate against the effect of falling capital values until the end of March 2025; this meant that capital changes did not currently impact revenue monitoring or the revenue budget, but from 2025/26 it was highly likely that the statutory override would cease and the Council would have to reflect changes in the capital value of fund assets in the revenue budget. This would mean that changes to capital values would affect the revenue budget from 2025/26.
- The Council had earmarked reserves held against the risk of loss against property fund and multi-asset fund investments.

- Investments were dealt with individually in terms of accounting but were included in aggregate within the revenue account.

The Panel **agreed** to recommend to Cabinet that:

1. The Council reviews the current limit for non-specified investments set out in the Treasury Management Strategy within the context of the current economic climate and considers whether the limit should be amended.

25. Budget 2024/25

Nigel Kennedy, Head of Financial Services introduced the report, which proposed a Medium Term Financial Strategy and the 2024/25 Budget for consultation. He set the context of the forthcoming Budget round against the backdrop of a very difficult financial climate and significant resourcing concerns across the whole Local Government sector. He added that Central Government's Autumn Statement had not revealed any surprises that had not already been factored in as assumptions within the draft Budget.

The Panel asked a series of questions for clarification in relation to the contents of the report. In response to questions, the Scrutiny Officer advised that substitutes were not permitted on the Budget Review Group as per the Scrutiny Operating Principles 2023/24; the Panel requested that the Scrutiny Officer look into this further outside the meeting to see if there were any options to allow substitutes to attend and report back in due course.

The Scrutiny Officer clarified that the dates of Budget Review Group meetings were 03, 04, 09 and 15 January 2024; all meetings started at 6pm and would take place via Zoom. She confirmed that diary invites had been circulated.

The Panel:

1. **Noted** the report.
2. **Agreed** to share written questions for submission to Heads of Service with the Scrutiny Officer via email by Monday 11 December 2023, 10am. The questions would then be shared with officers for response ahead of the first meeting of the Budget Review Group on 03 January 2024.

26. Background and Implications of Local Authority Section 114 Notices

Nigel Kennedy, Head of Financial Services introduced the report, which had been produced at the request of the Panel at its previous meeting. He thanked the Scrutiny Officer for her help in pulling the report together and providing research support. The report aimed to set the Council's current financial position in the context of proximity to issuing a Section 114 notice.

In response to questions, the Panel was advised that:

- There was a professional judgement in relation to what expenditure should be charged to capital or revenue in relation to repairs and renovation; generally, works which added to the value of the asset (e.g. new kitchens and bathrooms) could be charged to capital as they had a long-term benefit to the asset, whereas works such as replacing a cracked basin would be charged to revenue as it was not a planned major repair.

- Internal borrowing was favoured over external borrowing where possible.

The Panel:

1. **Noted** the contents of the report.
2. **Requested** that a report be submitted to the Panel annually which updated on the issues that the Local Government sector faced and how Oxford compared with other authorities.

27. Acquisition vs Leasing of Properties and the HRA

Jason Jones, Finance Business Partner (HRA) introduced the report, which set out the options available to the Council in relation to the acquisition versus leasing of properties following a request by the Panel at its previous meeting.

Cllr Djafari-Marbini left the meeting and did not return.

In response to questions, the Panel was advised that:

- The best option was always for the Council to purchase a property as it then had value at disposal, however barriers such as the time taken to purchase a property, availability of suitable properties and availability of resources to buy a property meant that purchasing a property was not always an available option.
- When leasing properties, length of lease could vary between six months and a number of years.
- Buying or leasing a property was determined on a case-by-case basis.

The Panel **noted** the contents of the report.

Jason Jones, Finance Business Partner (HRA) left the meeting and did not return.

28. Scrutiny Performance Monitoring

The Panel considered the performance monitoring update as at September 2023. In response to questions, the Panel was advised that:

- CS003 – the Council could not quantify the higher call volumes received as a result of the Single Person Discount Council Tax letter errors. However, the Council Tax call rate did increase to 4,878 calls compared to 3,583 in September 2022 (an increase of 1,295 calls).
- CS002 – the backlog in processing change of circumstances was largely related to the system switchover which was now complete; the situation had vastly improved and a lot of the processes had been automated.

The Panel:

1. **Noted** the performance report for KPIs as at September 2023.
2. **Noted** the written responses to questions submitted after the previous Panel meeting on 06 September 2023.

29. Dates of future meetings

The Panel noted the dates and times of future meetings.

30. Matters exempt or part exempt from publication and exclusion of the public

The Panel agreed, in accordance with the provisions of Section 100A(4) of the Local Government Act 1972 to exclude the press and the public from the remaining item of business on the grounds that their presence would involve the likely disclosure of exempt information as described in Paragraph 3 of Part 1 of Schedule 12A of the Act.

31. Exempt Treasury Management Matters [discussion item]

The Panel held a discussion relating to Treasury Management matters in private.

The meeting started at 6.00 pm and ended at 8.45 pm

Chair

Date: Monday 22 January 2024

When decisions take effect:

Cabinet: after the call-in and review period has expired

Planning Committees: after the call-in and review period has expired and the formal decision notice is issued

All other committees: immediately.

Details are in the Council's Constitution.

Finance and Performance Panel Work Plan

NB This work plan is provisional and is subject to change. Changes made outside meetings are agreed between the Scrutiny Officer and the Chair.

Cabinet items beyond two months in advance are not included on the work plan owing to the greater potential they will move or alternative items of higher priority arise in the meantime.

22 January 2024 – confirmed reports

Agenda item	Cabinet item	Description	Cabinet portfolio	Lead officer
Budget Review Group Report	No	To approve the report of the Budget Review Group for submission to the Scrutiny Committee; and to recommend that the Scrutiny Committee approves the report of the Budget Review Group for submission to Cabinet.	Deputy Leader (Statutory) – Finance and Asset Management	Nigel Kennedy, Head of Financial Services
Council Tax Reduction Scheme for 2024/25	Yes	To consider any proposed changes to the Council Tax Reduction Scheme for 2024/25.	Cabinet Member for Inclusive Communities and Culture	Nigel Kennedy, Head of Financial Services
Housing Revenue Account (HRA) Rent Setting Report 2024/25	Yes	To present the outcome of Oxford City Council's annual rent review and associated rent setting proposal for 2024/25 in respect of all council dwellings within the Housing Revenue Account, including the setting of associated services and facilities charges.	Deputy Leader (Statutory) – Finance and Asset Management Cabinet Member for Housing	Nigel Kennedy, Head of Financial Services
Corporate KPI Review [presentation]	No	To receive a presentation followed by an opportunity for discussion; and to agree any recommendations.	Leader of the Council	Mish Tullar, Head of Corporate Strategy
Exempt Treasury Management	No	To receive a verbal update on exempt matters relating to Treasury Management.	Deputy Leader (Statutory) –	Nigel Kennedy, Head of Financial Services

Matters [discussion item]			Finance and Asset Management	
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26 March 2024 – provisional reports

Agenda item	Cabinet item	Description	Cabinet portfolio	Lead officer
Social Value/Impact in Procurement	No	To consider the report and agree any recommendations.	Deputy Leader (Statutory) – Finance and Asset Management	Annette Osborne, Procurement Manager
Scrutiny Performance Monitoring	No	To consider the report and agree any recommendations.	N/A	N/A
Integrated Performance Report Q4 2022/23	Yes	To update Cabinet on finance, risk and corporate performance matters as at 31 March 2023.	Deputy Leader (Statutory) – Finance and Asset Management	Nigel Kennedy, Head of Financial Services
Integrated Performance Report Q3 2023/24	Yes	To receive an update on finance, risk and corporate performance matters as at 31 December 2023.	Deputy Leader (Statutory) – Finance and Asset Management	Nigel Kennedy, Head of Financial Services
Exempt Treasury Management Matters [discussion item]	No	To receive a verbal update on exempt matters relating to Treasury Management.	Deputy Leader (Statutory) – Finance and Asset Management	Nigel Kennedy, Head of Financial Services

To: Cabinet
Date: 13 December 2023
Report of: Finance and Performance Panel
Title of Report: Integrated Performance Report Q2 2023-24

Summary and recommendations	
Purpose of report:	To present Panel of the Scrutiny Committee recommendations for Cabinet consideration and decision
Key decision:	No
Scrutiny Lead Member:	Councillor James Fry, Panel Chair
Cabinet Member:	Councillor Ed Turner, Deputy Leader (Statutory) and Cabinet Member for Finance and Asset Management
Corporate Priority:	All
Policy Framework:	Council Strategy 2020-24
Recommendation: That the Cabinet states whether it agrees or disagrees with the recommendations in the body of this report.	

Appendices	
Appendix A	Draft Cabinet response to recommendations of the Scrutiny Committee

Introduction and overview

1. The Finance and Performance Panel met on 06 December 2023 to consider the Integrated Performance Report Q2 2023-24. The report, which is due for Cabinet consideration on 13 December 2023, recommends that Cabinet notes the projected financial outturn as well as the current position on risk and performance as at 30 September 2023.
2. The Panel would like to thank Nigel Kennedy (Head of Financial Services), Anna Winship (Management Accountancy Manager) and Jason Jones (Finance Business Partner (HRA)) for attending the meeting to answer questions.

Summary and recommendations

3. Anna Winship, Management Accountancy Manager introduced the report. The report provided an update on Finance, Risk and Corporate Performance matters as at 30 September 2023.
4. The Panel asked a range of questions, including questions relating to business rates; specific Council programmes and projects; capital expenditure; Temporary Accommodation costs; announcements made by Central Government in the recent Autumn Statement and their impact on the Council; dividends expected to be paid to the Council by its wholly-owned companies; optimism bias relating to the assumptions within the Budget and Medium Term Financial Plan; and programme and project slippage.
5. In particular, the Panel discussed Temporary Accommodation and the current significant costs to the Council which were only forecast to increase over time. The Panel noted that it was due to consider a report on the options for the acquisition (purchase or lease) of Temporary Accommodation later in the meeting, but that the report did not clearly set out the options available to the Council for reducing Temporary Accommodation costs, which were currently placing large amounts of pressure on the Council's Budget. The Panel agreed that it would be useful for the Council to produce a simple summary document setting out the options available, alongside the advantages and disadvantages of the different options, given the severity of the current national situation in terms of high demand for Temporary Accommodation.

Recommendation 1: That the Council produces a summary document which clearly sets out all of the possible options available to the Council for reducing Temporary Accommodation costs, alongside the advantages and disadvantages of those options.

6. The Panel also noted that there was, as had been the case in previous years, significant slippage in relation to capital and revenue programmes – particularly within ICT and Corporate Property. While the Panel understood that an 'optimism bias' reduction was applied to initial assumptions within capital and revenue programmes, the Panel was of the view that the optimism bias assumptions applied would themselves benefit from more robust challenge – particularly given the degree of programme slippage indicated in the report.

Recommendation 2: That the Council challenges the optimism bias assumptions applied to initial assumptions within capital and revenue programmes, with a view to arriving at more realistic assumptions and avoiding the current high degree of slippage going forward.

Report author	Alice Courtney
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Service area or department	Law and Governance
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Appendix A
Draft Cabinet response to recommendations of
the Finance and Performance Panel of the Scrutiny Committee

The document sets out the draft response of the Cabinet Member to recommendations made by the Finance and Performance Panel on 06 December 2023 concerning the Integrated Performance Report Q2 2023-24. The Cabinet is asked to amend and agree a formal response as appropriate.

<i>Recommendation</i>	<i>Agree?</i>	<i>Comment</i>
1) That the Council produces a summary document which clearly sets out all of the possible options available to the Council for reducing Temporary Accommodation costs, alongside the advantages and disadvantages of those options.	Yes	Officers will prepare a document on the options for reducing temporary accommodation costs as requested.
2) That the Council challenges the optimism bias assumptions applied to initial assumptions within capital and revenue programmes, with a view to arriving at more realistic assumptions and avoiding the current high degree of slippage going forward.	Yes	Within the Council's budget papers to be considered at Cabinet on 13 December 2023 officers have included an 'optimism bias' of 40% against project costs included in the capital programme. This methodology is recognised in the HM Treasury Green Book on how to appraise programmes and projects and will effectively reduce the overall capital programme to allow for slippage.

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To: Cabinet
Date: 13 December 2023
Report of: Finance and Performance Panel
Title of Report: Treasury Management Mid-Year Report

Summary and recommendations	
Purpose of report:	To present Panel of the Scrutiny Committee recommendations for Cabinet consideration and decision
Key decision:	No
Scrutiny Lead Member:	Councillor James Fry, Panel Chair
Cabinet Member:	Councillor Ed Turner, Deputy Leader (Statutory) and Cabinet Member for Finance and Asset Management
Corporate Priority:	All
Policy Framework:	Council Strategy 2020-24
Recommendation: That the Cabinet states whether it agrees or disagrees with the recommendations in the body of this report.	

Appendices	
Appendix A	Draft Cabinet response to recommendations of the Scrutiny Committee

Introduction and overview

1. The Finance and Performance Panel met on 06 December 2023 to consider the Treasury Management Mid-Year Report. The report, which is due for Cabinet consideration on 13 December 2023, recommends that Cabinet notes the performance of the Treasury Management function for the six months to 30 September 2023.
2. The Panel would like to thank Nigel Kennedy (Head of Financial Services) and Bill Lewis (Financial Accounting Manager) for attending the meeting to answer questions.

Summary and recommendations

3. Bill Lewis, Financial Accounting Manager introduced the report. The report provided an update on the performance of the Treasury Management function for the six months to 30 September 2023. The Panel was assured that Treasury Management activity had been managed within the confines of the Treasury Management Strategy agreed by Full Council in February 2023.
4. The Panel asked a range of questions, including questions relating to changes to the principal value of investments and subsequent impact on the Council; return on investment; whether investments were considered individually or in aggregate within the Council's revenue Budget; and risk profiles.
5. In particular, the Panel discussed the element of the Council's Treasury Management Strategy which set out the limits for non-specified investments. The current limits were 25% of the previous year's average investment portfolio or £25m – whichever was greater. The Panel agreed that consideration should be given to whether this was still the correct limit given the current economic climate, or whether the limit should be revised.

Recommendation 1: That the Council reviews the current limit for non-specified investments set out in the Treasury Management Strategy within the context of the current economic climate and considers whether the limit should be amended.

Report author	Alice Courtney
Job title	Scrutiny Officer
Service area or department	Law and Governance
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Appendix A
Draft Cabinet response to recommendations of
the Finance and Performance Panel of the Scrutiny Committee

The document sets out the draft response of the Cabinet Member to recommendations made by the Finance and Performance Panel on 06 December 2023 concerning the Treasury Management Mid-Year Report. The Cabinet is asked to amend and agree a formal response as appropriate.

<i>Recommendation</i>	<i>Agree?</i>	<i>Comment</i>
1) That the Council reviews the current limit for non-specified investments set out in the Treasury Management Strategy within the context of the current economic climate and considers whether the limit should be amended.	Yes	The Council reviews all of its limits on an annual basis when setting the Council's Treasury Management Strategy, the next review of which will be February 2024.

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To: Cabinet
Date: 24 January 2024
Report of: Head of Financial Services
Title of Report: Council Tax Reduction Scheme 2024/25

Summary and recommendations	
Purpose of report:	To seek approval for changes to the Council's Council Tax Reduction Scheme for 2024/25
Key decision:	Yes
Cabinet Member:	Councillor Ed Turner, Deputy Leader (Statutory) – Finance and Asset Management
Corporate Priority:	Enable an Inclusive Economy Support thriving communities
Policy Framework:	Council Strategy 2020-24
Recommendation: That Cabinet resolves to:	
1. Approve the increase in the income bands used in the Council Reduction Scheme for 2024/25 as per table 2 below and note that no further changes are being recommended to the scheme for 2024/25.	

Appendices	
Appendix 1	Consultation Questions
Appendix 2	Risk Register
Appendix 3	Initial Equality Impact Assessment
Appendix 4	Glossary of Terms

Introduction and background

1. In April 2013, the national Council Tax Benefit (CTB) scheme was replaced by a new Council Tax Reduction (CTR) scheme. The CTB scheme 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 CTR scheme is for working age customers and determined locally by Councils rather than nationally by the DWP. The separate scheme that exists for pension age recipients is a national scheme prescribed by regulation and cannot be varied locally. The basic calculation for CTR is an assessment of the household income versus the amount of money that central government says the household needs to live off. A household can be a single

person, couples, families with children etc. The scheme works by applying discounts against the council tax liability based on the financial circumstances of a homeowner. The discount reduces the amount of council tax income to be collected by the authority. Whilst the Government initially provided funding for the new local schemes through the Revenue Support Grant, since the Grant has now reduced to zero there is no funding provided by central government for any CTR scheme.

3. Councils are required to review their CTR working age scheme annually and determine whether to revise it. 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 CTR scheme itself must be adopted by the Council, and the approval of the scheme cannot be delegated to an officer or committee.

4. The CTR scheme 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, the Child Poverty Act 2010, the Housing Act 1996); and
 - The Armed Forces Covenant which protect those people who have served in the British armies.
5. 2018/19 was the first year that Oxford City Council (OCC) amended its CTR scheme to that introduced by the Government in 2013-14. From 2019/20 and subsequent years, further amendments were made, including moving to an Income Banded Scheme initially for Universal Credit claimants and then across all Working Age claimants. The Council's scheme still provides a reduction of up to 100% against the council tax liability.
6. When the Council set its budget in February 2023 the annual estimated total loss of council tax income arising from CTR was £12.8 million based on the current CTR caseload. The Council's share of this loss of income based on the Council's Band D council tax at the time that the budget was set was £1.9m
7. The balance of the income loss is picked up by the major preceptors, Oxfordshire County Council and Thames Valley Police and Crime Commissioner.
8. There has been a small decrease in caseload despite a pause in the roll out of Universal Credit as the DWP diverted resources to deal with new claims. The cost to the Council and its major preceptors from loss of council tax income increased due to the increase in the County Council precept for 2023-24.
9. Further funding was granted to those people who were in receipt of Council Tax Reduction as of 1st April 2023, of £25 by the Department for Levelling Up, Communities and Housing (DLUHC) and by an additional amount of £25 paid by Oxfordshire County Council to take into account the increase in Council Tax charge for 2023-24.
10. Any increase in the amount of Council Tax due each April will see the amount of CTR increase proportionally, thus increasing the cost of the CTR scheme.
11. Table 1 below sets out the cost and caseload (number of CTR claimants) for the OCC CTR scheme since its introduction. The cost of the scheme is shared by Oxford City Council (15.31%), Oxfordshire County Council (73.83%) and Thames Valley Police and Crime Commissioner (10.86%) in accordance with the proportion of council tax levied by each. The table shows the increase in the cost of the scheme to the authority since 2019-20. Our latest forecast would indicate an increase in the cost since we set the budget for 2023-24 of around £98,762.

Table 1 Cost of CTR to the City Council and its major preceptors					
	2019/20	2020/21	2021/22	2022/23	Estimate 2023/24
Cost of Pension Age	£3,554,232	£3,841,522	£3,408,679	£3,418,595	£3,589,524
Pension Age caseload	2,918	2,964	2,657	2,549	2,436
Cost of Working Age	£6,459,250	£7,609,169	£8,977,962	£9,478,093	£9,951,997
Working age caseload	5,303	5,871	7,002	6,628	6,543
Total Cost	£10,013,482	£11,450,691*	£12,386,641	£12,896,688	£13,541,521
Total Caseload	8,221	8,835	9,659	9,177	8,979
Cost of the scheme to OCC	£1,579,126	£1,774,857*	£1,893,876*	£1,974,444	£2,073,206

Note that figures marked * are net of any discretionary amounts awarded under s13a. During 2020/2021 and 2021/2022 additional funding was received that allowed us to award a discretionary CTR amount to those liable to pay Council Tax.

12. The Council's caseload has increased by 342 cases since the start of the 2020/21 due to the Covid pandemic. The table shows that whilst the caseload increased significantly in 2021/22, it has again dropped to the current level of 6,628. Expenditure is increased due to the increase in the council tax charge. The Council still receives on average 40 claims per week, demonstrating that the demand is high for this support.

13. Appendix 1 shows the consultation questions for the 2024/25 schemes. These are summarised as:

- Whether or not to increase the Income Bands or to freeze at current levels. With CPI inflation at 6.7% in September 2023, the significant increase to the bands will increase the cost to the scheme overall.
- The income bandings suggested below are reflective of the autumn budget statement in December 2023 being used are shown in Table 2. The figures have been calculated using the following:
 - Band 1 is equivalent to 16 hours on the National Minimum Wage (NMW £11.44 per hour from April 2024) rounded upwards
 - Band 2 is equivalent to 24 hours on the NMW rounded upwards
 - Band 3 is equivalent to 30 hours on the Oxford living wage (OLW £12.49 per hour from April 2024) rounded upwards
 - Band 4 equivalent to the difference between the top of Band 3 and the Band 5 figure
 - Band 5 is the Benefit Cap amount for couples (£423.46) plus 6.7% CPI

	Current	Revised	
Band	Weekly Income	Weekly Income	Discount received
1	£0-£167.00	£0 - £184.00	100%
2	£167.01-£251.00	£184.01 - £275.00	75%
3	£251.01-£341.00	£275.01 - £375.00	50%
4	£341.01-£467.00	£375.01 - £452.00	25%
5	£467.01 and above	£452.01 and above	0%

- It is normal for a council to have a banded scheme nationally as this reduces the cost of administration and simplifies the scheme for local people to easy understand the income that can be earned before it will affect any Council Tax Reduction entitlement.

In the consultation process, the public survey agreed that 78.85% should use a banded scheme. A further 71.72% surveyed stated that the bands should be increased.

14. In balancing its medium-term financial plan for the next 4 years the Council is reluctantly considering making changes to the CTR scheme to limit the amount on which CTR support to 85% of the council tax liability rather than the current 100% in 2025-26, or alternative changes which would lead to a similar reduction in expenditure. Although this will be consulted on more formally next year a question was asked this year to test of the strength of feeling of the principle with 60% of respondents saying that they would agree with such a proposal.

Consultation Process

15. The consultation process from July 2023 was for the statutory 8-week period. The service asked the public by either a paper form (available in the library or by post) or electronic forms on whether a minimum council tax amount should be made by all working age claimants. Further questions were asked if all members of the household should be contributing to the Council Tax charge, such as adult children or other family members. The full results of this survey are in appendix 1.
16. There are no changes to the responses from previous years that at a high level the public would like those financially vulnerable to be supported and those who can contribute should do so.
17. Further questions were asked in the consultation process relating to the administration of the CTR scheme, such as the use of paper letters, use of the on-line forms and asking the public how they wish to be contacted when discussing their claims. This information will feed into the savings that the council could realise if there is a greater uptake of the on-line functionality as this will reduce costs to printing and postage. The council is not proposing to move all claimants to an on-line function but will be promoting this option to those people who wish to use this method of communication with the service.
18. Questions were also asked as to the barriers for those people who do not use online facilities. These answers will be fed into the corporate strategy of on-line functionality to support those members of the public with contacting the council.
19. A review was made of those 435 people who contributed to the consultation to ensure that it was a fair reflection of the caseload make-up. The survey was a successful process as

Appendix 1 demonstrates that the respondents reflected those who benefit from the council scheme and that the answers are a good reflection of public opinion.

Discretionary support

20. The Council Tax Regulations make provision for discretionary support to be made available on application by a customer who is facing difficulty paying their Council Tax.

Financial implications

21. The current cost of the CTR Scheme has been factored into the Council's Medium Term Financial Plan with the Council bearing the full cost of its share estimated at £1.9m for 2024-25. The cost of the scheme has already increased due to increased CTR arising from the cost-of-living crisis and this may increase further as the cost-of-living crisis affects people within the city with the burden of paying household bills. Any further increases in the council tax charge in 2024/25 will also lead to increased CTR and reduced income for the Council.
22. The proposed consultation sought views on changes which affect the future affordability of the scheme. It is worth noting that any changes to the scheme can only affect working age claimants as the scheme for pensioners as set by central government may not be changed. This limits the impact of the total cost of the whole scheme as the council only has the jurisdiction to make changes to part of the expenditure.

Legal implications

23. Local Council Tax Support came into effect on 1 April 2013 pursuant to the Local Government Finance Act 1992. Section 13A(2) of that Act (as amended) provides:
- 'Each billing authority in England must make a scheme specifying the reductions which are to apply to amounts of council tax payable, in respect of dwellings situated in its area, by—
- (a) persons whom the authority considers to be in financial need, or
 - (b) persons in classes consisting of persons whom the authority considers to be, in general, in financial need.'
24. Schedule 1A of that Act prescribes what must be included in a Council Tax Reduction Scheme, and places a duty on the authority, each financial year, to consider whether to revise its scheme or replace it with another scheme. The scheme states the classes of person who are to be entitled to a reduction, the type of reduction and whether there are different reductions for different classes. The scheme should also set out the procedure to apply for a reduction and the appeal procedure.
25. Before preparing a scheme, the authority must (in the following order)—
- (a) Consult any major precepting authority which has power to issue a precept to it,
 - (b) Publish a draft scheme in such manner as it thinks fit, and
 - (c) consult such other persons as it considers are likely to have an interest in the operation of the scheme.
26. The Council Tax Reduction Schemes (Prescribed Requirements) (England) 2012 further prescribes what must be included in the scheme.
27. The scheme must be approved by Full Council no later than 11 March before the financial year it relates to. After approval, the scheme must be published.
28. Since the introduction of CTR schemes, there have been a number of legal challenges against other local schemes. Most of these challenges have been in relation to the consultation undertaken and have questioned whether due regard was given to any equality impact assessment when changes were made to schemes. A Supreme Court ruling in 2014 (*R. (on the application of Moseley) v London Borough of Haringey*) determined that consultation on changes to council tax reduction schemes must provide such information as

necessary in order for consultees to express meaningful views on the proposal. Enough had to be said about realistic alternatives, and the reasons for a preferred choice, to enable the consultees to make an intelligent response in respect of the scheme. This would include an option for any current scheme to be retained on the same level of funding with a consequent reduction in funding for other services. There are questions in the consultation paper on these options.

Carbon and Environmental Considerations

29. By sending details of the consultation electronically we are reducing the use of paper and reducing the environmental impact of transporting these by post.
30. No other carbon or environmental impacts have been identified as a result of this proposal.

Level of risk

31. A risk register is attached at Appendix 2. The identified risks relate to the undertaking of consultation, rather than the changes to the CTR scheme.

Equalities impact

32. An Initial Equalities Impact Assessment is attached at Appendix 3.

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Background Papers: None

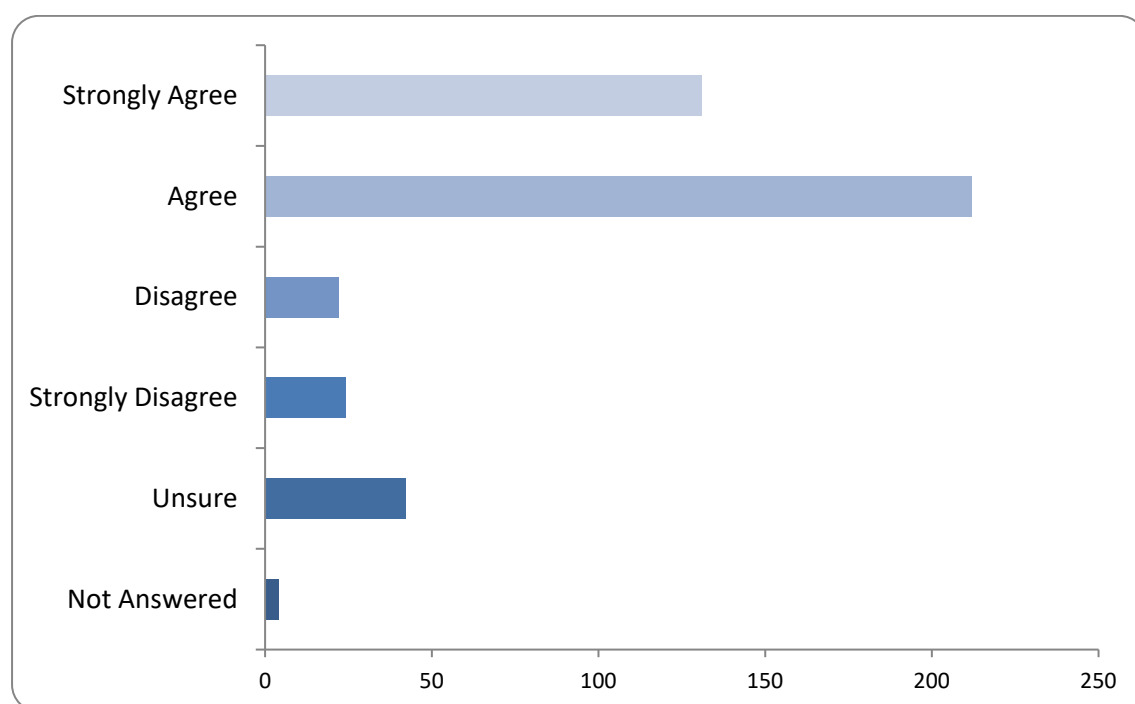
Benefits/Council Tax Reduction Scheme Consultation

<https://consultation.oxford.gov.uk/financial-services/council-tax-reduction>

The activity ran from 11/07/2023 to 04/09/2023.

Responses to this survey: **435**

1: To what extent do you agree or disagree with the principle of using income bands for deciding how much support people get in paying their Council Tax?



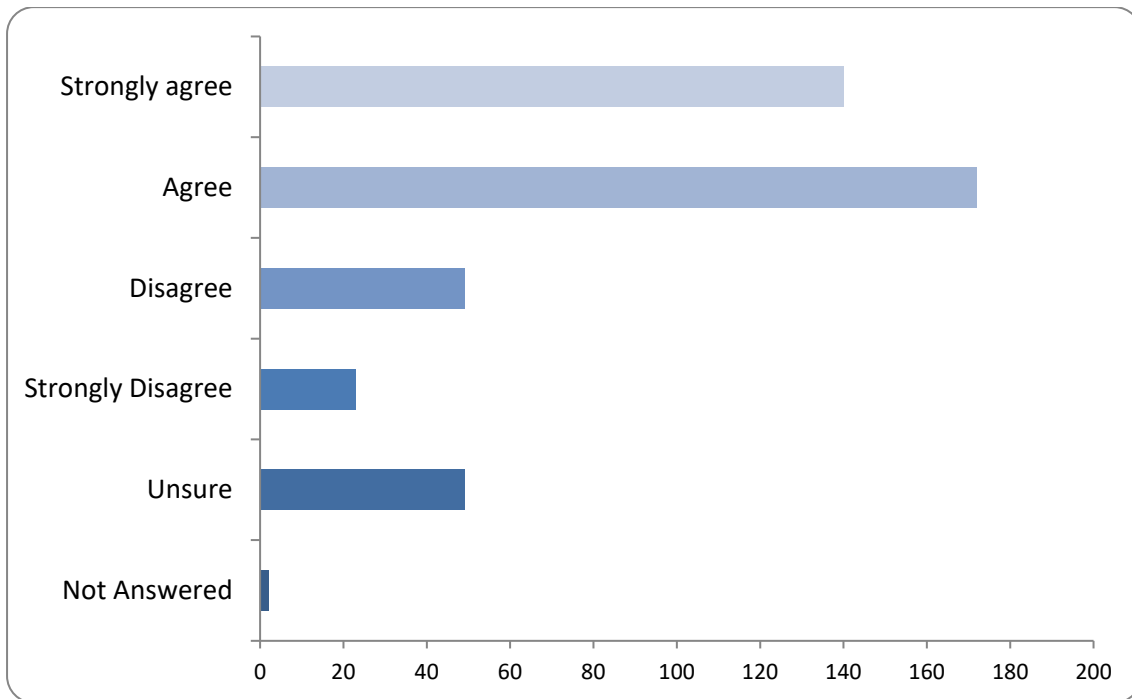
Option	Total	Percent
Strongly Agree	131	30.11%
Agree	212	48.74%
Disagree	22	5.06%
Strongly Disagree	24	5.52%
Unsure	42	9.66%

Not Answered	4	0.92%
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2: Consumer Price Index Inflation last year was 10.1%.

If we increased the income bands by 10.1% from 1st April 2024, anyone with a household income of less than £26,728 would qualify for some support.

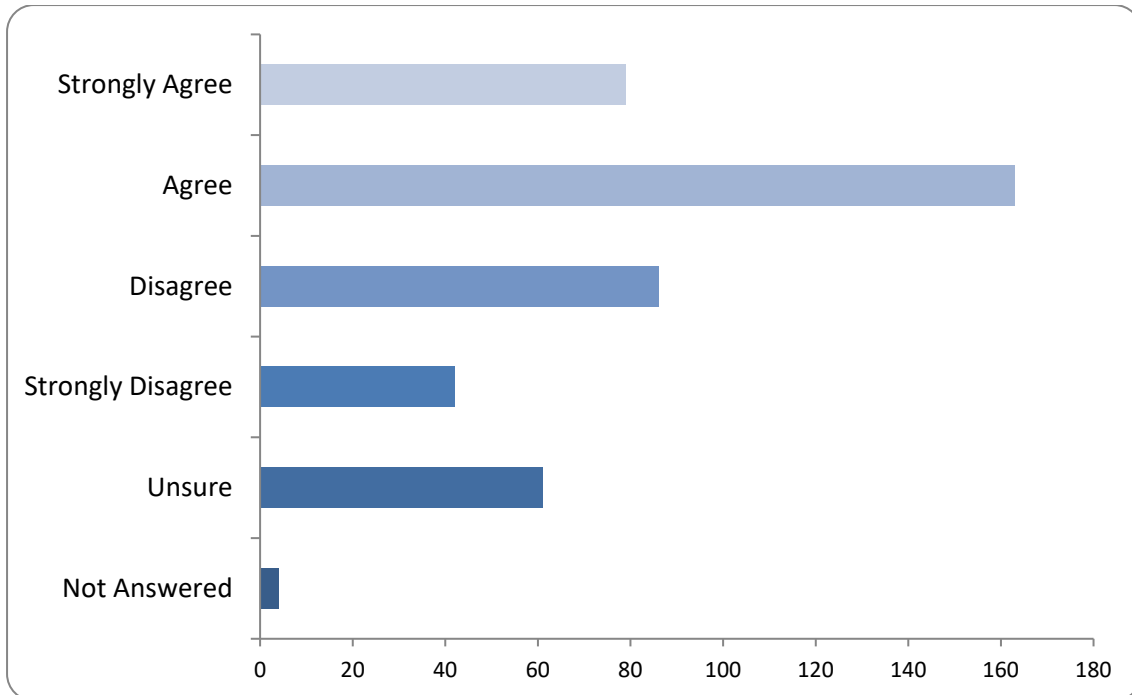
To what extent do you agree or disagree with the proposal to uprate the income bands from 2024/25 in line with inflation?



Option	Total	Percent
Strongly agree	140	32.18%
Agree	172	39.54%
Disagree	49	11.26%
Strongly Disagree	23	5.29%
Unsure	49	11.26%
Not Answered	2	0.46%

3: Increasing the bands by 5% from 1st April 2024, anyone with a household income of less than £25,480 would qualify for some support.

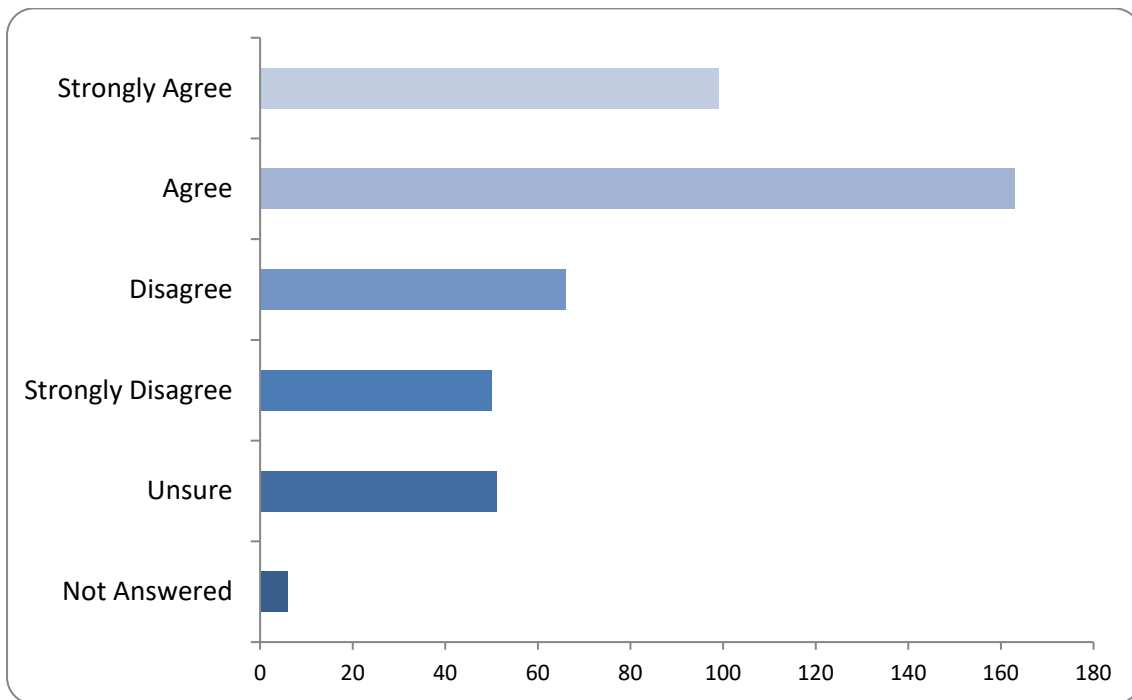
To what extent do you agree or disagree with the proposal to uprate the income bands from 2024/25 by a lower percentage such as 5%?



Option	Total	Percent
Strongly Agree	79	18.16%
Agree	163	37.47%
Disagree	86	19.77%
Strongly Disagree	42	9.66%
Unsure	61	14.02%
Not Answered	4	0.92%

4: In our current local scheme support is calculated on the household income, which means the applicant’s income and their partner’s income are taken into account. Anyone who is over the age of 18 and living in the property, but not named on the council tax bill, for example a grown up son or daughter or another relative, is expected to contribute towards paying the council tax charge, unless they fall into an exemption category based on their personal circumstances.

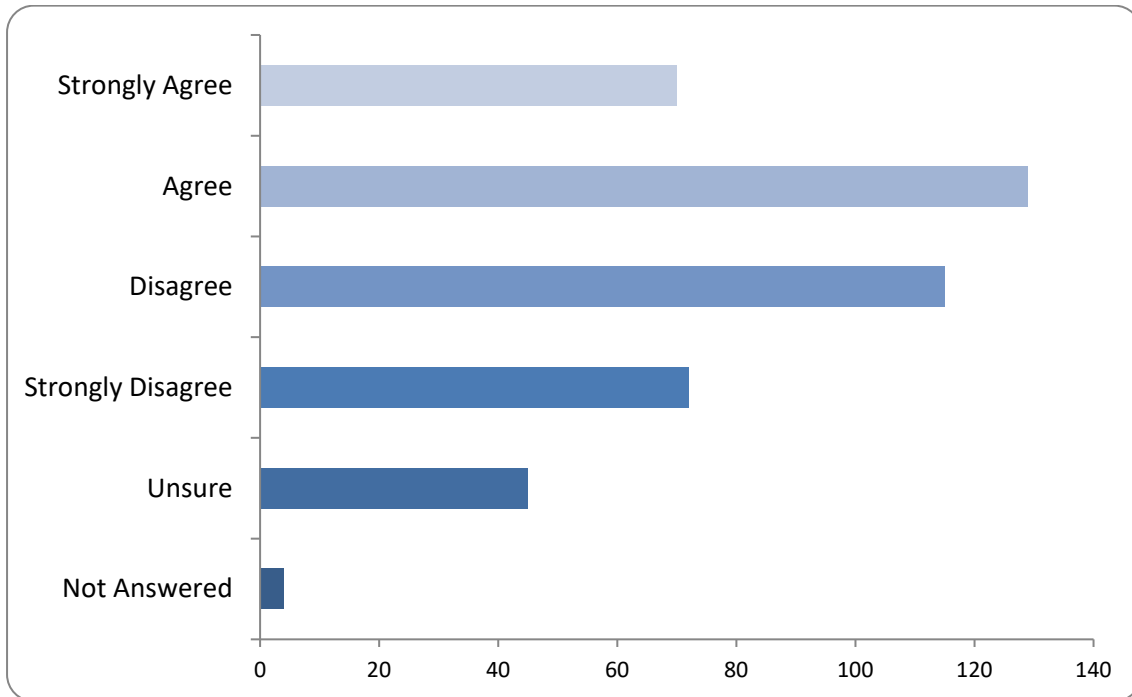
To what extent do you agree or disagree that adult family members should be expected to make a contribution to paying the council tax charge



Option	Total	Percent
Strongly Agree	99	22.76%
Agree	163	37.47%
Disagree	66	15.17%
Strongly Disagree	50	11.49%
Unsure	51	11.72%
Not Answered	6	1.38%

5: The council may be able to make a cost saving, by making letters showing how the level of any reduction is calculated, available online rather than posting them out to customers.

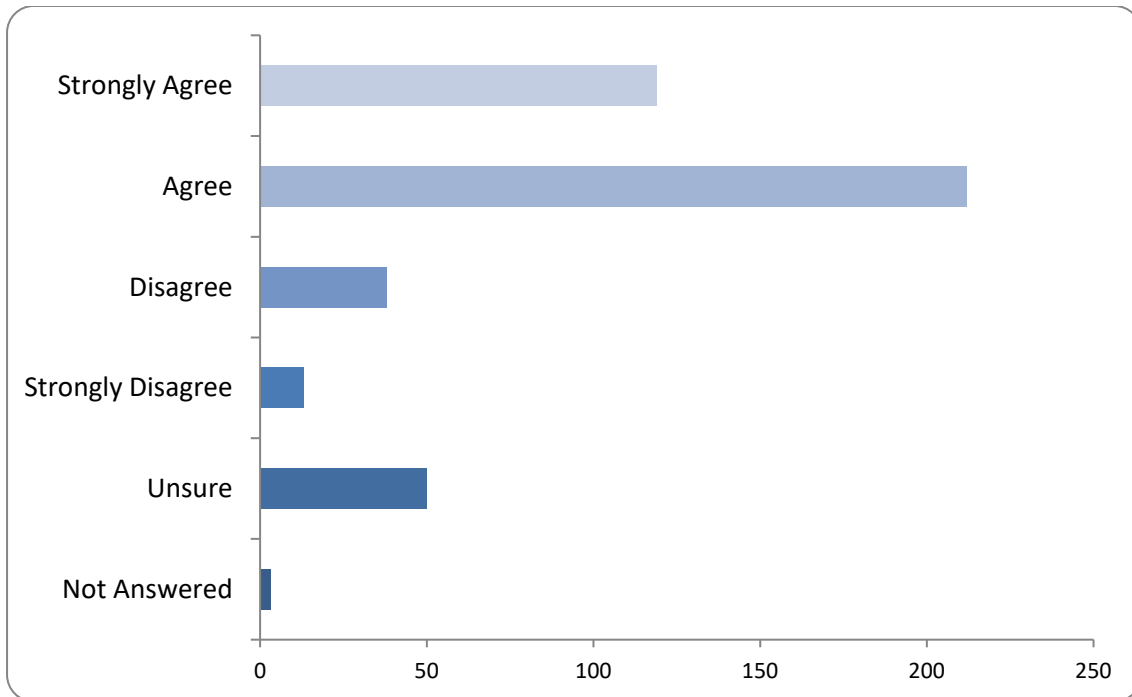
To what extent do you agree or disagree with the council making details of the level of council tax reduction calculated only available online?



Option	Total	Percent
Strongly Agree	70	16.09%
Agree	129	29.66%
Disagree	115	26.44%
Strongly Disagree	72	16.55%
Unsure	45	10.34%
Not Answered	4	0.92%

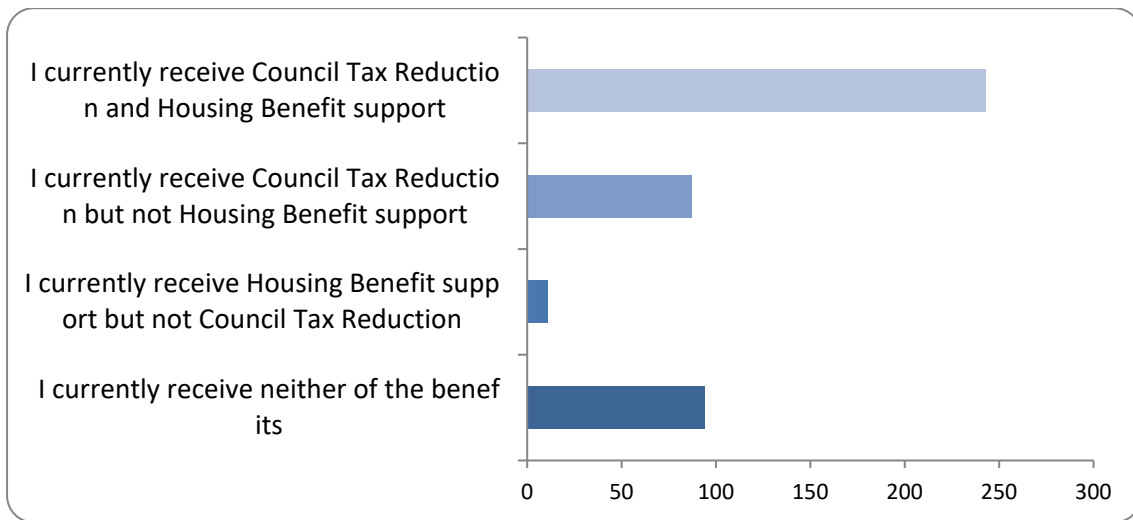
6: Our current council tax reduction scheme allows for an application to be backdated for one month before the date of the application if the applicant was not able to apply sooner and had a good reason for this. It may be possible for a change in the law to cause a charge to be applied for a period that is longer than a month in the past.

To what extent do you agree or disagree with the council allowing longer than one month to apply for a council tax reduction where a customer’s council tax charge has been changed due to a change of law.



Option	Total	Percent
Strongly Agree	119	27.36%
Agree	212	48.74%
Disagree	38	8.74%
Strongly Disagree	13	2.99%
Unsure	50	11.49%
Not Answered	3	0.69%

7: Do you currently receive Council Tax Reduction based on your income for help with your Council Tax charge or Housing Benefit support based on your income for help with your rent?



Option	Total	Percent
I currently receive Council Tax Reduction and Housing Benefit support	243	55.86%
I currently receive Council Tax Reduction but not Housing Benefit support	87	20.00%
I currently receive Housing Benefit support but not Council Tax Reduction	11	2.53%
I currently receive neither of the benefits	94	21.61%

8. What do you feel is a reasonable processing time for:

a) New Claims



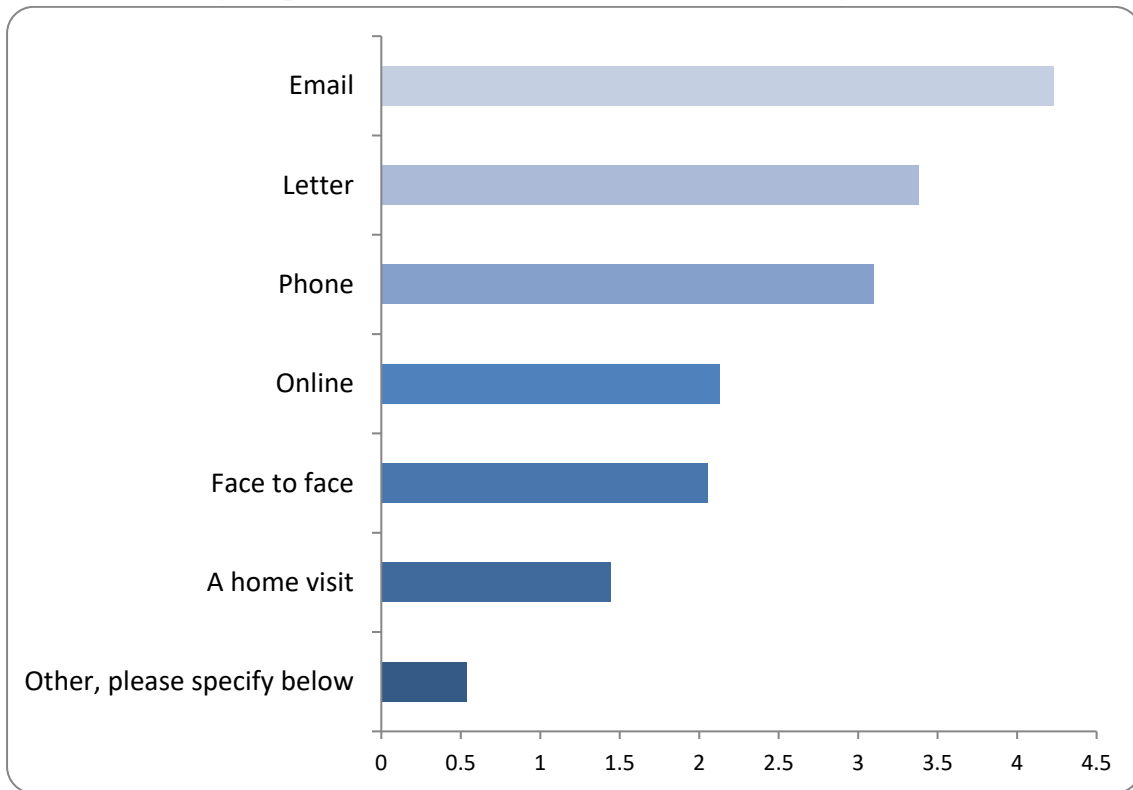
Option	Total	Percent
Within 1 week	47	13.95
1-2 weeks	116	34.42
2-3 weeks	53	15.73
Within a month	104	30.86
4-6 weeks	11	3.26
6 weeks or longer	6	1.78

b) Changes in circumstances



Option	Total	Percent
Within 1 week	70	22.29
1-2 weeks	119	37.90
2-3 weeks	40	12.74
Within a month	72	22.93
4-6 weeks	8	2.55
6 weeks or longer	5	1.59

9: How would you prefer to communicate with us about your benefits?



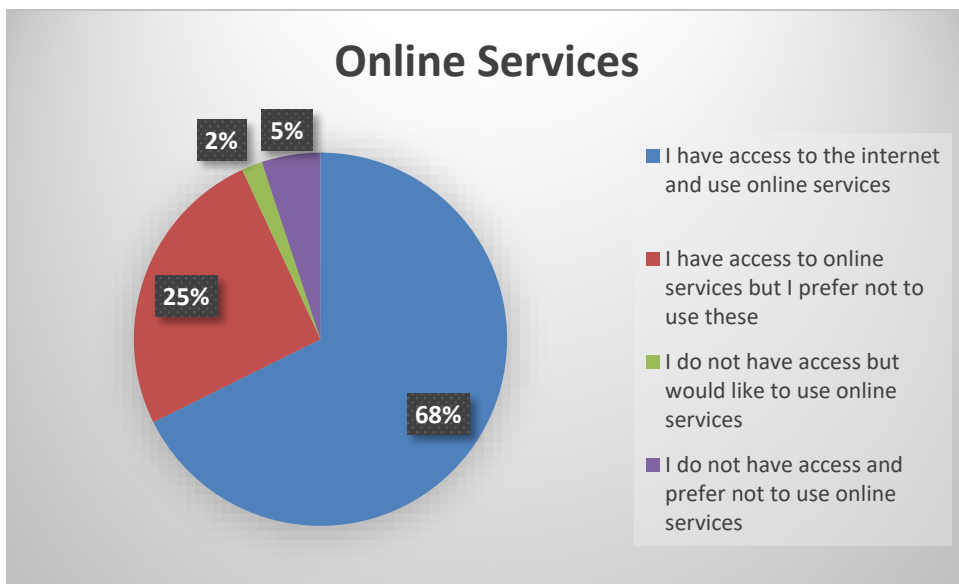
Item	Ranking
Email	4.23
Letter	3.38
Phone	3.10
Online	2.13
Face to face	2.06
A home visit	1.44
Other, please specify below	0.54

Other:

Method	Number
Text	7
Zoom/Teams	3
Via a nominated third party (family member/POA/support worker)	2
Other method (e.g phone, email, face to face) but written confirmation by letter	1
Chat (live chat?)	1
AI	1
An appointment for face to face with more notice	1

Pidgeon	1
I want to provide info in writing (letter/email) but if I have a question phone up or see someone face to face	1
I want to have a choice	1
Whatsapp	1

10. Which of the following describes you best about the usage of our online services?

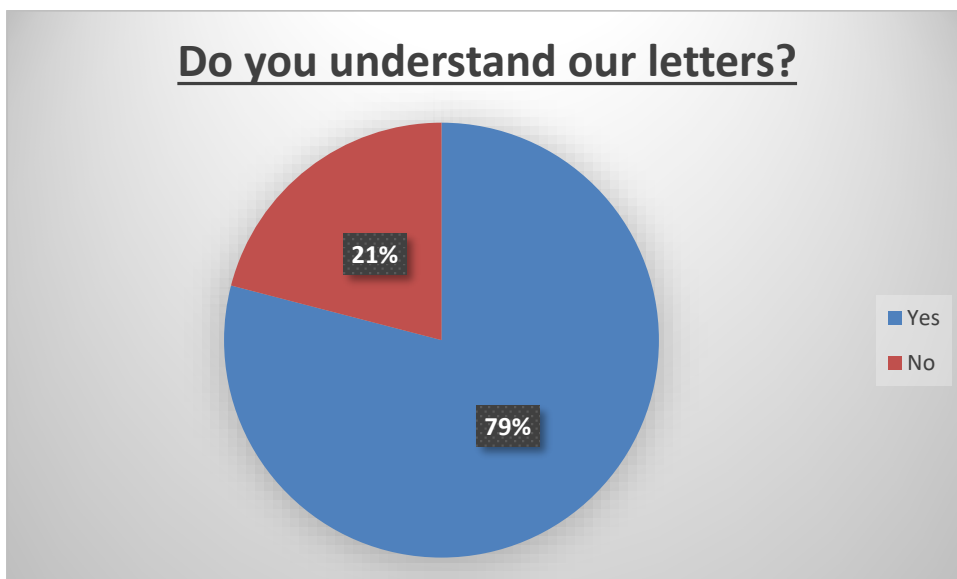


Option	Total	Percent
I have access to the internet and use online services	226	67.66
I have access to online services but I prefer not to use these	85	25.45
I do not have access but would like to use online services	6	1.80
I don't have access and prefer not to use online services	17	5.09

Do you have any other comments or suggestions about our online services?

Theme	Number
It needs to be simpler	13
I can access but I am worried about those who are elderly, disabled or financially excluded	13
I am elderly/disabled and this makes it difficult	12
Suggestions	10
I don't have the knowledge/skills to use	7
I have never used/don't want to	7
There are technical problems with it	7
I am not happy about how my case was dealt with	5
Data Retention	3
I am happy/Thank you/things are better	2

11. Do you understand the letters that we send you to notify you of our decision?

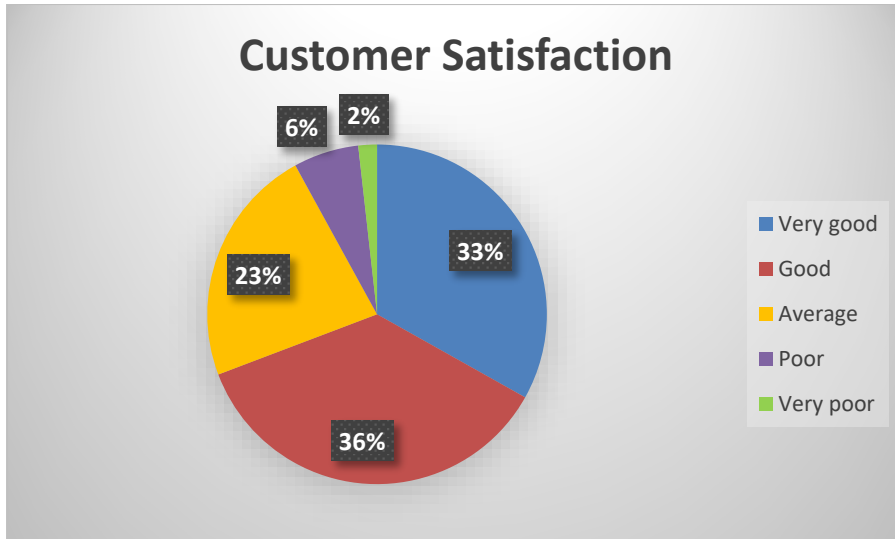


Option	Total	Percent
Yes	264	79.04
No	70	20.96

Please give further explanation:

Theme	Number
Too long and wordy/too much information	26
I need someone to help explain them to me	19
I am happy/it is clear/it has improved	17
The calculations are hard to understand	16
I understand but I find it difficult	15
I don't like the tone of the letter	5
There has been a delay in getting the letter and I don't know if all reported changes have been made	4
Other Suggestions	6
I don't like how my benefit is calculated	3

12. How satisfied are you with the Benefits Service overall?



Option	Total	Percent
Very good	112	33.14
Good	122	36.09
Average	77	22.78
Poor	21	6.21
Very poor	6	1.78

Is there anything that you feel the Benefits Service do well or could do better?

Theme	Number
Quicker response to changes and claims	29
I am happy/things have improved	19
Suggestion	17
I can't afford cost of living increases	13
Improve letters	8
Don't go back so far and raise overpayments	7
I am not happy with suspensions	6
Contact us more often	6
Comment on phone line	5
How my case is calculated	4
Changing benefit so regularly causes financial problems	4
Employ more staff	2
Delay to appeal/recon	2
I didn't know how to report my changes	1

How does your disability impact on your ability to contact us?

Reason	Number
Cognitive impairment	4
Deaf/hearing loss	9
PTSD	2
Anxiety	9
Mental health issues	8
Dementia/Parkinsons	3
ME/MS	2
Speech impediment	2
Memory problems	3
Mobility issues	5
Autism	4
Brain fog/difficulty understanding	9
Sight problems	2
I am a carer so do not the time to contact	2
I cannot use the phone/speak to people (not specified)	3

I have congenital hearing loss and consequently have a mild lisp when speaking. If I have an automated voice on end of the phone asking me to speak to IT!!! This is hopeless for me. Therefore a voice with a heart beat is essential.

I find trying to make a phone call challenging. Having to listen to all the menu options, I almost always have forgotten which option to select after listening. This is frustrating and time consuming. It is not always possible to get through on the phone.

However, my daughter is profoundly disabled and I have been delivering nursing- level care for her 24/7 for 32 years. This not only means that I am a highly skilled unpaid worker whose clinical skills exceed the average nurse (District and hospital to home nurses are not trained in some of the interventions I employ daily), I work more than 100 hours per week. Naturally, due to lack of

support from health and social services, I was forced to give up my highly paid career when my daughter was born, resulting in my exhaustion, shocking levels of sleep deprivation and poverty. I find that the council and its employees have no understanding of the intensity of unpaid work and poverty that some unpaid carers are forced into concerning . These are unpaid carers whose careers are too complex for respite or hospital ward nurses to safely care for. This impacts our lives to a level that most of society do not comprehend and I feel that councils need to institute some training to further respect and sensitivity to this sector. The fact that in the sector below you equate my work to looking after the home' speaks volumes. I guess it's marginally better than that other bureaucratic favourite 'economically unproductive', when unpaid carers constitute a far greater number of workers than the NHS and Social Care combined as no save the government billions per annum.

My disability will often get me confused and stressed and i often need my daughters to correspond back for me .

I have Asperger's, Fibromyalgia, copd and Emphysema. I get tongue tied and sensory overload when pushed to answer questions or produce evidence of benefit entitlement when being given a short time to produce them. Face to face or in person at home takes the pressure off of me.

I've mental health issues anxiety and it doesn't help me if you stress me out on the phone as it brings on a panic attack

Amongst other conditions I have anxiety and agoraphobia so communicating in email or online works much better for me. I live in flats and my mailbox is outside so it can be difficult for me to get my post. Also makes phone calls difficult.

I have autism and get flustered and stressed easily and having to speak to multiple different agents on the phone having to explain again and again the same issues and then being told someone will get in touch and the fail to do so and then I have to again make another phonecall and get someone else to explain issues is not conducive with my state of mind.

I suffer from anxiety and panic attack's and social phobia along with long term illness, so if I have to have a meeting or a phone call I would like enough time to come to terms that this is going to happen and take my medication in time with this appointment!

I've got Long Covid and ADHD. This makes understanding things more difficult at times, phone calls are a no go as I need to see all the information written down to process it at my own pace and respond appropriately.

I suffer from PTSD and depression . That is apart from physical issues. Any changes make me very nervous. Even filling this form worries me. So sometimes it feels safe just to ignore things, and hope that "it will go away".

I communicate with God Jesus and the Holy spirit better than you

Any telephone conversation over 15minutes puts me in a hypervigilant state. As a military veteran, I have Physical Challenges, Complex PTSD, Mental Health Challenges, Seasonal Affective Disorder, Incontinence and Sight Impaired. The daily struggles with

reliving experiences and flashbacks from both Afghanistan and Iraq presents with daily depression and anxiety coupled with insomnia which affect affects my overall health. In constant gnawing consciousness and pain.

1. Arthritic fingers causing difficulty with phones and speed of answering a call or dialling a number.
2. compromised ability to hear causing difficulty negotiating call systems and subsequently hearing/understanding advisors responses
3. Very low mobility, being housebound and therefore unable to visit council offices

Title	Risk description	Opp/ threat	Cause	Consequence	Date Raised	Owner	Gross		Current		Residual		Comments	Controls				
							I	P	I	P	I	P		Control description	Due date	Status	Progress %	Action Owner
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.	21/07/20	Laura Bessell	3	2	1	2	1	2		Reference the relevant regulations and case law in planning the consultation	01/01/2024	Green	50	LocalTaxation & Benefit Service Delivery Manager
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.	21/7/20	Laura Bessell	3	2	1	1	1	1		Simple explanations given of the proposed changes, together with details of mitigation. A glossary of terms is added to reports and consultation details online. Website will be reviewed and 'plain english' approach to discriptions of the scheme	01/01/2024	Green	50	LocalTaxation & Benefit Service Delivery Manager
Council reputation	Proposals for changes not clearly thought through, and impact not properly understood, resulting in damage to Council reputation	Opp	Insufficient modelling undertaken as part of the consultation feedback, 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 consultation process.	21/7/20	Laura Bessell	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.	01/01/2024	Green	50	LocalTaxation & Benefit Service Delivery Manager
Financial implications	Costs are not correctly calculated, or a change in economic climate, for example the ending of the current furlough scheme in October 2020 leading to more redundancies means more claimants	Threat	Poor budgetting. Insufficient modelling of anything that affects the number of claimants	Changes are costed incorrectly and lead to an increase in scheme costs	21/7/20	Laura Bessell	4	3	3	2	3	2		Work with Finance Team to ensure funding available and changes costed	01/01/2024	Amber	50	LocalTaxation & Benefit Service Delivery Manager

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Appendix 3

Initial Equalities Impact Assessment screening form

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

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

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

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

The Council will also ask that officers specifically consider whether:

- (A) The policy, strategy or spending decisions could have an impact on safeguarding and / or the welfare of children and vulnerable adults*
- (B) The proposed policy / service is likely to have any significant impact on mental wellbeing / community resilience (staff or residents)*

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

- 1. **The decision maker is responsible for identifying whether there is an issue and discharging it.** The threshold for one of the duties to be triggered is low and will be triggered where there is any issue which needs at least to be addressed.*
- 2. **The duties arise before the decision or proposal is made, and not after and are ongoing.** They require **advance** consideration by the policy decision maker with conscientiousness, rigour and an open mind. The duty is similar to an open consultation process.*
- 3. The decision maker must be **aware of the needs of the duty.***
- 4. The **impact of the proposal or decision must be properly understood first.** The amount of regard due will depend on the individual circumstances of each case. The greater the potential impact, the greater the regard.*
- 5. **Get your facts straight first!** There will be no due regard at all if the decision maker or those advising it make a fundamental error of fact (e.g. because of failing to properly inform yourself about the impact of a particular decision).*
- 6. What does 'due regard' entail?
 - a. **Collection and consideration of data and information;***
 - b. **Ensuring data is sufficient to assess the decision/any potential discrimination/ensure equality of opportunity;****

c. Proper appreciation of the extent, nature and duration of the proposal or decision.

7. **Responsibility** for discharging can't be delegated or sub-contracted (although an equality impact assessment ("EIA") can be undertaken by officers, decision makers must be sufficiently aware of the outcome).
 8. **Document the process** of having due regard! Keep records and make it transparent! If in any doubt carry out an equality impact assessment ("EIA"), to test whether a policy will impact differentially or not. Evidentially an EIA will be the best way of defending a legal challenge. See hyperlink for the questions you should consider <http://occweb/files/seealsodocs/93561/Equalities%20-%20Initial%20Equality%20Impact%20Assessment%20screening%20template.doc>
1. Within the aims and objectives of the policy or strategy which group (s) of people has been identified as being potentially disadvantaged by your proposals? What are the equality impacts?

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 or lifelong illness

Age is not affected by this scheme as Pensioners are covered by the national default scheme and this consultation relates to the working age CTR scheme only.

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

At this stage proposals are only being submitted for consultation. The 2024/25 Council Tax Reduction Scheme will be informed by this consultation process.

This will include:

- Whether or not to increase the Income Bands or to freeze at current levels
- If we do increase, to use CPI instead of RPI in line with the DWP up-ratings
- To consider if the banded income approach should take into account family size. Currently the scheme has a single structure for

a total income for all applications, with no regard to household composition

- To consider giving a reduction of up to 100% for passported cases, limiting the reduction to for all other claims up to 85% of the liability
- To automatically reduce the CTR award to a maximum of 75% if there is a non-dependant in the property. In cases where there is a disability benefit in payment for the applicant or an additional adult, then the reduction would not be applied. This mirrors the application of the single person discount.

Within the existing Council Tax regulations, there is provision for discretionary payments to be made to people experiencing hardship. Anyone disadvantaged by the Council Tax Reduction scheme can apply for help from this scheme.

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 and advice agencies as well as consulting with the major preceptors. We will use electronic means to consult to avoid respondents using paper forms, as with the current Covid-19 pandemic access to the places we would normally place forms is restricted and we also want to limit any opportunity to spread the virus.

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

Within the existing Council Tax regulations, there is provision for discretionary payments to be made to people experiencing hardship. Anyone disadvantaged by the Council Tax Reduction scheme can apply for help from this scheme.

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 people see changes in their circumstances, there will be an opportunity to revise the scheme in future years, if there is any unexpected negative impact on certain groups of customers.

We will talk to other Councils who have adopted different approaches to their CTR scheme to see what works well and what doesn't. The Department for Work and Pensions guidance and case law often influences the approach this Council takes as it will inform us of the impact of certain elements of schemes and the adjustments, if any that are needed.

Lead officer responsible for signing off the EqIA: Laura Bessell

Role: Local Taxation & Benefit Service Delivery Manager

Date: 1st October 2023

Glossary of Terms

Working Age	Age for which the Government expect State Pension to not be claimed. Currently age 66.
Uprating	Department for Work and Pensions annual income-related social security benefit increases each April. These benefits, and the amount which the government state is required to live on each week are increased each April by a percentage. The increase is based on either the Retail Price Index (RPI) or Consumer Price Index (CPI) as at September the previous year.
Income Bands	The amount of weekly net income used in the calculation of the award. Some income is not included, such as certain disability benefits. Where income changes but stays within the same band, then there is no change to entitlement, but the change is still recorded.
Capping	This is a ceiling limit on an award. A capping level could be applied to the council tax bands, so instead of applying Council Tax Reduction (CTR) using all the council tax bands A-H, that only bands A-E are applied. This means that the capping level is at a band E Council Tax amount, and those claims for properties in Bands F-H would only see a maximum level of support to a band E Council Tax liability. The claimant would need to pay the difference between their CTR award and their Council Tax liability.
National Minimum Wage	For 2022/23 the rate is £9.50
Oxford Living Wage	For 2022/23 the rate is £10.50
Benefit Cap	<p>The benefit cap is a limit on the total amount of benefit you can get. It applies to most people aged 16 or over who have not reached State Pension Age. A cap is usually applied when a claimant is not in employment for more than 16 hours per week, and is not exempt by disability.</p> <p>The Cap level currently for outer London is:</p> <ul style="list-style-type: none"> • £384.62 per week (£20,000 a year) if you are a couple • £384.62 per week (£20,000 a year) if you are a single parent and your children live with you • £257.69 per week (£13,400 a year) if you are a single adult
Non-dependant	A non-dependant is an adult who lives with you. This doesn't mean your partner or adult children who are still dependent on you – for example, because they are in education. It could be for example, an adult son or daughter who is working or unemployed and who still lives with you. A deduction is made on the assumption that the 'non-dependant' should make a contribution towards your council tax of at least the amount of the deduction.

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To: Cabinet **Date:** 24 January 2024
To: Council **Date:** 29 January 2024
Report of: Head of Financial Services
Title of Report: Housing Revenue Account (HRA) Rent Setting Report 2024/25

Summary and recommendations	
Purpose of report:	To present the outcome of Oxford City Council's (the Council's) annual rent review and associated rent setting proposal for 2024/25 in respect of all Council dwellings within the Housing Revenue Account (HRA), including the setting of associated services and facilities charges.
Key decision:	Yes
Cabinet Member:	Councillor Ed Turner, Deputy Leader (Statutory) - Finance and Asset Management Councillor Linda Smith, Cabinet Member for Housing
Policy Framework:	Budget and Medium Term Financial Plan

Recommendations:	That Cabinet resolves to:
1.	Recommend to Council to approve an increase of 7.7% for 2024/25 (subject to any subsequent cap on increases imposed by central government) in social dwelling rents from 1 st April 2024 giving an average weekly increase of £9.27 per week, and a revised weekly average social rent of £129.72 as set out in the Financial Implications section of this report;
2.	Recommend to Council to approve an increase to rents for shared ownership dwellings as outlined in paragraph 15 of the Financial Implications;
3.	Recommend to Council to approve an increase to service charges by 7.7% (CPI + 1%) to enable the HRA to recover the associated cost of supply;
4.	Recommend to Council to approve an increase to the charge for a garage of 7%, equating to an increase of £1.25 per week for a standard garage with a revised charge of £19.10 per week, and an increase of £1.44 per week for a premium garage with a revised charge of £21.60 per week; and
5.	Recommend to Council to approve the option to exercise the Rent Flexibility option in respect of re-lets to new tenants as outlined in paragraph 6 below.

Appendices	
Appendix 1	Housing Revenue Account Rent by Ward
Appendix 2	Risk and Equalities Assessment

Introduction and background

1. On an annual basis, as part of the Medium-Term Financial Plan (MTFP), the Housing Revenue Account (HRA) sets the Rent for HRA tenants for the next financial year. The rent setting is governed by two national documents – The Rent Standard and the Rent Policy Statement.
 - a. **The Rent Standard states:** *Registered providers must comply in full with all the requirements and expectations set out in this Rent Standard. They must additionally comply with all the requirements and expectations of the Rent Policy Statement on the setting, increase and decrease of rents and service charges.*
 - b. **The Rent Policy defines:**
 - i. **Weekly Formula Rent** as 70% of the national average rent; multiplied by relative county earnings; multiplied by the bedroom weight; plus 30% of the national average rent; multiplied by relative property value.
 - ii. **Affordable Rent** (inclusive of service charges) must not exceed 80% of gross market rent, where ‘Gross market rent’ means the rent (inclusive of any applicable service charges) for which the accommodation might reasonably be expected to be let in the private rented sector. Property size, location type and service provision must be taken into account when determining what gross market rent a property might achieve if let in the private rented sector.
 - iii. **Rent Flexibility Level** - The government’s policy recognises that registered providers should have some discretion over the rent set for individual properties, to take account of local factors and concerns, in consultation with tenants. As a result, the policy contains flexibility for registered providers to set rents at up to 5% above formula rent (10% for supported housing). If applying this flexibility, providers should ensure that there is a clear rationale for doing so which takes into account local circumstances and affordability.
2. The maximum increase in both types of rent is currently restricted to CPI + 1% (CPI as at September in the preceding year) until 2025 at which point this will be reviewed by the government. The September 2023 CPI rate was 6.7%, giving a maximum increase of 7.7% subject to any additional cap imposed by the government. The government imposed a 7% cap on rent increases for the 2023/24 rent setting (Ref. GOV.UK Policy Statement on Rents for Social Housing).
3. As well as the restriction on maximum increases, rents are also capped as follows:
 - a. Social Rent – rent caps apply as a maximum ceiling on the formula rent and depend on the size of the property (the number of bedrooms it contains). Where the formula rent would be higher than the rent cap for a particular size of property, the rent cap must be used instead (Ref. GOV.UK Policy Statement on Rents for Social Housing).
 - b. Affordable Rents - The rent for affordable rent housing (inclusive of service charges) must not exceed 80% of gross market rent. ‘Gross market rent’ means the rent (inclusive of any applicable service charges) for which the accommodation might reasonably be expected to be let in the private rented sector. Property size, location

type and service provision must be taken into account when determining what gross market rent a property might achieve if let in the private rented sector (*Ref. GOV.UK Policy Statement on Rents for Social Housing*).

4. The HRA must adhere to these restrictions and caps on rent increases even if a tenant's rent is below formula rent, or if the HRA has previously applied a lower – or no – annual increase. Where this is the case, the HRA may only move the rent up to formula rent when the property is re-let following vacancy (subject to the rent cap).
5. The table below demonstrates the amount of rental income foregone because of these restrictions, and last year's cap of 7% maximum increase:

	Number of Properties	Total Weekly Rent Foregone	Total Annual Rental Income Foregone
Actual Rent is less than Formula Rent	7,208	£72,856	£3,788,523

One additional consideration is for OCC to join other social housing providers in lobbying government (DLUHC) for the re-introduction of rent-convergence measures to address the gap between actual rents of £48.7m and formula rents of £52.5m. Currently this is an annual loss to the HRA of £3.8m.

6. Rent Flexibility

Landlords are permitted under the regulations to set rents at levels above the social formula rents where it has taken local factors, market conditions and affordability into account.

- For general needs accommodation a 5% flexibility is allowable.
- For supported housing, such as sheltered schemes a 10% flexibility is allowable.

(*Ref. GOV.UK Policy Statement on Rents for Social Housing*)

Not all our rents are at a level equal to the formula rent for the property. Where a property becomes vacant and is going to be let to a new tenant following refurbishment, the formula rent for the property is proposed to be set at 105% of formula for general needs accommodation and 110% of formula for all supported housing units.

7. Housing Stock

As at 1st April 2023 the HRA held 7,833 dwellings, as shown below:

	Number of bedrooms						Total
	0	1	2	3	4	5+	
Flat / Maisonette	140	1,222	1,732	156	5		3,255
House / Bungalow		275	830	2,791	253	42	4,191
Sheltered	29	271	30				330
Shared ownership		23	31	3			57
Totals	169	1,791	2,623	2,950	258	42	7,833

8. Types of Rent

There are two types of rent charged within the HRA:

- **Social Rent** - Since 2001, rents for properties let at 'social rent' (which constitute a majority of rented social housing properties) have been set based on a formula set by government. This creates a 'formula rent' for each property, which is calculated based on the relative value of the property, relative local income levels, and the size of the property.
- **Affordable Rent** - In 2011, the government introduced 'affordable rent' which permits rents to be set at up to 80% of market rent (inclusive of service charges).

9. A table of the highest rents charged by OCC HRA is shown below:

No. of Bedrooms	2023/24 Highest Weekly Rents	
	Social Rent	Affordable Rent
1 and bedsits	£133.61	£190.85
2	£174.71	£233.91
3	£199.09	£281.98
4	£195.07	
5	£214.65	
6 or more	£189.72	

Formula rent caps for 2023-24

Number of bedrooms	Rent cap
1 and bedsits	£173.79
2	£184.00
3	£194.22
4	£204.43
5	£214.66
6 or more	£224.87

Housing Benefit / Universal Credit Housing Cost Element

10. As at the end of July 2022 there were a total of 3,559 HRA tenants (45.6%) claiming Housing Benefit or the Housing Cost element of Universal Credit, made up of 2,318 Housing Benefit claimants and 1,241 Universal Credit claimants. The amount claimed by each tenant will vary depending on their individual circumstances.

As Social Rents are based on formula rent, the maximum amount housing benefit will cover is 100% of the rent depending on the tenants' eligibility and financial circumstances.

11. For Affordable Rents, the current Local Housing Allowance Rates for Oxford are set out below. These are the maximum eligible rents to be used when calculating Housing Benefit for Affordable Rental Properties. The government recently announced that these would be increased for the year beginning 1st April 2024.

Local Housing Allowance Rates for 2023/24		
Number of Bedrooms	£ per week	£ per month
Room in Shared Accommodation	118.87	516.52
1 Bedroom	178.36	775.02
2 Bedrooms	210.00	912.50
3 Bedrooms	253.15	1,100.00
4 Bedrooms	364.77	1,585.01

Financial implications

12. The recent HRA Strategic Review identified that the HRA faced an uncertain financial future within the next 10 years due to the scale of investment required because of the demands placed on it by new legislation and housing standards. As a result, the review recommended that the HRA maximised its income streams where permissible. Implementing the maximum rent increase allowed by government would help the HRA to meet its legal obligations and remain viable going forward.
13. A rent increase that is lower than inflation will have a detrimental impact on the viability of the HRA as the income will not be able to keep pace with rising costs and as a consequence would be at risk of failing its tenants in the supply of services and support.
14. The CPI rate for the 12 months to the end of September 2023 was 6.7%. For comparison purposes the impact on rents is shown in the table below using the recently announced Welsh assembly cap of 6.7%, last year's cap of 7%, and CPI+1% of 7.7%:

Rent Increase	Weekly Increase based on Average Social Rent of £120.45	Weekly Increase based on Maximum Social Rent of £214.65	Weekly Increase based on Average Affordable Rent of £215.07	Weekly Increase based on Maximum Affordable Rent of £281.98	Total Annual Increase to HRA Rental Income
6.7%	£8.07	£14.38	£14.41	£18.89	£3.265m
7.0%	£8.43	£15.02	£15.05	£19.74	£3.411m
7.7%	£9.27	£16.52	£16.56	£21.71	£3.752m

15. Shared ownership rent setting is currently laid out in the lease agreements and reviewed annually in accordance with the greater of:

- i) the Gross Rent under this Lease immediately preceding the Relevant Review Date x 1.005; and
- ii) the Gross Rent under this Lease immediately preceding the Relevant Review Date x ((B/A) + 0.01). (Where B & A are the CPI indexes for the review month and 12 months prior respectively).

The rent rise included in the Consultation Budget under these agreements is effectively an increase of 0.5% for properties less than 12 months old of which the Council currently has 2 such properties and CPI + 1% (7.7%) for older properties of which the Council owns 57 properties.

16. The charge for garages is proposed to be increased by 7% from £17.85 to £19.10 per week for a standard garage, and up from £20.16 to £21.60 per week for a premium garage.
17. Service charges such as caretaking, cleaning, CCTV, communal areas etc. will be increased by CPI plus 1% across all tenure types in the HRA to ensure that the HRA recovers the cost of providing these services. Service charges are monitored and reviewed regularly to ensure costs of provision are being recovered and tenants are not being overcharged.
18. The proposed increases and estimates contained within this report are also contained within the report: *Medium Term Financial Strategy 2025-26 to 2027-28 and 2024-25 Budget for Consultation* to be presented at Cabinet on 13th December 2023. Due to the requirement to give written notice of increases to tenants - one months' written notice (Social Tenants) and two months' written notice (Shared Ownership Tenants) the need to approve these increases by way of a separate report has arisen. The main budget consultation period runs from the 14th December 2023 to the 31st January 2024, and any responses received relevant to this report by the 17th January 2024 will be included in the version of this report presented to Cabinet and Council.

Budget Consultation

19. The budget consultation concentrates on a number of key areas with 34 responses received as at 10th January. Of the 34 responses, 26 were residents of Oxford, of which 7 were Council Tenants. A summary of the responses is shown below for the main areas:
 - Service Priorities
 - There was strong support for the provision of affordable housing with 67% of respondents either agreeing or strongly agreeing.
 - Capital Investment
 - Highest support (73% of respondents agreed or strongly agreed) for capital investment in new social housing of £352 million which will deliver a return in the future.
 - Energy Efficiency initiatives and Climate Change improvement, funded out of tenants' rents at £33 million – 59% agreed or strongly agreed, with only 17% disagreeing or strongly disagreeing.
 - 56% of respondents agreed or strongly agreed with £40 million of internal and external capital investment in Council dwellings funded from tenant's rent, whilst only 10% disagreed or strongly disagreed.

- Council Housing
 - Highest support was for targeted estate regeneration (66%) closely followed by investing in the look and feel of our Council estates (65%) and improving Energy Efficiency and progressing to zero carbon (60%) with least support given to Building & acquiring new Council homes (49%) and maintaining the quality of existing homes (45%) although it should be noted that only 7 respondents were Council tenants.

20. Members will be updated at the Council budget meeting with any further responses that are received up until the consultation closes on 31st January.

Legal issues

21. The rent setting is governed by two government documents – The Rent Standard (Regulator of Social Housing), and the Policy Statement on Rents for Social Housing (GOV.UK).
22. The HRA is a ring-fenced account and is required to finance its activities from the income it generates - predominantly rental income. Failure to maintain a positive balance of the HRA account would lead to the collapse of the HRA at Oxford City Council.

Risk Implications

23. The main risk to the HRA is that the increases are not approved resulting in an unsustainable financial position that would require significant reductions in the provision of services and support to its residents.

Equalities impact

24. See Appendix 2.

Carbon and Environmental Considerations

25. This report is for rent setting purposes, and the proposed budget changes do not affect the Council's ability to reach our net zero target.

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Service area or department	Financial Services
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Background Papers:
1 GOV.UK: Policy statement on rents for social housing
2 Regulator of Social Housing: Rent Standard

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Wards	2023/24		2024/25	
	Actual Rents	Formula Rents	Actual Rents	Formula Rents
Abingdon	134.55	151.18	144.91	162.82
Barton & Sandhills	122.76	132.59	132.21	142.80
Blackbird Leys	117.63	126.15	126.69	135.86
Carfax & Jericho	127.94	149.39	137.79	160.89
Churchill	118.72	126.53	127.86	136.27
Cowley	110.56	117.43	119.07	126.47
Cuttleslowe & Sunnymead	117.03	128.20	126.04	138.07
Didcot	110.80	115.19	119.33	124.06
Donnington	121.58	128.63	130.94	138.53
Headington	121.61	123.12	130.97	132.60
Headington Hill & Northway	118.34	127.55	127.45	137.37
Hinksey Park	119.88	140.85	129.11	151.70
Holywell	116.70	124.20	125.69	133.76
Kidlington	123.41	128.55	132.91	138.45
Littlemore	123.16	116.28	132.64	125.23
Lye Valley	116.97	125.53	125.98	135.20
Marston	125.97	140.55	135.67	151.37
Northfield Brook	116.27	124.92	125.22	134.54
Osney & St Thomas	122.23	135.46	131.64	145.89
Quarry & Risinghurst	117.85	125.42	126.92	135.08
Rose Hill & Iffley	121.88	131.72	131.26	141.86
St Clement's	117.31	125.94	126.34	135.64
St Mary's	121.49	131.00	130.84	141.09
Temple Cowley	122.59	130.33	132.03	140.37
Walton Manor	126.74	146.23	136.50	157.49
Wolvercote	114.35	124.41	123.15	133.99

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Oxford City Council HRA Rent Setting for 2024-25 and for inclusion in the Budget Consultation (Equality Assessment)

The following assessment gives more details from an equality and diversity perspective on the Council’s rent setting proposal. It provides an initial commentary to indicate the potential risks before the wider public consultation period from December 2023 to January 2024.

67

Budget Proposal	Rent setting: Increase in council house rents by 7.7% per annum for 2024/25.
Is this proposal new or subject to an annual review?	From 1 st April 2020 under the 2020 rent standard, the Government have determined that rent will be increased by CPI +1% for a period of 5 years for local authority and housing association social rents. For 2023/24 the relevant CPI rate at September 2023 is 6.7% and hence council house rents under this formula would be estimated to increase by 7.7% from 2023-24 levels. With inflation running at 8.9% the Council would need to make reductions on service should the rent rise not be at least 7.7% which is recommended within this Budget paper.
What are the likely risks?	The increase for 2024-25 at 7.7% represents an average of £9.27 per week. There is a risk of increased rents arrears which could rise as a result of the increase. Issues may arise from the implementation of universal credit which is being monitored by the Council
What public consultation has been planned/ taken place?	The proposed increases will be published in “Tenants in Touch”, both hard copy and digital editions during the consultation period. Once the charges have been approved by Council, Tenants will be notified in writing giving the statutory one months’ notice (Social Tenants) and two months’ notice (Shared Ownership tenants) before implementation on the 1 st April.
What mitigating actions will the Council implement to offset any negative impacts?	The Social Housing Act and enhanced Regulatory Standards has an expectation that landlords will know their tenants as individuals, understand their views, know their protected characteristics, know reasonable adjustments that need to be made and work with an ever-increasing number of vulnerable tenants in our housing stock, delivering high quality, efficient services. As a result, Housing Officers will need to be able to case manage, key work and co-ordinate a range of services to support tenants going forward. Additional staffing has been proposed in response to the new standards and should assist in providing an early warning mechanism of arrears increasing and a resource to help tackle the potential increased rent arrears. As at the end of July 2022 there were a total of 3,559 HRA tenants (45.6%) claiming Housing Benefit or the Housing Cost element of Universal Credit, made up of 2,318 Housing Benefit claimants and 1,241 Universal Credit claimants. The amount claimed by each tenant will vary depending on their individual circumstances.

Overall assessment of the equality risks

Race
Neutral

Disability
Neutral

Age
Neutral

Gender reassignment
Neutral

Religion or Belief
Neutral

Sexual Orientation
Neutral

Sex
Neutral

Pregnancy and Maternity
Neutral

Marriage & Civil Partnership
Neutral