

Minutes of a meeting of the CITY EXECUTIVE BOARD on Thursday 9 February 2017

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Committee members:

Councillor Price (Chair)

Councillor Turner (Deputy Leader)

Councillor Brown

Councillor Hollingsworth

Councillor Rowley

Councillor Simm

Councillor Sinclair

Councillor Smith

Councillor Tanner

Officers:

David Edwards, Executive Director City Regeneration and Housing

Jackie Yates, Executive Director Organisational Development and Corporate Services

Julia Tomkins, Grants & External Funding Officer

Gill Butter, Conservation and Urban Design Officer

Sarah Chesshyre, Planner Apprentice

Jo Colwell, Service Manager Environmental Sustainability

Andrew Brown, Scrutiny Officer

Lindsay Cane, Acting Head of Law and Governance

Sarah Claridge, Committee Services Officer

Also present:

Councillor Andrew Gant, Liberal Democrat Group Leader, Liberal Democrat shadow member for Corporate Strategy & Economic Development, Chair, Scrutiny Committee

Councillor Craig Simmons, Leader of the Green Group and Green Group shadow member for finance, leisure, parks and sports, Chair, Scrutiny Finance Panel

121. Apologies for Absence

Apologies for absence received from Cllr Kennedy

122. Declarations of Interest

None

123. Addresses and Questions by Members of the Public

None received

124. Councillors Addresses on any item for decision on the Board's agenda

None received.

125. Councillor Addresses on Neighbourhood Issues

None received.

126. Items raised by Board Members

None received

127. Budget 2017/2018

The Head of Financial Services submitted a report which presented the outcome of the budget consultation and the Council's Medium Term Financial Strategy for 2017-21 and 2017-18 Budget, for recommendation to Council

Cllr Turner, Board Member for Finance, Asset Management and Public Health said that the government grant will be zero by 2020. There are no frontline service cuts, we are investing in service improvements and are creating a trading company so we can increase the trading we do.

Highlights include:

- the housing company being established;
- we're investing in new properties for homeless families and building new council housing, and
- Retaining in full our homelessness prevention budget and our budget for the third sector.

Financial pressures include changes to the New Homes Bonus (NHB) which caused a grant reduction and pressure in year 4. A reduction in funding from business rates as part of the fairer funding process will give us less money than we would have wished. Additional budget items include money for low emission taxi vehicles, designer costs at Cowley Marsh pavilion and additional funding to assist children centres run stay and play for one year only.

In terms of the Housing Revenue Account, the government had delayed introducing the Right to Buy Scheme to housing associations so the Council will not be forced to sell high value empty council houses to reimburse the government in 2017/18.

Council agreed two budgetary motions at its meeting on 6 February –

- To retain the additional £200,000 pension provision, which will cover potential increased liability to the Council arising from TUPE transfer of staff to a Local Authority wholly owned company for Direct Services; and

- To waive interment fees for stillborn babies and children under 12 years old for Oxford residents. Changing the Council's fees and charges with immediate effect is estimated to reduce income by a small amount in 2016-17 and around £5100 in a full year for 2017-18. This pressure can be accommodated within the Council's overall budget in 2016-17 and 2017-18, and the budget may be rebased if appropriate in future years.

Cllr Hollingsworth asked about the gap in the budget from the loss in new homes bonus in years 3 and 4

The Director for Organisational Development and Corporate Services explained that the NHB figures are based on current information. However there is a fixed pot for NHB so it depends on the number of new homes other councils are able to generate which will determine the proportion of the NHB we receive.

Recommendations: That the City Executive Board resolves to:

1. **Agree** the amendments to the Consultation Budget, in light of the outcomes of the public consultation.
2. **Recommend that Council** approve the 2017-18 General Fund and Housing Revenue Account budgets and the General Fund and Housing Revenue Account Medium Term Financial Plan as set out in Appendices 1-10, noting:
 - a) the Council's General Fund Budget Requirement of £21.055 million for 2017/18 and an increase in the Band D Council Tax of 1.99% or £5.67 per annum representing a Band D Council Tax of £290.19 per annum
 - b) the Housing Revenue Account budget for 2017/18 of £44.285 million and a reduction of 1% (£1.06/wk) in social dwelling rents from April 2017 giving a revised weekly average social rent of £105.65 as set out in Appendix 4
 - c) the General Fund and Housing Revenue Account Capital Programme as shown in Appendix 6.
3. **Recommend that Council** agree not to implement the voluntary 'Pay to Stay' policy for Council house tenants (para 28 refers)
4. **Recommend that Council** agree the fees and charges shown in Appendix 7 with the amendment to waive the fees for:
 - Interment of a child who at the time of death was less than 1 month (Resident); and
 - Interment of a child who at time of death was prior to 12th birthday (Resident).
5. **Recommend that Council** delegate authority to the Section 151 Officer in consultation with the Board Member for Finance, Asset Management and Public Health the decision to determine whether it is financially advantageous for the Council to enter into a Business Rates Distribution Agreement as referred to in paragraphs 16-17 below.

6. **Recommend that Council** agree an additional loan of up to £75,000 for working capital to Oxwed as highlighted in paragraph 41
7. **Recommend that Council** agree provision of a loan facility to Oxford City Housing Ltd of up to £61 million (paras 39-40) an extra £48.75 million over the next four years, subject to the provision of; and agreement to a business plan by the Company.
8. **Recommend that Council** agree to retain the additional £200,000 pension provision to cover potential increased liability to the Council arising from TUPE transfer of staff to a Local Authority wholly owned company for Direct Services.

a) Scrutiny Response: Budget 2017/2018

Cllr Simmons, Chair of the Scrutiny Finance Panel presented the report. He said there was a huge amount of external uncertainties at the moment so the focus of the Finance Panel had been testing the robustness of the assumptions made.

He made the following comments:

- The Budget balances over 4 years but he was cautious about the Council's approach in year 4 to transferring £800k from the general fund to balance the budget.
- The Council is maximising revenue through trading services which the Panel support.
- We would like to see which fees and charges (rec 2) we have discretion to raise and which we do not.
- Reducing licensing fees (rec 4) might create more revenue from street trading for areas outside the city centre.
- Revenue from car parking fees may be affected by proposed new rail routes and should be labelled high risk (rec 6)
- Invest to save initiatives are happening in the capital programme but not in the revenue budget. There is £750k in the Invest to Save fund which has not being used. The Panel believe officers should be encouraged to suggest more high risk schemes.
- Given that contingencies on high risk efficiency saving projects have not been drawn on. Council could consider releasing more contingency.
- The Panel supported the Audit and Governance Committee looking at the governance of the companies and whether the council has the in-house expertise to run them.
- He queried some of the political priorities in the budget and asked whether the money allocated to the Council tax support scheme (rec 12) was the best way to get people out of poverty. Likewise the apprentices' scheme (rec 14) has a significant cost to it. What assessments are done to prove the value of such schemes?
- He mentioned the archive project and the need to fund the completion of it. As items might cost us more in the future if we don't fund them properly now.

Cllr Turner, Board Member for Finance, Asset Management and Public Health made the following comments:

- The Finance Panel report was thoughtful, useful and productive and was a good example of scrutiny working well.
- It is prudent to leave the contingencies as they are, and not spend one off contingency in service delivery. We encourage managers to suggest efficiency savings. Suggestions will not always be successful and will get harder and harder every year. So it is important we retain the contingencies in case projects don't work out.
- Invest to save – correct most are capital but we are keen for revenue suggestions as well.
- Note the big challenge in year 5, we don't know what is going to happen.
- Challenge of creating a trading company. The market is changing, and we recognise we already have a significant market share in some areas (trade waste for example). There is also the challenge of experienced officers retiring in the next few years which will have an impact.
- The Council tax support grant is not a massive expense. We will review it and see how we can we maximise its impact. Cllr Brown said that we haven't included the Council tax support grant in the budget without considering it every year. Did discuss with the Scrutiny Committee how we would review it in the future. Removing it doesn't necessary provide savings as it would be hard to collect council tax from those who currently receive support.

Cllr Turner said that in terms of the budget bids (rec 16):

- Supportive of the fraud team,
- Archive, there is a predicted underspend in Law and Governance which we will roll forward - so this work can progress.
- Streetscene: It is being reviewed whether Westgate will be cleaned by the new tenant. We could offer Westgate a contract to clean it for them.

128. Treasury Management Strategy 2017/18

The Head of Financial Services submitted a report which presented the Council's Treasury Management Strategy for 2017/18 together with the Prudential Indicators for 2017/18 to 2019/20.

Cllr Turner, Board Member for Finance, Asset Management and Public Health presented the report.

Cllr Price asked if the Council had any investments on the stock-market. The Director for Organisational Development and Corporate Services said that the Council does not invest in stocks and shares as the risk is too great. We prefer low risk investments such as bonds in building societies but also had money invested in property funds. Until the Bank of England's base rate increases, Council won't see a huge change in its investment strategy.

The City Executive Board resolves to:

1. **Recommend that Council** approve the Treasury Management Strategy 2017/18, and adopt the Prudential Indicators for 2017/18 – 2019/20 as set out in paragraphs 7 to 37, and Appendix 2;
2. **Recommend that Council** approve the Borrowing Strategy at paragraphs 7 to 18;
3. **Recommend that Council** approve the Minimum Revenue Provision (MRP) Statement at paragraphs 19 to 22 which sets out the Council's policy on charging borrowing to the revenue account; and
4. **Recommend that Council** approve the Investment Strategy for 2017/18 and investment criteria as set out in paragraphs 23 to 37 and Appendix 1.

129. Scrutiny Committee Reports

Scrutiny reports were taken alongside their corresponding Board report.

a) Scrutiny Response: Recycling rates

Cllr Gant, Chair of the Scrutiny Committee presented the report and said the committee recommended continuing the recycling incentive scheme.

Cllr Tanner, Board Member for A Clean Green Oxford agreed with the recommendation but it depends if there is money available in the forthcoming financial year to continue the incentive scheme.

b) Scrutiny Response: Safeguarding Language School Students

Cllr Gant, Chair of the Scrutiny Committee presented the report. He said it's quite widespread for under 18s attending language schools in Oxford to stay in homestays. There is no legal requirement for organisations to inform the local authority of these arrangements unless the child is staying longer than 28 days, most stay fewer than this.

Cllr Sinclair, Board Member for Community Safety gave an update on the work councillors have done to raise awareness of the issue. Cllr Coulter wrote to the chair of the District Council's Network Assembly who had formed a task and finish group to review the issue. Cllr Coulter has asked for Oxford to be included in this review.

Cllr Sinclair has emailed both Oxford MPs, there's been no response from Nicola Blackwood but Andrew Smith had asked for a Westminster debate on the issue. She suggested the City Executive Board could write to the MPs to add weight to the issue. Cllr Price agreed.

Cllr Sinclair said she had brought the issue up with the Oxfordshire Safeguarding Children Board but will do so again.

Cllr Brown suggested we contact the Local Government Association to work with similar councils ie Cambridge, Brighton.

All responses to be circulated to City Executive Board members and the Scrutiny Committee.

c) Scrutiny Response: Cycling

Cllr Gant, Chair of the Scrutiny Committee presented the report. The Committee asked for more guidance for ward members to pool CIL money to focus on cycling

Cllr Hollingsworth, Board Member for Planning and Regulatory Services said that there was an issue with members wanting to spend their CIL money on repainting specific cycle symbols. Traffic guidance regulations frequently change and if road markings aren't in the current regulations, such as markings on Cowley Road, they cannot be repainted. He recommended that members focus on schemes that can be completed quickly.

Cllr Sinclair said that repainting of road markings requires getting costly traffic regulations orders (TROs). County officers tend not to look at proposals unless there is money available to fund them.

Cllr Brown said that the County is short staffed and are not producing TROs at the moment which is holding up schemes. Cllr Tanner said the County outsources the TRO work to Buckinghamshire County Council so often waits until there are lots of TROs to do before requesting the work.

130. Sale of properties to Oxford City Housing Limited

The Heads of Housing and Property Services; and Financial Services submitted a report which updated members on the progress of the housing company, to agree the transfer of 5 properties to the company and note the initial development programme.

Cllr Rowley, Board Member for Housing presented the report. He said the Government's high value housing levy had been delayed till next year; however we don't want to lose housing – so we are recommending moving 5 properties to the housing company. This transfer won't involve a loss of social housing, as a condition of sale is that they remain social housing in perpetuity. Hence the low sale price.

The Director of City Regeneration and Housing said the report also recommends the Council loans the Housing Company the money to buy the properties. The loan is State Aid compliant, (meaning the money is lent to the Housing Company at a market rate).

The Board of Director's Business plan is a working draft and is being checked by external advisors. The plan will go to the Housing Company's shareholders (who are members of the executive board) for discussion and consideration in March.

The City Executive Board resolves to:

1. **Note** progress with the establishment of the Oxford City Housing Company.
2. **Agree** to the sale of the 5 properties detailed at section 3 for the sum of £730,000 subject to the conditions set out in this report and subject to the verification of the valuation prices.
3. **Recommend that Council** make available in 2016-17, a state aid compliant loan facility for Oxford City Housing Limited to enable the company to purchase the 5 properties identified in this report; the loan being for £742,606 which includes the purchase price and the associated costs of acquisition.
4. **Recommend that Council** include the provision of the loan facility mentioned above as an additional expenditure item in the 2016/17 capital programme, funded by the associated capital receipt received from the disposal.
5. **Delegate authority** to the Chief Executive to agree the final decision on sale and amount of loan that needs to be made available to the company, should the final valuations vary from those contained in the report.
6. **Note** the draft development programme detailed in appendix 1 and that City Executive Board will receive further reports with regard to land sales to facilitate the delivery of that programme

131. North Oxford Victorian Suburb Conservation Area Appraisal- Adoption

The Head of Planning and Regulatory submitted a report which presented the North Oxford Victorian Suburb Conservation Area Appraisal and sought approval to go out to consultation.

Cllr Hollingsworth, Board Member for Planning and Regulatory Services presented the report. He explained that the appraisal would go out for consultation.

The Apprentice Planner said the appraisal lists the heritage of the area. Adopting a character appraisal will inform future decisions in the North Oxford Area. There is potential to expand the current conservation area boundary and merge several conservation areas into one. This will be considered during the consultation process.

Cllr Price asked how Council was going to engage with conservation groups. The Team Leader for Design, Heritage & Trees said that several public meetings for conservation groups and residents have been arranged. The consultant of the report will also be attending.

The earliest the report will come back to CEB will be June 2017, however if the boundary of the conservation area changes this will delay the final report.

The City Executive Board resolves to:

1. **Endorse** the draft conservation area appraisal as the basis for public consultation (attached to this report);
2. **Approve** the carrying out of consultation upon the draft appraisal; and
3. **Approve** the seeking of views on additions and deletions to the conservation area.

132. Grant Allocations to Community and Voluntary Organisations 2017/2018

The Head of Community Services submitted a report which allocated grants to community and voluntary organisations through the Community Grants Programme.

Cllr Simm, Board member for Culture and Communities presented the report; she said that there was a growing level of need due to County Council and government cuts to grant funding. She praised officers for being proactive at understanding voluntary groups' needs and coming up with solution to improve them. The City Council has not cut its grant budget.

Cllr Brown, Board member for Customer and Corporate Services explained that a lot of the grant funding goes to assist financial inclusion groups. Advice agencies work has become more urgent due to County Council cuts and it is fantastic we can continue to support this work.

The Grants and External Funding Officer explained that there was a change in the proposed grants list in Appendix 2. The Rose Hill Junior Youth Club grant for £9,900 was no longer needed as they had been successful at securing the money elsewhere, so there was extra money to allocate. It is recommended to grant £2,500 to Oxfordshire Play Association for a play day at Blackbird Leys which leaves £7,400 unallocated. The Board might want to allocate this money tonight.

Cllr Simm recommended the money be added to the budget already allocated for Stay and Play sessions to be held in the children centres for a year. The Board agreed.

Cllr Sinclair welcomed the 3 year focus on commissioning she said that awarding only annual amount makes it difficult for 3rd sector groups to operate.

Cllr Price thanked officers for the work done, he said awarding the grants and monitoring how the organisations spend the money was a huge job.

The City Executive Board resolves to:

1. **Approve** the recommendations for the 2017/2018 commissioning programme as set out in Appendix 1
2. **Approve** the recommendations for applications received to the grants annual open bidding programme as set out in Appendix 2

3. **Delegate authority** to the Executive Director for Organisational Development and Corporate Services in consultation with the Board Members for Customer and Corporate Services and Culture and Communities to allocate the residual funding in the Advice and Money Management commissioning theme.
 4. **Agree** to grant £7,400 to the Stay and Play sessions and £2,500 to Oxfordshire Play Association
- a) **Scrutiny Response: Grant Allocations to Community and Voluntary Organisations 2017/2018**

The Scrutiny Officer presented the report. He said the Committee had sought reassurances that all the grant money would be spent in the year and had made some suggestions for making the grant allocations process more transparent, which had been agreed.

Cllr Brown, Board member for Customer and Corporate Services said the unallocated money was deliberately left to deal with any crises we might have during the year. She said she'd do her best to make sure the money was spent.

133. Annual Update on the Corporate Plan 2016- 2020

The Assistant Chief Executive submitted a report which sought approval of the 2016 annual update report on the Corporate Plan 2016-20

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

The City Executive Board resolves to:

1. **Approve** the annual update report on the Corporate Plan 2016-20, as set out in Appendix 1.
2. **Delegate authority** to the Assistant Chief Executive to make minor textual/formatting changes to the annual update report in advance of formal publication

a) **Scrutiny Response: Update on the Corporate Plan 2016- 2020**

The Scrutiny Officer presented the report. He explained that parts of the report read that projects have been fully funded by the Council when in fact they were a joint initiative. The report needs to mention the contributions made by the partner organisations.

Cllr Price, Board Member for Corporate Strategy and Economic Development agreed and said the report would be amended to highlight the valuable contributions made by partners.

134. Report on the Community Infrastructure Levy (Neighbourhood Portion) - Agreeing the expenditure deadline for Ward funds

The Head of Planning and Regulatory submitted a report to agree a deadline of expenditure of payment of the Neighbourhood portion of CIL to Wards (non parished).

Cllr Hollingsworth, Board Member for Planning and Regulatory Services presented the report. He explained that the Council was proposing to roll forward Member's CIL reserves for one year.

The City Executive Board resolves to:

Agree an amended expenditure deadline of Neighbourhood CIL funds paid into Ward budgets (non parished)

135. Refresh of Carbon Management Plan: 2017 -2022

The Manager of Environmental Sustainability submitted a report to approve the next five year phase of the Council's Carbon Management Plan (CMP) 2017-2022. The current five year phase of the CMP concludes at the end of March 2017.

Cllr Tanner, Board Member for A Clean Green Oxford said the Council had been very successful at reducing its carbon emissions by 5% each year. This plan commits us to continue this approach; however we will need to borrow to bring forward modernising projects to continue the work.

The Service Manager for Environmental Sustainability said there are several transformation schemes planned. The Council plans to invest in renewable energy efficiency measures in leisure facilities such as installing heat pumps and installing a canopy over the car parks.

The Energy management project is a prescribed framework with set measures. It means we can compare ourselves against other organisations that use the same framework.

The City Executive Board resolved to:

1. **Adopt** the new Carbon Management Plan as detailed in Appendix 1
2. **Note** that now straight-forward and accessible carbon reduction measures have been implemented through use of the Salix and Salix Plus funds, there will be the need to make financial bids for external support for larger capital projects, additional match funding requests or innovative approaches of using community funding models with shared financial advantages;

3. **Endorse** the phased development of an Energy Management system (ISO 50001) over the next 5 years across all key significant energy use areas at the Council (e.g. Offices, Depots, Leisure Centres, Fleet fuel consumption).

a) Scrutiny Response: Carbon Management Plan: 2017 -2022

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

Cllr Tanner, Board Member for A Clean Green Oxford agreed with all of Scrutiny's recommendations.

136.Minutes

The City Executive Board NOTED the minutes of the meeting held on 19 January 2017 as a true and accurate record.

137.Dates of Future Meetings

The Board noted the next meeting was scheduled for 9 March 2017

The meeting started at 5.00 pm and ended at 6.35 pm