

Minutes of a meeting of the **CABINET** on Thursday 19 December 2019

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Committee members:

Councillor Brown (Chair)	Councillor Linda Smith (Deputy Leader)
Councillor Turner	Councillor Chapman
Councillor Clarkson	Councillor Hayes
Councillor Hollingsworth	Councillor Rowley
Councillor Tidball	Councillor Upton

Officers:

Gordon Mitchell, Chief Executive
Tom Bridgman, Executive Director (Development)
Caroline Green, Assistant Chief Executive
Tim Sadler, Transition Director / Chairman Direct Services Companies
Mish Tullar, Corporate Policy, Partnership and Communications Manager
Anita Bradley, Monitoring Officer
Nigel Kennedy, Head of Financial Services
Jane Winfield, Regeneration and Major Projects - Team Manager / Director Housing Companies
Bill Lewis, Financial Accounting Manager
Ian Wright, Head of Regulatory Services and Community Safety
Keerpa Patel, Senior Planner
John Mitchell, Committee and Member Services Officer

Also present:

Councillor Andrew Gant
Councillor James Fry
Councillor Pat Kennedy

Apologies:

None.

101. Declarations of Interest

None.

102. Addresses and Questions by Members of the Public

None.

103. Councillor Addresses on any item for decision on the Board's agenda

Councillor Kennedy addressed Cabinet about item 15 on the agenda, Bullingdon Community Centre, Project Approval and Award of contract. An account of her address is given at minute 14 below.

104. Councillor Addresses on Neighbourhood Issues

None.

105. Items raised by Board Members

None.

106. Scrutiny Committee Reports

Councillor Gant speaking in his capacity as Chair of Scrutiny Committee, spoke to two of the reports before Cabinet.

The Committee had had a detailed and informative discussion about the introduction of Universal Credit and the capacity of the Council to respond to it. Particular reference had been made to the funding of Discretionary Housing Payments. He was grateful for the Cabinet's positive response to the recommendations.

The Committee had considered the draft Corporate Strategy (item 9 of the agenda) earlier in the week which had resulted in the detailed recommendations now before Cabinet.

The Committee had also considered the Initial Response to the Report of the Citizens' Assembly. The discussion had been wide ranging and while the Committee had felt no need to make recommendations to Cabinet, it warmly welcomed the report.

Councillor James Fry, speaking in his capacity as Chair of the Finance Panel of the Scrutiny Committee, spoke to the Panel's recommendations in relation to the Property Investment Portfolio Analysis and Strategy Report (item 14 of the agenda). He was grateful for the Cabinet's positive response to the report's specific recommendations. More generally it was important to note that the proposed diversification of the Council's commercial portfolio, whilst intended to reduce risk (as described in the Cabinet report) it was not riskless if, for example, interest rates go up at some point and property values come down.

Councillor Ed Turner, Cabinet Member for Finance & Asset Management, said the Panel's recommendations had been helpful. The proposals were being put forward having taken independent expert advice and diversification of the portfolio was considered, on balance, to represent the best way forward at the present time.

107. Consultation Budget 2020-21 and Medium Term Financial Plan 2021-22 to 2023-24

The Head of Financial Services had submitted a report to propose a Medium Term Financial Strategy and the 2020/21 Budget for consultation.

Councillor Ed Turner, Cabinet Member for Finance & Asset Management, introduced the report. At this point in the budget process he simply wanted to draw attention to a few overarching points. National pressures; the Council's ambition to deal effectively with rough sleeping; and the need to respond effectively to the Climate Emergency, all made for a challenging budget setting environment. The Council was reliant on the 'Oxford Model' and income from its companies, this was something which set it apart from other District Councils. These income streams are critical to the Council to enable it to continue to deliver services to residents although, equally, they present a level of risk which will require careful monitoring going forward. He drew attention to a small amendment to the report, details of which are attached to this minute.

Nigel Kennedy, Head of Financial Services, drew attention to some of the national uncertainties in relation to business rates, the continued delay of the introduction of the Fair Funding Review and the future of the New Homes Bonus.

The Chair thanked Councillor Turner, Nigel Kennedy and the Finance Team for their work in developing a positive budget, despite the challenging environment.

Cabinet resolved to:

1) **Approve** the 2020-21 General Fund and Housing Revenue Account budgets for consultation and the General Fund and Housing Revenue Account Medium Term Financial Strategy as set out in Appendices 1-9, noting :

a) the Council's General Fund Budget Requirement of £24.029 million for 2020/21 and an increase in the Band D Council Tax of 1.99% or £6.13 per annum representing a Band D Council Tax of £313.92 per annum subject to confirmation of the referendum levels contained in paragraphs 20-21 of the report.

b) the Housing Revenue Account budget for 2020/21 of £44.447 million and an increase of 2.70% (£3.06/wk) in social dwelling rents from 1 April 2020 giving a revised weekly average social rent of £105.32 as set out in Appendix 5

c) the General Fund and Housing Revenue Account Capital Programme as shown in Appendix 6.

2) **Agree** the fees and charges shown in Appendix 7

3) **Delegate** to the Section 151 Officer in consultation with the Board Member for Finance and Assets 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 37-38 of the report.

4) **Agree** that Care Leavers are determined as a class of discount for the purpose of Section 13A(1)(c) of The Local Government Finance Act 1992 from 1 April 2020 as referred to in paragraphs 22-24 of the report; and

5) **Approve** the payment into the County Council Pension Fund of £5 million as referred to in paragraph 64 (f).

108. Draft Corporate Strategy 20-24 - For consultation

The Assistant Chief Executive had submitted a report to seek approval to consult on the Council Strategy 2020-2024.

Councillor Susan Brown, Leader of the Council, introduced the report. The Strategy took a different approach to its predecessor, being simpler and hopefully clearer as a result. The discussion at Scrutiny Committee earlier in the week had been helpful. The draft had benefitted from input from a Member workshop and Council employees among others. The cross cutting themes in the strategy should not be treated in isolation, they inevitably affected each other. In order to keep the strategy as clear and uncluttered as possible, unnecessary repetition and cross-referencing had been kept to a minimum.

Mish Tullar, Head of Corporate Policy, Partnerships and Communications, noted that revisions to the text before Cabinet were already underway and it would be a 'living document' until the final text was agreed.

Cabinet resolved to:

1. **Grant** approval to consult externally on the Council Strategy 2020-2024; and
2. **Delegate authority** to the Head of Corporate Policy, Partnerships and Communications to work with the Council Leader to make any changes as may be required following Scrutiny and Cabinet consideration, and then publish the Draft Council Strategy 2020-24 for public consultation.

109. Initial Response To Report of Citizens' Assembly into Climate Change

The Transition Director had submitted report to formally welcome the final report of the Oxford's Citizens' Assembly on Climate Change established by Oxford City Council, approve an initial response to it, and lay out the next steps to become a Zero Carbon Council and City.

Tom Hayes, Cabinet Member for Zero Carbon Oxford, introduced the report. The Council had had several years of positive action to address environmental concerns. Following the declaration of a Climate Emergency there was a clear ambition to take some significant steps and to be clear that the declaration was more than words. The Assembly had been inspirational, intense and active. A key view to emerge from the Assembly was the desirability of moving 'further and faster' than the government has in mind. Among other things, it is intended that the Council should reduce its own

carbon footprint to zero by 2020. The Council is estimated to account for just 1% of the City's greenhouse gas emissions, so work with partners will be essential.

The Chair confirmed the need for the Council to work with partners, use its influence more widely and to lobby government.

Cabinet resolved to:

1. **Formally welcome** the Final Report on Oxford's Citizens' Assembly on Climate Change established by Oxford City Council;
2. **Formally welcome** the Council's Climate Emergency Strategy Support report which underpinned the Citizens' Assembly, commissioned from Oxford-based environmental consultancy Anthesis;
3. **Agree** an immediate response to the Citizens' Assembly Final Report, including measures in the budget for 2020/21;
4. In line with the findings of Oxford's Citizens' Assembly, **agree** steps to reduce the City Council's carbon footprint – that is, the Council's direct operations, where it pays the bills – to net zero by the end of 2020, initially through the purchase of renewable electricity and gas and offsetting and then through an acceleration of existing and new programmes to reduce the Council's underlying emissions;
5. **Request** that officers develop detailed plans for further projects to accelerate the reduction in the Council's underlying emissions to achieve a Zero Carbon Council by 2030 or sooner; and
6. **Request** the reinvention of the Low Carbon Oxford Partnership as the Zero Carbon Oxford Partnership. Convened by the City Council, this new Partnership will galvanise emitters in the city to agree targets and an action plan for Oxford to become a zero-carbon city.

110. Integrated Performance Report for Quarter 2 2019/20

Councillors Brown and Hollingsworth both declared for the sake of transparency that the Jericho Community Centre, mentioned briefly in the report, was situated close to their home.

The Heads of Financial Services and Business Improvement had submitted a report to update Cabinet on Finance, Risk and Corporate Performance matters as at 30 September 2019.

Councillor Ed Turner, Cabinet Member for Finance & Asset Management, introduced the report. There was a slight adverse variance in the General Fund forecast outturn alongside a favourable variance in the Housing Revenue Account. The Capital programme had been subject to a major review by officers to get a deliverable and well timetabled programme.

It was agreed that it would be helpful, in future reports, to present the capital projects sorted by project status.

The Leader drew attention to new requirements relating to accessibility of public documents, noting that the appendices to this report, in particular, would not meet the new standards. Data presented in narrative form rather than (or as well as) tabular form would often be helpful.

Cabinet resolved to:

1. **Note** the projected financial outturn as well as the current position on risk and performance as at 30 September 2019;
2. **Recommend** the Council to vire £0.500 million from Compulsory purchase of property (N7049) to Extensions & Major Adaptions (N7020) to cover the work of four extensions within the Housing Revenue Account Capital programme as set out in paragraph 10 of the report; and
3. **Recommend** Council to approve the revised Capital Programme budget to be £59.962 million in line with the latest forecast following the major review carried out by officers.

111. Annual Monitoring Report 2018/19

The Head of Planning Services had submitted a report to approve the Annual Monitoring Report for publication.

Councillor Alex Hollingsworth, Cabinet Member for Planning & Sustainable Transport, introduced the report, which fulfilled a statutory requirement and reported against a number of previously determined indicators. He drew particular attention to the trajectory of house building in the City. Next year, for the first time since 2009, the City would be ahead of where it should be. In the context of the new emerging Local Plan in which a further 28,000 dwellings were being proposed, it was important to ensure that house building remained a priority.

Cabinet resolved to:

Approve the Annual Monitoring Report 2018/19 for publication; and Authorise the Head of Planning Services to make any necessary additional minor corrections not materially affecting the document prior to publication.

112. Treasury Mid-Year Report 2019/20

The Head of Financial Services had submitted a report on the performance of the Treasury Management function for the 6 months to 30th September 2019.

Councillor Ed Turner, Cabinet Member for Finance & Asset Management, introduced the report which provided the latest regular update to provide assurance that the Council's funds were being invested as wisely as possible. While property investments continued to perform well, consideration was being given to investing in a Multi Asset Fund to reduce the reliance on property based income.

Cabinet resolved to:

1. **Note** the performance of the Treasury Management function for the six months to 30th September 2019; and

2. **Recommend** Council to:

i. **Approve** the change of the Indirect Property Funds counterparty category to Pooled Investment Funds; and

ii. **Note** that the Council is considering investing in a Multi Asset fund instead of an Indirect Property Fund as was previously anticipated.

113. Property Investment Portfolio Analysis and Strategy Report

The Executive Director – Development had submitted a report to agree the council's commercial investment portfolio strategy.

Councillor Ed Turner, Cabinet Member for Finance & Asset Management, introduced the report. He reminded Cabinet that the property portfolio generated £12m of revenue per annum. Given the significance of this strand of Council investment, some external professional review of the make up of the portfolio and the individual assets within it had been carried out. Central to this advice was the recommendation to reduce the exposure to retail and diversify the capital distribution into other property sectors.

Jane Winfield, Regeneration & Major Projects Service Manager, assured Cabinet that disposals would only proceed after a process of due diligence and that full account would be taken of potential future use and value.

Cabinet resolved to:

1. **Agree** the overarching property investment strategy contained in the confidential appendices; and
2. **Note** that the Leader will delegate the authority for the decision in relation to individual property transactions to the Cabinet Member for Finance and Asset Management.

114. Bullingdon Community Centre - Project Approval and Award Of Contract

The Executive Director Customer and Communities had submitted a report to seek Grant Project Approval to replace the existing end of life community building at Bullingdon with a modern fit for purpose facility that meets the needs of the community.

Councillor Pat Kennedy spoke about the very great value of the Bullingdon Community Centre to the local community over many years and the important role it would continue to play. The centre played host to a diverse range of groups, clubs and associations. She paid tribute to the work of officers in bringing this proposal forward, noting the excellent relationship they have with the centres trustees. She commended the report to Cabinet.

Councillor Marie Tidball, Cabinet Member for Supporting Local Communities, thanked Councillor Kennedy for her support for this important project. She also thanked

members of the Bullingdon Community Association (who had been closely involved with the design) and those Ward and County Councillors who had given their support to ensure the development of a building which would meet the needs of the community. The report demonstrated what great use was made of the centre and the diversity of those groups and activities. It was noteworthy that the proposal was for a building which would meet the nearly carbon zero criteria. The significant benefits which would flow being able to proceed with the enhanced funding were set out in the report. It was expected that that Oxford Direct Services Limited would be awarded the contract for the project on the basis set out in the report.

The Chair took the opportunity to thank Aileen Carlisle, interim Executive Director - Communities and Customer, for her contribution to this project and others during her time with the Council and to wish her well in anticipation of her imminent return to New Zealand.

Cabinet resolved to:

1. **Delegate** to the Executive Director Customer and Communities in consultation with the S151 officer and Head of Law and Governance the award of the contract to Oxford Direct Services Ltd subject to the full tender submission being within the agreed budget; and
2. **Recommend** to Council to increase the total project budget by £200,000 to £1,403,000. This is included as part of the consultation budget.

115. Enforcement of the Regulations in relation to energy efficiency in Domestic and non-domestic properties following Delegation of powers by Oxfordshire County Council

The Head of Regulatory Service and Community Safety had submitted a report to seek formal approval to enforce legislation applicable to:

- a) Domestic Private Rented Energy Performance Certificates (EPCs); and
- b) Commercial Minimum Energy Efficiency Standards (MEES)

following the delegation of powers under the Energy Performance of Buildings (England and Wales) Regulations 2012 and under the Energy Efficiency (Private Rented Property)(England and Wales) Regulations 2015 from Oxfordshire County Council.

Councillor Linda Smith, Cabinet Member for Leisure & Housing, introduced the report. This report spoke to two of the Council's priorities, the Climate Emergency and the importance of high quality housing. Driving up standards in the private rented sector was important and this proposal would contribute to that. The County Council had been unable to enforce Energy Performance Certificates (EPCs) because of other service priorities. She thanked officers for their work in bringing forward the delegation of enforcement of EPCs to the City Council.

Ian Wright, Head of Service for Regulatory Services and Community Safety, said this proposal could act as a template for the delegation of responsibility for enforcement of EPCs in other District Council areas which the City Council could potentially undertake.

Cabinet resolved to:

1. **Accept** the delegation of powers from Oxfordshire County Council to enable Oxford City Council to carry out enforcement of Energy Performance Certificates (EPCs) in the domestic private rented sector under The Energy Performance of Buildings (England and Wales) Regulations 2012;
2. **Accept** the delegation of powers from Oxfordshire County Council to Oxford City Council for the enforcement of the Minimum Energy Efficiency Standards (MEES) in commercial property The Energy Efficiency (Private Rented Property)(England and Wales) Regulations 2015;
3. **Authorise** the Head of Regulatory Services and Community Safety, acting in consultation with the Head of Law & Governance and the Head of Financial Services, to enter into all necessary and appropriate contracts to implement the delivery of the enforcement work on behalf of the Oxfordshire County Council; and
4. **Delegate** authority to the Head of Regulatory Services and Community Safety to perform the enforcement duties of the Oxfordshire County Council as set out in the agency agreement and to take any steps necessary to perform those duties.

116. Transformation Funding for Oxford Direct Services Limited

The Head of Financial Services had submitted a report to present the funding and budget requirements of the Oxford Direct Services Transformation Project for approval and for recommendation to Council.

Councillor Ed Turner, Cabinet Member for Finance & Asset Management, introduced the report. The proposed investment represented the next phase in the important partnership between Oxford Direct Services (ODS) and the County Council, the principle of further investment having been agreed in the previous budget.

Councillor Nigel Chapman, Cabinet Member for Safer Communities and Customer Focussed Services, said this additional funding was central to ODS's ambition to be a modern, competitive and effective company.

While it was recognised that there were other potential ways of increasing the dividend to the Council this was seen to be the most effective approach in keeping with the Council's values. The Council's interests would be overseen by, among other things, Shareholder oversight.

Cabinet resolved to:

1. **Approve** the business case for the transformation project within ODS and the capitalisation of £1.25 million revenue costs by the Council related to the Oxford Direct Services Limited Transformation project in accordance with the Statutory Guidance on the Flexible Use of Capital Receipts and in line with the approved capital budget;
2. **Provide** a capital grant to Oxford Direct Services for the capitalised transformation revenue costs to be drawn down upon the Head of Financial Services being satisfied as to the evidence of expenditure provided and to include a repayment clause operated if the forecast returns are not achieved;

3. **Enter** into a legal agreement with Oxford Direct Services Limited relating to the capital grant for the capitalised revenue costs of the Oxford Direct Services Limited Transformation project subject to the Head of Law and Governance in consultation with the Head of Financial Services drawing up and being satisfied as to the terms of such agreement; and
4. **Include** progress of the transformation project and updates on the financial returns achieved and forecast to be included annually in the Council's Capital Strategy.

117.Minutes

The Board resolved to APPROVE the amended minutes of the meeting held on 13 November 2019 as a true and accurate record.

118.Dates of Future Meetings

Meetings are scheduled for the following dates:

- 22 January
- 12 February
- 11 March

All meetings start at 6pm.

119.Matters Exempt from Publication

No matters were considered in confidential session.

The meeting started at 6.00 pm and ended at 7.20 pm

Chair

Date: Wednesday 22 January 2020