# Foreword by the Chair of the Budget Review Group

The Budget Review Group has again been very fortunate in the support it has received from senior officers in reviewing the City Council’s Draft Budget and Medium Term Financial Plan. The task is made particularly hard by the major uncertainties surrounding Central Government policies, notably on funding and on the City Council’s freedom to construct badly needed social housing.

Against a background of a looming Brexit, the City Council’s Budget has managed again to maintain or expand services, without any Central Government Revenue Support Grants. The Budget Review Group noted the importance of the City Council’s new companies (the wholly-owned Oxford Direct Services Company and Oxford City Housing Ltd, and also the Oxford West End Development joint venture with Nuffield College) in generating surpluses that may be used to protect services and finance new initiatives. Together the two wholly-owned companies are expected to pay the City Council more than £20 million in dividends over the next four years in dividends.

Notable among the uses of this new source of revenue is the commitment to fund recommendations generated by the Citizen’s Assembly on responses to the Climate Emergency. This is reflected in the proposal to commit over £1 million on reducing carbon emissions and £18 million of capital costs over the next four years to implement the resulting proposals.

Two striking statistics which emerged from the Budget documents are that of total business rate income in the city, after complex reallocation formulae, a mere 8.4% is retained by the City.

A high priority, within the constraints of the Council finance, is homelessness and housing. Expenditure on the homelessness service is forecast to average £7.4 million per annum from 2020/21, and within this figure an additional £1.2 million per annum is committed to tackle rough sleeping. It is a reflection of the priority attached to tackling the city’s homelessness crisis that these budgets represent such a large part of the average Net Budget of approximately £23 million per annum over the four year period.

In the City Council’s Budget from 2020/21 to 2023/24, £136 million of investment in new council housing is envisaged, and a further £75 million of investment in new housing will be undertaken by Oxford City Housing, the wholly-owned City Council housing company, but this will still leave a considerable amount of investment to be made to keep pace with housing demand after 2023/24.

# As this report has noted in previous years, the homeless budget will be very challenging going forward. The City Council prudently built up a reserve to cover spending on homelessness in future years, but this reserve will be virtually exhausted by the end of the current four year plan, unless Central Government and the County Council resume their previous levels of funding. We must hope, therefore, that the promised end to austerity benefits the City as it should.

**Councillor James Fry, Chair of the Budget Review Group**