

## Council 17 February 2021 Item 10

### Liberal Democrat Group Budget Amendment 2021/25: Explanatory Notes

Liberal Democrat City Councillors are committed to working for the success of our unique cosmopolitan city for the benefit of its UK and EU residents, its universities, its industry and commerce, and in particular for the marginalised and overlooked members of our community.

On 9 February the Conservative County administration, supported by Labour, voted against an additional increase of 2% in council tax, which would specifically have been used to fund adult social care for the elderly and vulnerable.

In the City, we will not make cuts to our front-line services.

We are concerned that the following should be monitored monthly and the results made available at a mid-term high-risk financial review: ICT contract management; Fusion Leisure accounts and building repair estimates; Floyds Row – contributions from Districts; the Oxford Model companies: ODS Ltd, ODST Ltd, OCH Ltd – with revised estimates for interest and dividend payments; an unpaid revenues update – council tax, rent arrears, business rents and rates.

In our last Budget Amendment we raised concern about a significant increase in new borrowing to fund large commercial property and capital investments. We were certain that Brexit would be very challenging but at that point the Pandemic hadn't hit us. We are now in uncharted waters on both fronts and are seeking to manage a high-risk situation with many unknowables.

It would therefore be fiscally prudent to:

- Reverse the £20m on property purchase, given the uncertainty of the property market and the fact that PWLB loans are now limited to housing purchase and regeneration, and cannot be used for the purchase of investment properties, primarily for yield.
- Set up a full Budget Review in early September 2021.
- Pause the investment in East Oxford Community Centre until that Review, when the hope is that it can go ahead.
- Not proceed with the renovation of Standingford House, St Clements, despite the loss of the LEP grant, since no business case for office space has been established.

#### Revenue

We have reluctantly made savings, which will result in a healthy surplus for each of the 4 years of the MTFP. None of these will affect front line services.

This has enabled us to provide support to Experience Oxfordshire, which has already lost its Broad Street Visitor Information Centre. We need the professionalism of EO to manage the return of the 7.5 million tourists a year we welcomed pre-pandemic.

We want the first bulky waste collection to be free – this collection fee is a regressive tax and impacts most on those least able to afford it.

We would seek to employ an additional planning enforcement officer, at a time when development is proceeding apace as a result of this Government’s planning rule relaxation.

### **HRA**

With the exception of the £2.5 million retro fit funded from revenue there are no further proposed changes to the HRA.

### **Capital**

We are proposing the removal of £20m, the sum which the administration seeks to use towards property purchase and regeneration over the MTFP. We consider an investment in property purchase to be high risk and requiring more certainty about the local and national economy than is available at this time. We intend to put the smaller sum of £7.5m towards the regeneration of unused and underused property in the ownership of the city council for social rent, financed by PWLB lending at the new low rates and in accordance with its new rules.

We will put £2.5m towards a pilot retrofit scheme for a small number of Council houses, to provide evidence in support of an application for Government retrofit funding on council property.

We will invest £15m in sustainable green investment projects which we anticipate will generate a return of 3%.

### **Conclusion**

These Amendments take into account the issues raised by the Budget Review Group, in particular their revised recommendations 7,8 and 9, and represent our response to the various challenges posed by Brexit, Covid and Climate Change.

We commend these Amendments to the Full Council meeting on 17 February 2021