

## Budget Council: 16 February 2022

### Liberal Democrat Group Budget Amendment 2022/2026 – Explanatory Notes

(Draft 3)

#### Background

- We are committed to securing a sustainable future for our unique city – as a great place for all our residents to grow up and flourish and be able to find homes and employment. We commit ourselves to the support of the homeless, the marginalised and the 29% of our children who currently live below the poverty level.
- We are committed to working with the Fair Deal Alliance (Liberal Democrats, Labour and Greens) to ensure that the policies of Oxfordshire County Council and Oxford City Council are aligned.
- We are aware that the City Council is still suffering heavy losses from COVID, including an expected £3.7m reduction in the £12m commercial rent income pre-COVID. Similarly, business rates payments are substantially down. The administration budget seeks to draw on 50% of its £22m earmarked reserves in the 22/23 financial year but could not prudently reduce its reserves any further.
- The Housing Revenue Account is in a stronger position than the General Fund but, from 25/26, no big schemes are planned. This recognises the risks of needing to service loans for the purchase of council homes, which is moving towards a peak debt figure of £600m.
- We are therefore exercising extreme prudence in the spending proposals we are putting forward. In particular we note that much available funding arising since the budget for consultation has been allocated towards transformation: we accept that this allocation is necessary in the expectation that this investment will result in substantial savings over the four years of the Mid Term Financial Plan.

#### Concerns and Recommended Monitoring

- We are concerned that the following should be monitored monthly and the results made available at a mid-term high-risk financial review:
  - Fusion Leisure: accounts and building repairs estimates.
  - Provision for Homelessness: contributions from County and districts.
  - Floyds Row building: cost of reconfiguring for homeless accommodation post-covid
  - The Oxford Model companies (ODSL, ODSTL, OCHL): revised estimates for interest and dividend payments.
  - Unpaid Revenues update: council tax, rent arrears, business rents and rates.
- OCHL has proposed payment of dividends to the Council of £12m over the MTFP, but this is not expected to commence until 2023/24.
- ODS has proposed secure dividends of £4.805m and potential dividends of £12.388m over the MTFP, but no dividend has been paid by ODS since 2018/19.
- Reliance on income streams puts us at risk and is a strategy which has left us ineligible for government support. The level of risk will not disappear post-COVID, as similar risk could arise from recessions and other events causing a significant downturn in economic activity.

### **Proposed Savings**

- To raise money we have introduced a 20p increase in car parking charges in the city centre. This builds on an increase in the Administration's Budget and is in line with the City's ambition to move towards a city centre zero emission zone.
- We have also cut the special responsibility allowance for a second deputy leader. There is no similar post at many other comparable councils, or at our own Oxfordshire County Council.
- We propose that council elections be held only every four years, providing a substantial saving to the City.
- We will not proceed with the appointment of two additional officers in the Law & Governance and Communications teams: while we recognise that extra staff would be desirable, COVID and post-COVID effects will continue to deplete our income streams and it is vital we put this money to work in directly public-facing roles wherever possible.

### **Proposed New Expenditure**

Given these savings, we propose to:

- Restore the Advice Centre Development fund. We recognise and applaud the administration's correct decision to partly walk back their planned cut to advice service funding, and here seek to fully restore the remainder of that cut. In a time of severe financial difficulty for our residents, we believe a cogent case has been made by the City's advice centres as to their civic value.
- Appoint an additional Community Response officer, supporting communities by providing early intervention in antisocial behaviour issues.
- Reinstatement of a grant to Experience Oxfordshire at a time when the City urgently needs a revival of its tourism industry.
- Restore the Green Flag Scheme for the City's parks: this holds our green spaces to the highest standards of environmental management, supports the professionalism of the ODS Parks Dept and facilitates other external funding.

These Amendments take into account the issues raised by the Budget Review Group and represent our prudent response to the challenges posed by Brexit, Covid, Climate Change and the Government's choice of trajectory.