

Minutes of a meeting of the Cabinet on Wednesday 8 February 2023

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Committee members present:

Councillor Brown	Councillor Turner
Councillor Aziz	Councillor Chapman
Councillor Hollingsworth	Councillor Munkonge
Councillor Railton	Councillor Linda Smith
Councillor Upton	Councillor Walcott

Officers present for all or part of the meeting:

Tom Bridgman, Executive Director (Development)
Stephen Gabriel, Executive Director (Communities and People)
Emma Gubbins, Senior Estates Surveyor
Sarah Harrison, Team Leader (Planning Policy)
Tom Hook, Executive Director (Corporate Resources)
Nigel Kennedy, Head of Financial Services
Emma Lund, Committee and Member Services Officer
Ted Maxwell, Regeneration Manager
Nerys Parry, Head of Housing
Susan Sale, Monitoring Officer and Head of Law & Governance
Paul Wilding, Rough Sleeping & Single Homeless Manager
Rachel Williams, Principal Planner

Also present:

Councillor James Fry, Chair of the Budget Review Group
Councillor Dr Christopher Smowton, Chair of Scrutiny

Apologies:

None.

109. Addresses and Questions by Members of the Public

None.

110. Councillor Addresses on any item for decision on the Cabinet agenda

None.

111. Councillor Addresses on Neighbourhood Issues

None.

112. Items raised by Cabinet Members

None.

113. Scrutiny reports

Councillor James Fry, Chair of the Budget Review Group, presented the report of the Group and summarised its recommendations, some of which had already been incorporated into the revised budget proposals.

The Group's recommendations had included that the Council should provide an up-to-date, confidential explanation for Members of the options available to achieve the savings that would arise from ODS depot consolidation.

The Covered Market was a substantial capital budget item; the Group had therefore recommended that the Council should update its estimates during the period of the Medium Term Financial Plan (MTFP) to take account of slippage in plans to fill the empty units and to start evening openings with music.

The Group had discussed use of the windfall gains arising from the deferral of the Fairer Funding Review, and proposed that the Council should not commit these for spending which would be recurring. The Group had also recommended that the Council should mitigate the pressure on residents arising from the current financial and economic circumstances, and provide additional information on funding schemes available to help.

The Group had recommended that the Council should re-assess the assumptions being made about bad debt provision relating to commercial property; and considered that it should diversify its investment portfolio away from commercial property towards the regeneration of Council-owned properties which are eligible for Public Works Loan Board funding, and consider other types of investments and assets.

Finally, it was recommended that the Council should re-evaluate its assumptions around reduction in the use of the park and rides as a result of changes in charges, and that a sensitivity analysis of the net revenues to the Council from the operation of the current Zero Emission Zone and its proposed expansion during the period of the MTFP should be provided, in order to justify current assumptions.

Councillor Ed Turner, Cabinet Member for Finance and Asset Management, thanked the Review Group for its work and the timely production of its recommendations. Responding to some of the points raised, Councillor Turner reported that he intended to progress the recommendation relating to the ODS depot consolidation briefing through the Shareholder and Joint Venture Group, facilitating the involvement of scrutiny colleagues in that process. A newly-appointed officer was currently looking at commercial property income, and the tracking and pursuit of arrears. All of the recommendations of the Group were accepted, either in full or in part.

Councillor Chris Snowton, Chair of the Scrutiny Committee, presented the recommendations of the Scrutiny Committee arising from its meeting on 1 February.

One recommendation had been made in relation to Implementing the Covered Market Masterplan. This related to considering the provision of gender neutral lavatories, and had been accepted.

Scrutiny Committee had also considered the disciplinary policy. A recommendation had been made, and accepted, which related to improving clarity around the role of elected Members in appeals by officers against dismissal. The amendment recommended by scrutiny had been incorporated into the policy prior to its consideration and agreement by Council on 30 January.

Finally, Scrutiny Committee had also considered the Oxford Local Plan 2040 Focused Consultation on Housing Need. No formal recommendations had been made, but an informative and interesting discussion had taken place.

114. Medium Term Financial Strategy 2024/25 to 2026/27 and 2023/24 Budget

The Head of Financial Services had submitted a report to present the outcome of the budget consultation and agree the Council's Medium Term Financial Strategy for 2024-25 to 2026-27 and 2023-24 Budget for recommendation to Council.

Councillor Ed Turner, Cabinet Member for Finance and Asset Management introduced the report, and highlighted changes which had been made since the consultation budget. This included a one-off improvement in the Council's financial position arising from the local government finance settlement. However the decision to exclude leisure centres from the Government's energy support package was unhelpful to district councils. The settlement had also included Revenue Support Grant in replacement for the Housing Benefit Administration Grant. This was likely to be lost in next year's settlement, although the work of administering Housing Benefit would remain. However, the benefit provided by the Revenue Support Grant in this year was helpful in terms of reducing the need to draw down from reserves.

Other changes had related to measures to improve the recruitment and retention of staff through the payment of market supplements, which would help to avoid the need for locum staff at a higher cost. There were some new health and safety obligations which needed to be met, and funding had been extended for youth services.

More widely, the budget contained a focus on housing, with 942 new Council homes to be delivered over the next four years, representing a 10% increase in housing stock; significant support for homeless organisations; and a new Council Tax support fund. Councillor Turner noted that in the present financial and economic environment, contributions from the Finance and Performance Panel, the Audit and Governance Committee, and Cabinet in terms of ongoing monitoring of the budget would be important.

The Head of Financial Services highlighted that the Council's companies, which now contributed a substantial amount of income to the MTFP, were susceptible to volatility, and other areas such as commercial rents and other income streams may also be adversely affected in the current financial climate. Uncertainty around Fairer Funding also remained. However, the additional contribution of £600,000 back into reserves, as compared to the proposals contained in the consultation budget, was very welcome in order to maintain the financial resilience of the Council.

The Chair thanked officers and the Cabinet Member for Finance and Asset Management for delivering a balanced budget in a difficult financial environment which would enable continued delivery of the Council's priorities.

It was noted that there were some typographical errors in the report which required correction: in particular, the title of table 9 should read 'Oxford Direct Services Revenue 2021-22 to 2025-26'.

Cabinet resolved to:

1. **Approve** the 2023-24 General Fund and Housing Revenue Account budgets 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 £24.793 million for 2023/24 and an increase in the Band D Council Tax of 2.99% or £9.76 per annum representing a Band D Council Tax of £336.31 per annum;
 - b) the Housing Revenue Account budget for 2023/24 of £51.572 million and an increase of 7% (£7.51 per week) in social dwelling rents from 1 April 2023 giving a revised weekly average social rent of £114.73 as set out in Appendix 5;
 - c) shared ownership dwellings are increased in line with those of other social rents as discussed in paragraph 39;
 - d) 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 Deputy Leader (Statutory) - Finance and Asset Management, 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 20-22 of the report;
4. **Approve** the payment into the County Council Pension Fund of £5 million in 2023-24 as referred to in paragraph 28 of the report;
5. **Implement** the changes to Council Tax charges in respect of second homes and properties empty for more than one year as referred to in paragraphs 23-25 from 1st April 2024 when the Levelling Up and Regeneration Bill is enacted; and
6. **Note** the application of the Council Tax Support Fund allocation as referred to in paragraphs 11-14 of the report.

115. Capital Strategy 2023/24 to 2026/27

The Head of Financial Services had submitted a report to present the Capital Strategy 2023-24 to 2026-27 for approval.

Councillor Ed Turner, Cabinet Member for Finance and Asset Management, introduced the report and strategy, which set out the processes which would govern the capital programme over the period in order to provide a robust framework for the delivery of capital projects.

Cabinet resolved to:

1. **Recommend to Council** the approval of the Capital Strategy attached at Appendix A.

116. Treasury Management Strategy 2023/24

The Head of Financial Services had submitted a report to present the Council's Treasury Management Strategy for 2023-24 together with the Prudential Indicators for 2023-24 to 2026-27.

Councillor Ed Turner, Cabinet Member for Finance and Asset Management, introduced the report and strategy, and highlighted that the strategy involved a judgement as to how the Council's money was invested, and the balance between risk and reward. It also required choices to be made about the impact of the Council's investments on the wider world. The ethical investment policy was set out at paragraph 77; a new Environmental, Social and Governance policy had also been added (Appendix 3). In treasury matters the Council was obliged to deliver a financial return wherever possible; however, investing sustainably could often be the right choice financially, and so the Council also needed to be mindful of ESG indicators. This was an area which was expected to develop positively over time.

The Head of Financial Services drew attention to his duty under professional codes of practice to undertake investments on SLY principles (Security, Liquidity and Yield), as set out in the report.

It was noted that recommendation 2 of the report required correction to read 'The Borrowing Strategy 2023/24 at paragraphs 52 to 54 of this report'.

Cabinet resolved to:

Recommend that Council approves:

1. The Treasury Management Strategy 2023/24 as set out in paragraphs 29 to 78 of the report and the Prudential Indicators for 2023/24 – 2026/27 as set out in Appendix 2;
2. The Borrowing Strategy 2023/24 at paragraphs 52 to 54 of the report;
3. The Minimum Revenue Provision (MRP) Statement at paragraphs 55 to 57 which sets out the Council's policy on charging borrowing to the revenue account;
4. The Investment Strategy for 2023/24 and the investment criteria as set out in paragraphs 58 to 77 of the report and in Appendix 1; and
5. The Treasury Management Scheme of Delegation at Appendix 4.

117. Implementing the Covered Market Masterplan

The Executive Director (Development) had submitted a report to seek approval to fund and enter into contracts for the detailed design works, planning, and construction of major improvements to the Covered Market in line with the recently completed masterplan.

In presenting the report the Leader and Cabinet Member for Inclusive Economy and Partnerships, Councillor Susan Brown, thanked officers for developing the masterplan, highlighting that it offered an exciting opportunity to ensure that the Covered Market continued to flourish and be a lively place in which people could shop and spend their leisure time. The proposals had involved a wide consultation with traders, residents, key stakeholders, and experts in markets, and the result was a robust masterplan which would allow investment to be made in the market to support its development. Proposed improvements, as set out in the report, included a performance space and a

shared eating space. The masterplan also referenced the leasing strategy; improving the entrances to the market; and making it more accessible and visible.

The Regeneration Manager thanked all those who had taken part in the consultation, highlighting that their challenges and contributions had been very helpful in improving and refining the masterplan. Responses received since publication of the Cabinet report had been largely positive, with many supportive phone calls and emails received, including from tenants of the market and stakeholders. It was also noted that the Oxford Preservation Trust had written to Cabinet Members to encourage them to approve the officer recommendations.

It was noted that the Council was not the sole owner of the site, and partnership working would be required for delivery of the masterplan. In response to the potential for delays which might be caused due to the involvement of other parties, officers responded that this would be managed so that delay in one area of the project could be compensated by progress in another.

Cabinet resolved to:

1. **Approve** the Covered Market Masterplan and concept proposals;
2. **Delegate authority** to the Executive Director (Development), in consultation with the Council's Section 151 Officer, the Head of Law and Governance, and the Cabinet Members for Inclusive Economy and Partnerships, Finance and Asset Management, and Planning and Housing Delivery, to finalise the scope of works, undertake the necessary procurements, and enter into all contracts for the detailed design, construction works, and all associated professional services, for the regeneration of the Covered Market within the agreed budget;
3. **Subject to Council approval of the Budget, authorise** to spend a capital budget of £6.87m starting in 2023-2024, to deliver the project. (The recommendation to Council to create this budget is part of the Budget report, elsewhere on this agenda); and
4. **Approve** the payback of previously spent feasibility funding (£167,000) into the feasibility budget.

118. Allocation of Preventing Homelessness Grant 2023-24

The Executive Director (Communities and People) had submitted a report to approve the allocation of Preventing Homelessness Funds to commission homelessness services in 2023-24.

Councillor Linda Smith, Cabinet Member for Housing, presented the annual report, which set out how £1.67m was to be spent in order to prevent homelessness. Since April last year most services were now being provided at a county-wide level, in partnership with the District Councils and the Integrated Care Service, in order to provide a more cost effective and joined up service. Most of the funds outlined in the report therefore comprised the Council's contribution towards this county-wide alliance, which provided 236 beds across Oxfordshire. A further 105 beds were still being commissioned directly by the City Council for use by city residents, meaning that a total of 341 beds in supported accommodation were available to Oxford residents.

Councillor Smith highlighted that funding for a number of key organisations was being maintained at the same level as last year. Access to leisure services for those in

supported accommodation was also included, which demonstrated different parts of the Council working together to achieve the Council's priorities.

Councillor Smith also highlighted the lack of Lead Member involvement in the countywide alliance, and it was agreed that ways in which this could be addressed should be investigated.

Cabinet resolved to:

1. **Approve** the allocation of Preventing Homelessness funds to commission homelessness services in 2023/24 as outlined in paragraphs 18 to 20 and in Appendix 2 of the report;
2. **Approve** the requested carry forward of the underspend in the 22/23 budget of £41,164; and
3. **Delegate** to the Executive Director (Communities and People), in consultation with the Cabinet Member for Housing, the discretion to revise the intended programme within the overall budget if required.

119. Oxford Local Plan 2040 Focused Consultation on Housing Need

The Executive Director (Development) had submitted a report to seek approval for the Oxford Local Plan 2040 Housing Need Consultation Document (Regulation 18 Part 2) for consultation.

Councillor Alex Hollingsworth, Cabinet Member for Planning and Housing Delivery reported that the Housing Needs consultation was a critical piece of the Local Plan evidence base. The Housing and Economic Needs Assessment had been commissioned jointly with Cherwell District Council following the cessation of the Oxfordshire 2050 Plan workstream. It considered four scenarios for assessing housing need across the whole of Oxfordshire: the Standard Method, Census-adjusted Standard Method, Economic Development Led, and Cambridge Econometrics Baseline Trend. In consultation with Cherwell District Council it was proposed to use the Cambridge Econometrics Baseline Trend to assess housing need. Once the housing need figure for Oxfordshire had been established, a method to divide this amongst the districts would be needed, and the proposed method was to apportion the need based on the forecast distribution of jobs across Oxfordshire in 2040 (the end of the proposed local plan period). This formed the basis on which the consultation would be undertaken.

Cabinet resolved to:

1. **Approve** the Oxford Local Plan 2040 Housing Numbers Consultation Document (Regulation 18 part 2) for public consultation;
2. **Approve** the associated update to the Oxford Local Development Scheme 2023-28; and
3. **Delegate authority** to the Head of Planning Services, in consultation with the Cabinet Member for Planning and Housing Delivery, to make any necessary editorial corrections to the documents and the supporting evidence base prior to going out to consultation.

120. Additional Loan Finance for Oxford West End Developments (OxWED LLP)

The Executive Director (Development) had submitted a report to seek a budget to allow the City Council to lend OxWED up to £750,000 to support continuing work on the Oxpens project, and in particular preparing (and subject to LLP Member approval and planning permission) implementing the Delivery Strategy for the Oxpens development.

Councillor Ed Turner, Cabinet Member for Finance and Asset Management, clarified that OxWED was jointly financed by the Council and its partner, Nuffield College. The Council lent money to OxWED for a return which would be repaid from the development. The money was being lent in stages rather than all at once, and Cabinet was therefore asked to consider recommending that Council make provision within its capital budget of £750,000 to finance a loan to OxWED towards the delivery of the development. A proposal for a further £3.1m to be added to the capital programme from 2023/24 to cover the delivery of future enabling works and additional land assembly work was included in the budget: this would be the subject of a separate report to Cabinet later in the year.

Councillor Turner cautioned that failure to approve the budget provision for the loan would result either in an unbalanced partnership arrangement with its partner Nuffield College, or a need for the site to be delivered in a very different way.

In response to a point that the economic climate had changed significantly since OxWED was established in 2016, and a question as to whether the business case remained viable, it was noted that the planning application retained flexibility for a variety of different uses and delivery timescales. The mix of uses on the site which would have been most profitable in 2016 was not the same as it was today, nor the same as it would be in two years' time. The production of the delivery strategy would provide the most up to date information as to whether the business case remained sound, and would provide the shareholder with options in relation to the various risks and rewards of the project.

Cabinet resolved to:

1. **Recommend to Council** that it includes £750,000 in its capital budget to allow the City Council to loan these funds to OXWED to continue work on the Oxpens project in accordance with the LLP Members agreement, and in particular preparation and (if planning permission is granted) implementation of the Delivery Strategy; and
2. **Delegate authority** to the Head of Financial Services / S151 Officer in consultation with the Deputy Leader (Statutory) – Finance and Asset Management to agree terms and draw down the up to £750,000 loan to OxWED.

121. Minutes

Cabinet resolved to approve the minutes of the meeting held on Wednesday 14 December 2022 as a true and accurate record.

122. Dates of Future Meetings

15 March 2023

19 April 2023

14 June 2023

12 July 2023

9 August 2023

13 September 2023

All meetings start at 6pm.

The meeting started at 6.00 pm and ended at 7.18 pm

Chair

Date: Wednesday 15 March 2023

When decisions take effect:

Cabinet: after the call-in and review period has expired

Planning Committees: after the call-in and review period has expired and the formal decision notice is issued

All other committees: immediately.

Details are in the Council's Constitution.

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