www.oxford.gov.uk

OXFORD CITY COUNCIL

Scrutiny Budget Review 2024/25

Report of the Budget Review Group 2024/25

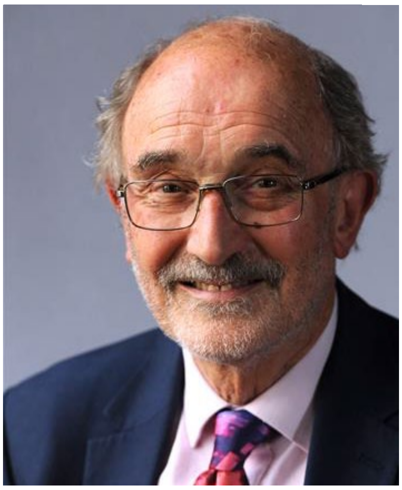
Commissioned by Oxford City Council's Scrutiny Committee

February 2024

Contents

Click the hyperlinks below to go to the relevant section

Foreword by the Chair of the Budget Review Group



Economics is all about constrained optimisation. This year, more than ever, the City Council is confronted by the dreadful constraints created by HM Treasury over our ability to raise income at a time when our expenditure on statutory obligations, such as Temporary Accommodation, are on the rise.

In line with the national picture, the Council is experiencing soaring demand for services as a result of macro-economic factors outside our control and a raft of new requirements and statutory obligations imposed by Central Government, all of which require more resources.

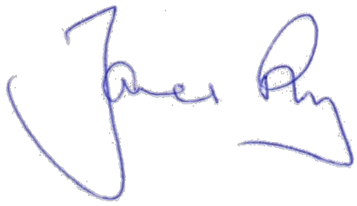
The Government's Autumn Statement did little to increase local authorities' core spending power. Therefore, the Council must continue doing all it can to reduce costs, drive efficiencies and generate income to safeguard the delivery of vital services for residents.

The Oxford Model plays a vital role in generating income via dividends from the Council's wholly-owned companies, but tough market conditions and increased inflation have reduced forecasts of the dividends to be paid to the Council over the Medium Term Financial Plan period.

The Council and its officers have managed to construct a balanced budget which keeps us solvent, unlike a growing number of local authorities nationally. The financial position for the Council is by no means ideal but we are fortunate not to be in the same position as those local authorities issuing, or at imminent risk of issuing, Section 114 Notices (a form of bankruptcy).

Oxford is a hub for knowledge and innovation; it is home to a wide variety of businesses which pay Business Rates to the Council of over £110 million per year. However, Government funding rules only permit us to retain 9% of that income. We, as the Council, continue to push for urgent Government reforms to the way in which local authorities are funded, to provide certainty in how we deliver services.

As a Budget Review Group, we recognise the complex challenges faced by the Council. We make recommendations that challenge assumptions while meeting the Council's requirement to set a balanced budget. I would like to thank Panel Members and our superb team of officers for their contributions to the review process and am pleased to present the report and recommendations of the Budget Review Group 2024/25.



Councillor James Fry, Chair of the Budget Review Group 2024/25

Chapter 1: Introduction

1. The role of Oxford City Council's Scrutiny Committee is similar to the role of UK Parliamentary Select Committees. Scrutiny is led by a cross-party membership of councillors who are not on the Cabinet (the main Council decision-making body) and is empowered to question Council decision-makers and make recommendations to them about policy decisions. Scrutiny can also investigate any issue that affects the local area or its residents, whether or not it is the direct responsibility of the Council. It has a duty under the Council's Constitution to consider the Cabinet's draft budget proposals before they are put to Council for final endorsement.

2. The Scrutiny Committee established the Budget Review Group on 07 June 2023 and agreed its scope (or terms of reference) on 05 September 2023. Its membership was agreed to be the same as that of the Finance and Performance Scrutiny Panel, with additional contributions made by the Housing and Homelessness Panel regarding scrutiny of the Housing budget. The Budget Review Group was scheduled to meet in January 2024 to scrutinise the Draft Budget and Medium Term Financial Strategy (MTFS) as approved for consultation by the Cabinet on 13 December 2023, and to test the robustness of the underlying assumptions used in the proposals. Following changes to the political composition of the Council, the membership of the Finance and Performance Panel, and thus the Budget Review Group, was amended by the Scrutiny Committee on 04 December 2023 and expanded from a membership of four members to six.

3. The Council has a statutory duty each year to agree a balanced budget (Local Government Finance Act 1992) – which usually takes place in February. This report of Scrutiny is intended to provide a considered second opinion on the budget proposals with constructive recommendations and suggestions for changes.

4. Having an effective budget scrutiny function is considered a cornerstone of good governance, allowing a cross-section of councillors to ask challenging questions about the budget for various services that the Council delivers, as well as the wider financial context within which the Council operates. In addition to the detailed Budget Review Group process, the Finance and Performance Panel leads its own work plan year-round to review and evaluate spending against the budget. At least five meetings of the Finance and Performance Panel are scheduled each year. To date, this year, meetings have been held remotely via Zoom. Meetings and agendas continue to be open to the public.

5. The Budget Review Group has a cross-party membership comprising the following City Councillors:

    - Councillor James Fry (Chair)
    - Councillor Tiago Corais
    - Councillor Dr Hosnieh Djafari-Marbini
    - Councillor Chris Jarvis
    - Councillor Dr Amar Latif
    - Councillor Dr Christopher Smowton

Housing and Homelessness Panel members are as follows:

- Councillor Lizzy Diggins (Chair)
- Councillor Shaista Aziz
- Councillor Mary Clarkson
- Councillor Paula Dunne
- Councillor Rosie Rawle
- Councillor Jo Sandelson

6. This report is written with two audiences in mind. It is directed to the Council's executive body, the Cabinet, which agrees the draft budget and recommends it to Council for approval. Here, the Budget Review Group gives concrete recommendations of actions it would like to see done differently, with a rationale for making those changes. In addition, this report is written for the public, to assure them that independent testing of the budget proposals has occurred, that public money is not being put at undue risk and that it is being allocated wisely.

7. This report draws out the main discussion points and key recommendations which emerged from scrutiny relating to key proposals and themes across all service areas during the budget review process and is not intended to act as a comprehensive review of all aspects of the budget. The report will be presented to the Council's Scrutiny Committee for endorsement on 06 February 2024, and subsequently to the Cabinet and Full Council on 07 and 21 February 2024 respectively.

8. The Review Group would like to place on record its thanks to everyone who contributed to the review, which has enabled the recommendations in this report to be made. Particular thanks go to Nigel Kennedy, Head of Financial Services for his work in preparing the Budget and attending each of the Review Group's meetings; and to Alice Courtney in her role as Scrutiny Officer, keeping a full record of the meetings and drafting the report. The Review Group could not have fulfilled its role without their invaluable contributions.

Chapter 2: Methodology

9. The Review Group's work involved a total of four meetings which were all held in January 2024. The aim of this work was to provide an independent and cross-party review of the 2024/25 budget proposals to provide assurance concerning the soundness of the budget, and recommendations for improvement and review where necessary. The Review Group used the Cabinet's draft budget proposals from 13 December 2023 as the principal document for scrutiny. Key themes and questions the Review Group sought to explore included:

- The progress of financial mitigation strategies arising from COVID-19 and the Council's overall expectation of what the 'new normal' looks like financially.
- The interaction, robustness and financial impact of the financial returns to the Council from Oxford Direct Services and OX Place business plans.
- Specific consideration of the Council's planning regarding macroeconomic factors such as inflation and the cost of living crisis.
- The robustness of plans and risks to the Council's anticipated income streams, particularly relating to parking, commercial property and the Council's companies
- The robustness of the HRA Business Plan.
- Assessment of overall strategy and individual proposals to mitigate lost income and to reduce costs.
- Planned borrowing levels and the impact of the changes arising from Minimum Revenue Provision.
- Levels of contingencies and earmarked reserves.
- Deliverability of the Capital Programme and its relation to previous iterations of the Medium Term Financial Plan.

10. The Review Group's findings and recommendations have been informed by evidence provided by senior officers of the Council across its meetings, as well as extensive written testimony in response to pre-submitted questions from councillors. The responses to the Review Group's pre-submitted questions are included as a confidential Appendix (Appendix B) to this report. Contributors to the review included:

- Richard Adams, Community Safety Service Manager
- Helen Bishop, Head of Business Improvement
- Tom Bridgman, Executive Director (Development)
- Ian Brooke, Head of Community Services
- David Butler, Head of Planning and Regulatory Services
- Caroline Green, Chief Executive
- Emma Gubbins, Corporate Asset Lead
- Tom Hook, Executive Director (Corporate Resources)
- Emma Jackman, Head of Law and Governance
- Nigel Kennedy, Head of Financial Services
- Bill Lewis, Financial Accounting Manager
- Peter Matthew, Executive Director (Communities and People)
- Nerys Parry, Head of Housing Services
- Carolyn Ploszynski, Head of Regeneration and Economy
- Mish Tullar, Head of Corporate Strategy
- Jane Winfield, Head of Corporate Property

Chapter 3: Background and Context

11. The Autumn Statement from Central Government delivered no surprises in terms of funding announcements for local government. In terms of core spending power, local authorities nationally had an average increase of 6.5%; Oxford got roughly a 4% increase which just about reflects inflationary levels but is not deemed enough to cover rising costs.

12. Oxford City Council, similar to local authorities across the country, faces a significant budget challenge. In Summer 2023, when the 2024/25 budget-setting process began, a budget gap of £2-5m per year was forecast in the Medium Term Financial Plan. The increased pressures are as a result of factors such as inflation; significant increases in demand for services in areas such as homelessness and Temporary Accommodation; and additional requirements being placed on the Council by Central Government.

13. Throughout the budget-setting process, teams across the Council have been tasked with putting forward ambitious proposals to fill the funding gap. The budget sets out proposals to use £6.5m of reserves and in some areas, the Council has had to cut back from 2025/26 onwards. Despite the challenges, the Council has a successful track-record of generating income and delivering efficiencies; and a total of £17m worth of income and efficiencies is set out in the budget plans.

14. However, income generation requires resources and adds risk; and delivering efficiencies still requires significant upfront investment. For 2024/25, in order for the Council to get onto a sustainable footing, opportunities will still be maximised – but with recognition that the cost base of the organisation must be reduced. At the same time, staff pay increases are higher than in previous years as a result of high inflation.

15. With resource requirements rising in some areas of the Council in order to fulfil statutory duties, deliver income, or achieve identified savings, consideration must be given to areas of discretionary spend. There is a significant amount of work due to come over the next year in relation to that and current proposals allow the Council the time to undertake detailed reviews in relation to discretionary spend. At all times, the focus is set to remain on reducing costs while minimising impact on residents.

16. In terms of wholly-owned Council companies, the Council is contending with a reduction in dividends. There is a £2m reduction in dividend from OX Place and a reduction of £1m in the anticipated annual dividend from ODS.

17. In previous years, the Council's Housing Revenue Account (HRA) was not the focus of any significant budgetary pressure compared to the General Fund. However, the HRA now faces significant pressure; an external consultant report revealed that if the HRA continues on the same trajectory the Council will be unable to afford all the additional requirements being placed on local authorities by Central Government (e.g. decent homes, carbon retrofit and the requirements of the Regulator of Social Housing). A further deep analysis of HRA finances over the next decade is therefore required in the coming months.

18. The budget currently proposed is balanced, but when considering future pressures on the Council's resources, the Council will need to generate additional revenues in order to deliver against increased demand and additional requirements.

Chapter 4: Findings and Recommendations

Service Area Budgets

Corporate Resources

19. The Corporate Resources directorate comprises the following main areas:

- Law and Governance
- Business Improvement
- Financial Services
- Fit for the Future Change Programme

Law and Governance

20. Law and Governance includes the following areas:

- Committee and Member Services
- Legal Services
- Information Governance
- Elections

21. The main proposed changes within Law and Governance related to:

- Reducing Committee and Member Services by £13k – consideration of how spending is aligned to what the Council is trying to achieve.

- A small investment (£8k) within Elections to cover postage, as a result of increases over the past few years.

- A reduction of £31k following a review of the Council's Civic offer.

Committee Management System Replacement

22. The Review Group queried the £10k pressure set out in line 5 of the Law and Governance pressures included in Appendix 3 to the Budget report, which related to the Modern.Gov replacement. In response to a question about why the Modern.Gov contract could not just be extended, thus removing the pressure, Members were advised that the current contract with Modern.Gov had been extended for the maximum number of years permitted by the contract and therefore the Council was required to go back out to market to re-tender for a committee management system.

Twinning Events

23. In response to questions relating to the proposal set out in line 20 of the Law and Governance service reductions included in Appendix 3 to the Budget report relating to ceasing attendance at and hosting Twinning events twice per year (generating a saving of £3k), the Review Group was advised that the main budget for Twinning sat in Community

Services which was all being retained. This was a small proposed saving within the Committee and Member Services budget.

24. A wider root and branch review of the Council's Civic offer would be undertaken in the coming months. It would consider events attended, hosted and funded; with a view to comparing Oxford's Civic offer with that of other local authorities, asking residents and communities what they would like to see and considering what Oxford's Civic offer should look like going forward.

Business Improvement

25. Business Improvement includes the following areas:

- Customer Services
- ICT
- People Service (HR)

26. Business Improvement was supporting and contributing to a range of corporate-wide and service-based improvements and efficiencies. Key budget proposals in each service area related to:

- **Customer Services** – expected savings in 2025/26 as a result of anticipated reduction in call volume following the introduction of online portals and automation of online forms for Revenues and Benefits customers and Council tenants.

- **ICT** – proposed savings (£340k) in 2024/25 from the new telephony contract; a reduction in the use of Zoom and maximisation of Microsoft 365 applications; and some licence savings. Additional pressures would arise from contract inflation and cyber security improvements which were recommended through audits in the last six months. These would be offset to some extent by proposed additional income from charging OX Place for the ICT services that the company receives.

- **People Service** – the 'invest to save' budget line would be delivered partly in 2024/25, with the balance being delivered in 2025/26, relating to operational change to support the organisation and enhance leadership and development skills across the Council, including improving the potential to automate self-service within the Council's HR system. Aa additional one-off resource was proposed to help facilitate those changes. Proposals to reduce the corporate training budget would reduce the allocation to services for specific training needs and reduce funding for the corporate leadership programme.

Printing Budget

27. The Review Group sought assurance on the level of confidence that savings in relation to the proposed reduction in the printing budget were realisable and deliverable given the reliance of achieving those savings on culture and behaviour change within the organisation. In addition, Members were interested in understanding the Council's previous experience of delivering similar savings which were reliant on behaviour change.

28. In response, the Review Group was advised that all of the Council's printers had codes and there was an ability to identify users who printed large amounts, thus behaviour

change could be targeted in relation to usage. Consideration was also being given to apportioning the printing budget back to individual service areas, as this might encourage service areas to be more careful and use the budget more wisely if they had to manage their own printing budgets.

29. The Review Group was advised that, generally, the Council had a good track record of delivering the savings and efficiencies included in the budget; it was more difficult to drive savings where behaviour change was required when compared with more straightforward budget cuts. However, in relation to the proposed saving in the printing budget, the tools available such as the ability to identify users who printed large amounts and monitor the volume of printing would help deliver the saving – which was not considered unachievable. The reasons why people were printing would also be explored, to understand whether this could be addressed by improving processes or providing training to help ensure the saving was realised.

30. While not directly related to the realisation of savings, the Review Group was reminded that the Council had seen huge behavioural change as a result of the COVID-19 pandemic, which had acted as a catalyst for changes in ways of working. The introduction of Microsoft 365 across the organisation had also resulted in behavioural change as staff had the ability to work and collaborate in different ways; a significant training need around digital had been identified which was being addressed through all-staff training sessions – and there was recognition that this training would need to be linked to the behaviour change required to realise the proposed savings around the reduction of the printing budget.

31. In addition, the Change Agents were proving to be an invaluable resource to the organisation in providing peer-to-peer support to enable cultural and behavioural change.

Cyber Security

32. The Review Group noted the importance of cyber security to the Council and Members suggested that there may be opportunities for income generation if the Council became a leader in cyber security. The Review Group was assured that proper and sustained investment into cyber security would continue to be at the heart of the Council's priorities, as it was an area where the requirements were constantly changing and increasing. There was agreement that it would be positive if the Council could take advantage of appropriate opportunities for income generation if and when the time was right.

Fit for the Future Change Programme

33. The Corporate Change Team had been developed over a two-year period, whereby staff from across the Council had been seconded to a number of roles. To date, the Fit for the Future Change Programme had delivered a range of projects including the Citizen Experience Strategy, improvements to customer processes across the Council, Microsoft 365 migration, the Council's move from St Aldate's Chambers to Oxford Town Hall, delivery of the leadership and development programme and improved recruitment and Equality, Diversity and Inclusion (EDI) processes.

34. A behavioural insight pilot programme had been implemented and a Council-owned ICT prioritisation plan had been established which hosted ICT projects which were in the delivery stage, in the planning stage, or waiting to be scoped. Current ICT projects being worked on included the new Council website, automation of Member complaints and

corporate comments and complaints, the pay and grading review and a new housing application form.

35. The key budget proposal within the Fit for the Future Change Programme was for a scaled-down version of the current Change Team to be made permanent. The proposal was for the permanent Change Team to align with the existing Programme Management Office to aid resilience, which was a recommendation from the recent Local Government Association Corporate Peer Review undertaken in July 2023.

<u>Reversals of Investment in the Change Programme</u>

36. In response to questions regarding the reason for reversals of investment in the change programme set out at line 6 of the Business Improvement proposals included in Appendix 3 to the Budget report, the Review Group was advised that there was still lots of work to do in respect of the change programme, however various projects had been embedded and project prioritisation had enabled optimisation of capacity to ensure a focus on delivering the most important activities. In addition, as the change programme had advanced processes had become slicker, improvements such as report automation had helped with capacity and the Council's cohort of Change Agents from across the organisation were supporting various improvements.

<u>ICT Capital Budget</u>

37. The Review Group noted that a significant proportion of the ICT Capital budget from the past year was unspent; the rationale for the underspend was resourcing difficulties – in particular a number of vacancies within the ICT Team. Members wanted to understand the position in terms of delivering the ICT parts of the change programme and were informed that there were vacancies within the ICT Team which were currently being worked through. The Infrastructure Manager post had been appointed to just before Christmas and there was one other vacancy which officers were looking to fill.

38. In relation to the Capital Programme, the budget submissions ensured adequate resource allocation for those particular projects. The introduction of the ICT project prioritisation plan had ensured a focus on any interdependencies, the order of events and wise use of resources which would be reflected in the delivery of the ICT aspects of the Capital Programme. There was a focus on maximising existing resource while being cautious about allocation of those resources to ensure clarity around what needed to be delivered.

<u>Financial Services</u>

39. Key pressures within Financial Services included:

- Valuation of property (for OX Place, Housing Revenue Account (HRA) and General Fund properties) for the statement of accounts (£175k).
- Implementation of the Civica system (£60k).
- Inability to achieve some of the Procurement savings in the current financial climate - £38k savings were achieved on new procurements against a £100k target (£62k).

40. Financial Services was driving a large programme of operational changes, particularly in Revenues and Benefits by the introduction of Robotic Process Automation which was reducing the amount of staff resource required in that area. Two posts were released in the 2022/23 financial year, with another three and a half posts due to be released over the period of the proposed Medium Term Financial Plan once the robotics were operational. Robotic Process Automation was also being explored for the Payments Team.

41. One of the main budget proposals within Financial Services was to move from 100% funding for Council Tax Reduction Scheme claimants to 85% funding from 01 April 2025. Oxford City Council was one of few local authorities to retain 100% funding for its Council Tax Reduction Scheme, which cost the Council a significant amount. Moving to 85% funding for the Council Tax Reduction Scheme would generate a £146k saving net of £70k collection costs (£216k saving overall).

External Audit Fees

42. In response to questions, the Review Group noted that external audit fees would increase by £146k per year, up to £227k per year, which the Council would need to take account of. The fees would apply from the 2023/24 audit and therefore those figures were already accounted for in the proposed budget. This was a pressure that the local government sector as a whole was having to sustain.

43. The external audit fees were not subject to a triennial fixing of rates, therefore the external audit fees could increase next year if the auditors could convince Public Sector Audit Appointments (PSAA) that they required some additional fees. The auditors had successfully done so in respect of Oxford City Council on the last couple of occasions, mainly due to the complexity of the Council's accounts. The Review Group was assured that the base figure for external audit fees should stay the same for the most part for the next five years. The Council did not have any influence on the external audit fees, as it was not the Council's contract.

Pay Assumptions

44. The Review Group was informed that the proposed pay award was accounted for in the budget. Some grade inflation (e.g. market supplements) for difficult-to-recruit posts had been allowed for in the budget projections, but work had not yet concluded.

Council Tax Reduction Scheme

45. In response to questions on the Council Tax Reduction Scheme, the Review Group noted that a 5% discount equated to savings to the Council of approximately £97k (gross) – this figure was not net of collection costs.

46. During discussion on the proposed Council Tax Reduction Scheme claimant funding reduction from 100% to 85%, the Review Group suggested that the budget should avoid predetermining where savings in relation to the Council Tax Reduction Scheme ought to fall – instead being shown as a savings target (e.g. 7-8%) for the Council. This would mean that instead of aiming to recover the saving at the 100% discount band (by reducing the discount to 85%), the saving could be recovered via other means, for example by evenly distributing an equal percentage point reduction in discount across all four bands (e.g. 100% reduction becomes 95%, 75% becomes 70%, 50% becomes 45% and 25%

becomes 20%), or distributing it across the 25%, 50% and 75% bands while retaining the 100% band (e.g. bands become 100%, 65%, 40% and 15%) - which would distribute the impact differently. The latter approach would also avoid additional collection costs as the residents within the other three Council Tax Reduction Scheme bands already paid Council Tax, though the Council may possibly incur a small rise in debt collection costs if some residents refused to pay their Council Tax bill. The Review Group noted that there was a constraint around non-working age claimants, as that Council Tax Reduction Scheme was separate and set nationally by regulations; the scheme could not be changed locally in respect of residents who were non-working age.

47. The Review Group was advised that any changes to funding within the Council Tax Reduction Scheme could not be implemented yet, as they were required to be the subject of a detailed public consultation. When the proposals went out to consultation, the Council was able to set out a range of methods – one of which could set out the Review Group's suggestion.

Recommendation 1: That the Council sets out the net savings it is aiming to achieve in respect of the Council Tax Reduction Scheme from 01 April 2025 onwards, then models several alternate scenarios as to how those savings might be achieved and consults, without expressing the Council's preference on which, if any, of these alternate scenarios should be pursued when the Council Tax Reduction Scheme goes out to public consultation.

Strategic Review of Services Provided by ODS

48. In relation to the proposed strategic review of services provided by Oxford Direct Services (ODS), the Review Group queried whether reductions in the cost of services could be done in a graduated way, such as by charging corporate customers (e.g. universities) a higher fee for services than the fee charged to the Council for the same types of services. The Review Group was advised that ODS was mainly charging for services such as waste, recycling and building works; the fees charged for those services were determined by the market. The short answer was that ODS could charge more, but work was underway to review efficiencies and savings within the services provided to Oxford City Council.

49. It was clarified that, as a Teckal company, ODS was made up of two parts. The 'Teckal' part delivered services to the Council at cost without competition; the second 'trading arm' part was where ODS worked to win contracts from non-Council organisations, such as the universities, and for that part ODS needed to ensure that it was competitive within the market in relation to fees.

50. In terms of the intended approach towards the strategic review, the Council currently paid approximately £25m for services delivered by ODS which was a large chunk of the Council's expenditure. Given the proposed reviews of service delivery in other areas, such as Community Services, it seemed remiss to not apply the same principles around exploring savings and efficiencies to services provided to the Council by ODS. Initial focus would be on the largest areas of Council spend with ODS, examining the available options and respecifying services, utilising new technology and new ways of working as appropriate. It was felt that the savings target was achievable without any significant impact on ODS as a business.

51. Members queried when ODS was going to review its rationalisation strategy and consolidation into a single base; a question which had been raised in previous years by the Budget Review Group, as having several locations was more costly and consolidation into a single location would drive out savings. It was noted that Cowley Marsh had been in the OX Place Business Plan for many years. The Review Group was advised that it was anticipated that the next iteration of the ODS Business Plan would contain some progress in relation to the matter of how ODS used its bases.

OX Place

52. During discussion on OX Place exploring the potential to establish a For Profit Registered Provided to enable the building of social swellings to continue, the Review Group asked when a recommendation on the subject was likely to be put to the Shareholder for agreement. A report was recently submitted to the Shareholder and Joint Venture Group which set out progress on this matter. By 2030, OX Place's 10-year plan of house building and purchases by the HRA for social housing was likely to end. Exploration of OX Place becoming a For Profit Registered Provider was one possible solution which could form part of the company's strategy to develop more housing. OX Place had employed external consultants to review the business case and financial viability of establishing a For Profit Registered Provider and the structures required within the company to facilitate this.

53. To date, there was no indication of timescales for bringing a recommendation back to the Shareholder, but it was anticipated that a report would be submitted to the Shareholder in the next few months which would set out the timescales more clearly. Establishing a Registered Provider was not a simple of quick matter and there was lots of work to do before any recommendation back to the Shareholder for decision. An officer project group had been established which was working with OX Place on this piece of work.

Council Tax Increase

54. The Review Group submitted a question in advance of the Budget Review Group meetings related to whether the proposed increases in Council Tax would push some residents into benefits or poverty. The initial response was that increases in wages and benefits at above inflation rates meant that it was not expected that the Council Tax increase would increase the level of poverty in the City. The Review Group asked for clarification on which figures the assumptions within the response were based on.

55. In response, the Review Group was advised that Council Tax increases were applied evenly across the board to all Council Tax bands. In addition, there was a Council Tax Reduction Scheme to try to protect and support those on lower income – with the Council being one of a few local authorities which continued to provide 100% funding for Council Tax Reduction Scheme claimants. The statement that Council Tax increases were mitigated by above inflation rises to wages and benefits was based on national trends, rather than a scientific statement based on specific figures for Oxford. Where there was an increase in Council Tax, the Council also increased the Council Tax Reduction Scheme income bands to reflect overall benefit and wage increases for residents.

56. In response to questions about the impact of Council Tax increases on other Council services such as Homelessness services, the Review Group was assured that the Council would not force people into homelessness due to non-payment. The Council had mechanisms in place to create affordable repayment plans and its Enforcement Agents

had a vulnerability/safeguarding process when dealing with recovery on behalf of the Council. However, it was noted that if residents made an active choice to pay their Council Tax instead of rent, then it was possible that they may become homeless. The Council worked closely with the advice agencies (holding quarterly meetings) to support residents around debt management and directed them to organisations that could help.

57. The Review Group was reminded that Council Tax increases were an important weapon in the Council's armoury for income generation and if the Council did not increase Council Tax, it would need to look elsewhere in terms of balancing the budget; however, services were already squeezing hard in terms of efficiencies. As a result, the alternative options left would be about service cuts, which would be a political choice. In addition, it was noted that increasing Council Tax at a rate lower than the maximum permitted by Central Government without the need to hold a Council Tax referendum would reduce the baseline upon which all future Council Tax increases were calculated.

58. The Review Group queried the assumptions within the proposed Medium Term Financial Plan around the limit for increases in Council Tax before a Council Tax referendum was triggered. From 2025/26, the assumptions were that the limit for Council Tax increases would revert to 1.99% rather than remaining at 2.99%, as in 2023/24 and 2024/25. The assumption was based on a judgement call and the fact that the 2.99% increase was an anomaly due to rising inflation; prior to that, the limit was 1.99% for many years. With inflation falling, it was expected that the limit would return to the previous norm of 1.99% from 2025/26.

Optimism Bias

59. During discussion about 'optimism bias', the Review Group queried the assumptions in the budget that actual capital programme spend would be 40% below the forecasts (i.e. only 60% of the programme would be spent in practice). The Review Group wanted to understand how realistic those assumptions were. When considering previous capital programme spend, in the recent past only around 50-60% of the proposed capital budget was spent. This was the rationale for including a 40% optimism bias reduction. The term *optimism bias* was in the HM Treasury handbook around projects and was well recognised. The level of optimism bias applied was a judgement call, but based on previous capital programme spend, the application of a 40% optimism bias reduction was deemed realistic.

60. The impact of capital programme slippage on revenue was not as big as might be assumed, as loans for capital programmes were income generating as a result of the interest margins. This meant that when applying a 40% optimism bias assumption it did not make financial sense to reduce the financing of the programme by 40%, as the income generated from loan interest would be lost.

Corporate Strategy

61. Corporate Strategy includes the following areas:

- Environmental Sustainability
- Communications
- Corporate Policy and Partnerships
- ODS Client (*relevant to Corporate Strategy*)

62. Key budget proposals in each service area related to:

- **Environmental Sustainability** – focus on income generation, particularly through the Council's Dynamic Purchasing System which was used to procure electric vehicle infrastructure and through implementation of the Council's own electric vehicle infrastructure – both of which were expected to generate good revenue streams. The Council was unsuccessful in winning significant funding through the Pioneering Places bid, but it received a £400k 'runners up' award which would generate around £100k in net income. There was a proposed saving in respect of the Waterways Officer.

- **Communications** – maintaining capabilities around campaigns relating to regeneration and inclusive economy, as per the LGA Corporate Peer Review recommendations. Retention of effective internal communications resource to support the change programme. There was a future saving around a corporate branding post.

- **Corporate Policy and Partnerships** – the removal of a Grade 10 post which was replaced by a more junior role was reported to be working fine.

- **ODS Client** – waste and recycling, grass cutting and verges (a County Council responsibility but with City Council oversight), tree planting and street cleaning fell under the Head of Corporate Strategy's responsibility. The proposals included a reduction in the grass cutting regime in parks, an increase in garden waste charges and a reduction in street cleaning capacity.

<u>Zero Emission Zone (ZEZ) Pilot</u>

63. The Review Group noted that a decision had not been finalised regarding income on the proposed expansion of the ZEZ in terms of the Council's involvement in its implementation and queried the likelihood of the Council being involved in that expansion and the potential income generation. Members were of the view that it would seem odd for the Council to partner in the ZEZ pilot and not in the full ZEZ expansion and questioned whether the Council should make some budget assumptions around that.

64. Conversations had not yet concluded with the County Council, but the understanding was that the County Council Cabinet had not decided whether it wanted to do a further partnership arrangement with the City Council. It was anticipated that a further partnership arrangement would not be entered into, but no final decision had been made by the County Council. For the time being, the City Council would continue its involvement in the ZEZ pilot and this had been factored into the budget. Reports from the County Council suggested that the ZEZ pilot was generating more profit than originally assumed.

65. If the ZEZ expansion went ahead, it was expected that the ZEZ pilot would be incorporated into the expansion – rather than the County Council running two parallel schemes. In the event that the City Council was not involved in the wider rollout of the ZEZ expansion, arrangements would need to be made by the County Council to account for the City Council losing income given that the ZEZ pilot agreement was that the City and County would split the income 50:50.

Core Transport Schemes

66. The budget included the loss of £75k resource working on Green Transport schemes and the Review Group wanted to understand the reputational risk in relation to that. This was despite the fact that the Core Schemes were a County Council responsibility, as the Review Group recognised that the public generally did not distinguish between the City and County Councils. The Review Group wanted to understand what the £75k resource accounted for and whether the loss of that resource would impact the City Council's ability to collaborate with the County Council on getting the Core Schemes right.

67. If the City Council partnered with the County Council on the ZEZ expansion or the Workplace Parking Levy, both of which required a good amount of development work before implementation, then there was the opportunity for the City Council to resource appropriately in order to deliver that work, offsetting cost against the future income stream from those schemes. Previously, the £75k resource was to allow the Council to undertake a significant amount of work around the traffic filters, which was now complete from a City Council perspective. There was still some capacity in terms of communications, stakeholder engagement and partnerships to protect the City Council's reputation in respect of all of the Core Schemes. The Core Schemes were income generating, so there was an option that, where the County Council required assistance or input from the City Council, the City Council could require the County Council to fund some resource.

Development

68. The Development directorate comprises the following main areas:

- Regeneration and Economy
- Planning and Regulatory Services
- Corporate Property

69. Some significant cuts were proposed within the Development directorate, alongside seeking increased capitalisation of items which had previously sat under revenue budgets. The Development directorate generated a lot of income for the Council and additional resource was proposed in some areas to help protect and enhance those income streams.

Regeneration and Economy

70. The main budget proposals within Regeneration and Economy related to:

- **Housing Delivery** – this service was added to Regeneration and Economy in Janaury 2024. There was a proposal for an additional 3 FTE posts – 2 Affordable Housing Supply Programme Coordinator posts and 1 Affordable Housing Supply Senior Programme Officer. One of these posts related to capitalised acquisitions within the HRA; one related to increasing the Council's clienting capacity for the Housing Company; and one related to an additional PMO post aligned to the Housing Review Group, which was due to be established to take on a significant amount of the HRA work.

- **Regeneration** – the proposals envisaged increased capitalisation, which related to capitalisation of the Head of Regeneration and Economy's time and increased charging rates for capitalisation of Project Managers' time. This capitalisation approach was devised after consultation with external accountants. It would reduce the revenue budget (generating a revenue saving) and improve forecasting of capital spending.

- **Economy** – maintaining the status quo using grant funding and other income secured to avoid additional revenue pressure. The return of a £75k grant to the Neighbourhood Community Infrastructure Levy (NCIL) was a one-off saving; consideration would be given to how this was shown in Appendix 3 to the Budget report following queries from the Review Group. There was also a shift towards responding to statutory consultations as and when they arose as a result of this saving, rather than the current involvement in broader, more proactive work due to the resource not being in place.

Capitalisation

71. The Review Group sought reassurance that the Council's proposed approach to increased capitalisation had been checked for compliance with the external auditor. In response, the Review Group was advised that increased capitalisation was not a procedure change, but rather a change in assumptions within the budget; Project Managers had advice from Financial Services on what could and could not be charged to capital projects and a time recording system was in place to capture this. A similar approach would be developed for capitalisation of the Head of Regeneration and Economy's time. This would reduce the revenue buffer in Regeneration and Economy.

72. It was noted that any work undertaken for OxWED was currently being funded by revenue budgets; the Council had the ability to charge the time to capital, but it was not currently being done. The proposal was to start capitalising time for projects such as OxWED. This would include capitalisation of the Head of Corporate Property's time. The capitalisation of time and resource was a tried and tested practice within Regeneration and Economy, the proposal related to taking full advantage of the scope for capitalisation.

73. The Review Group asked questions relating to maximisation of capitalisation and was advised that officer time that could be capitalised within the Capital Programme was being capitalised across Regeneration and Economy and Corporate Property (over £1m per year). There was still a cost to the Council in terms of borrowing the money to fund the Capital Programme, but the staff costs were lower. There was confidence that capitalisation was being maximised and was done in accordance with accounting regulations; the auditors had a keen interest in capitalisation and monitored this closely. ODS was not subject to the same accounting regulations as the Council, therefore capital and revenue budgets did not apply in the same way to ODS.

74. Clarification was provided on the areas of capital projects that could not be capitalised, which included writing Cabinet reports, governance and aspects of administration and staff management. Part of the revenue budget was retained to fund such activities.

Standingford House, Cave Street

75. In response to questions relating to timescales for a recommendation on how best to proceed with the affordable housing project at Standingford House, Cave Street the Review Group was informed that the site was being explored for interim short- and medium-term use. The external factors which had impacted the viability of the project would continue to be monitored until such a time as the situation changed. This project

had been paused as a result of the prioritisation work that the Council was undertaking and as such there was no timescale for a recommendation at present.

Transport

76. In relation to the transport projects that the Council was still working on, the Review Group wanted to understand whether these were County Council responsibilities that the City Council had opted to participate in or whether there were some where the City Council had a statutory responsibility. The Review Group was advised that the projects that staff were involved in were fully funded, but they were mixed in terms of projects that the Council had opted into versus where the Council had a statutory responsibility or was a statutory consultee.

77. For example, the Council had a material interest in the Oxford Station project. It wanted to see the best station delivered; Oxford Station was a Network Rail responsibility, but the City Council had a stake in the project being driven forward. The Oxford Station project had been a broad infrastructure priority for the City for some time, rather than being a specific priority for the Council. Similarly, the Cowley Branch Line had been a priority for the City for a long time and there was now some momentum in delivering the project. A number of projects were not County or City Council responsibilities, but the City Council did have an interest in seeing these projects delivered and would therefore want to be involved given the Council was being funded to participate. The City Council had a statutory responsibility around air quality, which was one of the reasons why the Council was involved in the ZEZ, but statutory responsibility for the implementation of the ZEZ rested with the County Council, as it related to Transport and Highways.

Planning and Regulatory Services

78. The main budget proposals within Planning and Regulatory Services related to:

- Increased Planning fees (set by Central Government) leading to approximately £385k higher income per year. There were some additional requirements due to be placed on the Council alongside this, particularly around the time taken to consider applications; when this requirement was implemented the Council would need to make faster decisions on planning applications, which would require more staff, so additional staff resource was proposed in the budget (including apprentices).

- Increased staffing costs (including apprentices) to assist with new requirements to determine planning applications faster and for a Digital Transformation Officer within Planning (which would drive efficiencies leading to savings later on in the Medium Term Financial Plan).

- The increase in income from increased Planning fees was larger than the proposed increase in staffing costs.

Planning Fees

79. From responses to written questions submitted in advance, the Review Group noted that Planning fees were only a small part of total development costs and applicants did not have a choice in whether or not to the pay the fees. As such, the Review Group was interested in understanding the constraints around increasing the Planning fees further. In

response, the Review Group was informed that Planning fees were set by Central Government and the Council had no agency over the fee amounts set. The only Planning fees over which the Council had influence were the non-statutory fees such as the pre-application fee. The pre-application fees were increasing by 10%, but there was a need to balance increases with the desire to not deter applicants from using this important service. The Planning fees set by Central Government were due to increase annually from 2025 by inflation (CPI) or 10%, whichever was lower. As a result, the Council knew it would get a regular annual increase; this had not been the case in previous years.

80. In addition, the Review Group asked how conservative the projected £385k in increased income from Planning fees annually was; and what the modelling had been based on. The Review Group was advised that modelling had been based on a comparison of income over the previous five years (which took account of pre- and post-pandemic), alongside consideration of applications that the Council knew were in the pipeline. The figures were a well-educated estimate and there was a reasonable level of confidence that the projected income from Planning fees over the Medium Term Financial Plan period was correct. The estimated figure sat right in the middle of the range of figures from the modelling; the projected income figure would be reviewed after the next financial year and amended if necessary. The Review Group was also assured that the level of spending within Planning was nowhere near the level of income generated and as such there was a large buffer in terms of service delivery.

Additional Requirements from Central Government

81. The Review Group was informed that the extent of the additional requirements set to be placed on local authority planning services by Central Government was still unclear. Once the full extent of those requirements became known, additional resource in Planning could be required. This would be kept under review as and when the additional requirements and their implications were clear. This area remained a risk for the Council, as current projections were based on the Council's 'best guess' of what the requirements may be.

82. It was not anticipated that Permitted Development rights would be significantly impacted by the additional requirements.

Additional Staffing

83. The Review Group noted that the Planning Service was proposing additional staff, including apprentices and wanted to understand plans to utilise any of the surplus from the increased income in Planning fees as extra contingency within the staffing side of the service for if and when staff left the Council for other roles. It was noted that the wider recruitment issues at the Council would be addressed through the ongoing pay and grading review, but there was a national issue of there not being enough Planners. The proposals for additional staffing focused on what were known to be recruitable positions for the Council, with a preference for recruiting to more lower grade posts to offset a higher-grade vacancy that could not easily be filled; this approach would allow the Council to develop its own staff.

Building Control

84. The Review Group noted that Building Control was a service where the Council was not meant to make a profit, as the fees of the service were required to cover costs. Anecdotally, the Review Group was aware that the private sector appeared to be undercutting the Council on cost and the Review Group asked whether the Council's pricing model should be reconsidered to ensure it was correct. The Review Group was informed that the private sector may be benefitting from efficiencies of scale, paying employees lower wages, or loss leaders within their business models. The private sector included agile commercial companies, which the Council was not.

85. The Council's annual income from the Building Control Service was £490k and the Council employed four inspectors. Building Control was in a difficult place due to national changes; there was an industry-anticipated reduction in inspectors nationally of between 20-25% as current inspectors were not willing to get the new level of qualification required. The Council was not in a position to increase its prices considerably, as it would risk losing business; prices had been increased as much as possible within the current climate – but these would be kept under review and some savings were anticipated in the next year following a root and branch review of the Building Control Service.

Corporate Property

86. The main budget proposals within Corporate Property related to:

- Efficiencies and increased income driven largely by rental increases, capitalisation and some small savings.
- A proposal for an additional 9 staff to address under-resourcing within Corporate Property and help drive income and projects, reduce costs, or ensure compliance; some of these staffing costs would be capitalised and some charged to the HRA.
- £40k pressure for market supplement to aid recruitment.
- Additional £233k ask within repairs and maintenance for work which could not be capitalised around responsive maintenance. This did not just apply to the Council's investment portfolio and community/leisure centres, it also applied to a variety of assets which were not all income-generating, but all carried risk if there was no budget to draw down when issues arose.
- Increased capital requirement which had been considered in great detail by officers.
- Costs and fees had not been increased as there was a limit to what the Council could reasonably charge without impacting capital receipts or income.

Waterways Officer

87. In response to questions, the Review Group was informed that the Waterways Officer, whose time it was proposed be released from Environmental Sustainability and given over to Corporate Property, would be undertaking work relating to the significant waterways assets which the Council owned and liabilities related to those assets (and also some

liabilities where a Council asset was adjacent to waterways); the post would not get involved with other owners of waterways assets.

88. The condition survey on waterways assets was being completed as there was concern that there might be some real risks there. The work on the Council's waterways assets would generate enough work for a 1 FTE post.

New Staff Member for Leisure Services

89. In response to questions, the Review Group was informed that the proposed new staff member for Leisure Services was required regardless of the delivery model for the future Leisure Management Contract. The post was required to focus on the condition of the assets and ensure that required works were completed to the required standard.

90. The Council was intending to take a Corporate Landlord view on its Leisure assets, ensuring capacity to deal with asset condition to ensure they were safe and compliant. As such, this post needed to sit within Corporate Property rather than Community Services.

Utilities

91. The Review Group noted that there were issues with provision of utilities nationally, leading to the inability to ensure timely connection to utilities. There was a proposal in the budget for a utilities officer to support all teams with essential utilities connections, metering, billing and management. The Council had learned, from undertaking a number of schemes, that utilities provision needed to be booked as soon as a scheme was known about.

92. Government policy reform was required in order to address the issues around utilities. The Council was working collaboratively with the other Oxfordshire local authorities on Local Area Energy Plans, which considered how and where energy was delivered in the county and where further local energy resilience was required. This project (led by the County Council) was still at an early stage and a very small amount of money needed to be prioritised currently; once the first Local Area Energy Plans were in place there would be a clearer indication of timescales around further delivery. Local Area Energy Plans were favoured by the Government, but there was still a question about how they were funded.

Income from Council Assets

93. When income from Council assets was reported to the 2023/24 Budget Review Group in the previous year, the projections over the Medium Term Financial Plan had been quite pessimistic due to the Council not having enough information relating to how the market would recover and what would happen to rents. The Review Group was informed that the Council was not in the same position now and the outlook was more optimistic, as there had been more market recovery than was initially anticipated. Where the Council was marketing properties, it was receiving numerous viable tenant applications with good rental offers which was much stronger than expected. In addition, the Council had not seen as many insolvencies as it had anticipated may have occurred as a result of the pandemic, cost of living crisis and high inflation.

94. The rental projections over the period of the Medium Term Financial Plan were showing that, by the end of the period, the Council would be generating an additional £4m of income. In addition, there was a target of £12m income from capital receipts which would

be monitored very closely to ensure the Council remained on target; the Council was now reporting on properties on a property-by-property basis which made monitoring easier and more transparent. The Review Group was advised that the income targets were ambitious, but the Council was seeing good market recovery, particularly around George Street and High Street as the rents in those locations had returned to very similar levels to what they were pre-pandemic.

95. The Review Group was informed that the intention was to continue to review and actively manage the Council's portfolio throughout the Medium Term Financial Plan period to ensure that financial targets were achieved. The Council would need to be an active landlord and look out for opportunities for regeneration, possibly some disposals and alternative uses. The alternative use at 38-40 George Street was provided as an example of where an alternative use would generate much more income than a straightforward letting, demonstrating the positive position that taking an active landlord approach put the Council in. The Review Group was advised that continued investment in regeneration, a focus on the Council's assets and using interventions when appropriate would be crucial to ensuring targets were met.

96. In respect of the Covered Market, the Review Group queried how those rents compared with rents on other city centre streets and whether the Council still applied a policy which set a minimum percentage of types of shops (e.g. food and beverage, flower shops etc.) and adjusted rents in accordance with the nature of individual businesses. The Review Group was advised that Oxford had very distinct zones in relation to its commercial properties, for example George Street and Broad Street, or George Street and High Street were not directly comparable. In a similar vein, other areas within Oxford were not really comparable with the Covered Market in terms of size and type of user that they attracted – and although the rents in the Covered Market were lower, this was not comparable to other zones. The leasing strategy within the Covered Market was still in use and the Council split its usage targets between one third of traditional retail, one third services (including fresh produce) and one third food and beverage – the Review Group was advised that the Covered Market was roughly achieving those targets currently. Rents in the Covered Market were not adapted to the individual businesses as there was no requirement for the Council to do so, given it received lots of very competitive offers from a wide range of businesses when units were marketed. The Review Group was informed that the Covered Market units were all currently let or under offer, apart from one unit.

97. The Review Group touched on late night opening in the Covered Market and questions were raised as to whether the Council could negotiate with the owner of Golden Cross to open their gate to enable people to enter the Covered Market from Cornmarket during the late night opening. In response, the Review Group was informed that the Council had held conversations with the owner of Golden Cross previously in relation to them opening their gate, but those conversations had not been successful.

Recommendation 2: That the Council continues to pursue conversations with the owner of Golden Cross to negotiate the opening of their gate to enable access to the Covered Market from Cornmarket during late night opening.

98. The Review Group noted that late night opening within the Covered Market was still within the trial period and a decision would be required in due course as to whether late night opening would be made permanent and if any changes were required to the current initiative. It was noted that there had been a huge shift in traders' views towards late night

opening, from existing traders being initially nervous to them being really positive about it and wanting to work with other traders on events and the like.

99. There were risks in relation to income from Council assets – the market would need to continue to recover in the same way in order for projections to be realised and tenant engagement was vital in order for the Council to let property as quickly as possible, complete lease renewals quickly and complete rent reviews quickly. Resourcing was another key risk, which mirrored trends in the surveying profession nationally, as the team had nine vacancies before Christmas and had started a recruitment campaign for five posts, of which four were successfully filled. A further three posts had just gone out to advert; there was optimism that those posts would be recruited to and that a full team would be in place by April 2024.

Car Parking

100. The Review Group was informed that it was still quite challenging for the Council to identify trends in car park usage. The COVID-19 pandemic caused a huge disruption to car park usage, however during that time the Council's urban and suburban car parks were still well-used as residents were shopping more locally – a trend which had continued post-pandemic. The same increase in usage was not the same in relation to Park & Rides and city centre car parks; Park & Rides were recovering but comparisons with pre-pandemic usage were not helpful given factors such as the Botley Road closure meant that the Council had not had a full year of data gathering to understand how behaviours had changed post-pandemic. There had been less users of city centre car parks and it was difficult to understand whether this was as a result of people not driving into the city for work, whether it was related to the disruptions along Botley Road as a result of the road closure, or whether it was because of the tariffs.

101. Although an increase to car parks was proposed across the board, the Council was interested to monitor how that increase impacted usage over the next year before any significant tariff changes were recommended going forward. The current budget proposals would attract approximately £300k income to the Council from relatively minor increases on most tariffs. Since the 2023/24 Budget Review Group discussions, consideration had been given to increasing the tariffs at Park & Rides for 2024/25, which forecasted an additional £65k per year. The Review Group was informed that the Council required its partners to be in agreement with any increases in Park & Ride tariffs. The Review Group was warned that if the County Council's two Park & Rides were cheaper than the City Council's three Park & Rides this would have a negative impact on the City Council, which was why increases were required to be considered across all Park & Rides in Oxford.

102. The Review Group considered the modelling which had been done in relation to income from Park & Rides and queried the assumptions related to the removal of the free first hour. The assumption set out in the modelling was that the introduction of charging for the first hour at Park & Rides would not raise any additional income. In response to questions, the Review Group was informed that the removal of the free first hour was unlikely to generate additional income as the Park & Rides were generally used for longer-term parking, with most users choosing the 16-hour tariff. Currently, there was very limited use of the 1-hour tariff which was why the budget assumption was that removing the free first hour would not generate any additional income. In addition, the Review Group was informed that the removal of the free first hour at Park & Rides would be out of sync with the County Council's Park & Ride tariffs. The Review Group did not agree with the

assumption that the removal of the free first hour at Park & Rides would generate no additional income and agreed that this option should be explored further with a view to implementing a charge for the first hour at Park & Rides.

Recommendation 3: That the Council seeks to introduce a charge for 0-1 hours of parking at park and rides and factors projections into the Medium Term Financial Plan about the level of income this would raise.

103. In relation to the car parks where the Council was looking to introduce charging, Sunnymead Park was highlighted as the largest risk as it was likely to need resurfacing, which would require planning permission. The introduction of charging at Sunnymead Park was therefore reliant on planning permission being granted and the pre-application process was being started.

104. The Review Group noted that it was proposed that the outer car park annual permits be increased from £50 per year to £100 per year and queried who, and which car parks, these permits applied to. In response, the Review Group learned that the permits were created around 15 years ago and the price had not been reviewed since they were introduced; the permits were put in place for people who specifically used the Council's parks (e.g. dog walkers, football coaches etc.), therefore the permits related to the Council's car parks which were adjacent to its parks. Residents in areas adjacent to the parks could not apply for one of these particular permits, as they were meant to enable access to the parks. The Review Group was advised that there was some reputational risk around increasing the tariff for the annual permit from £50 to £100, as it was a large increase, but this was justified through the fact that the permit price had not been reviewed for 15 years. The intention was to increase the cost of the permits more gradually from next year onwards. Currently, 50 people held an outer car park annual permit across all of the Council's parks car parks.

105. In response to questions, the Review Group was advised that the Ferry Leisure Centre car park was classed as an urban, rather than suburban, car park and so the charging for car park season tickets was different to that of the outer car park annual permits. The Review Group was informed that consideration to the charging rates for the Ferry Leisure Centre car park would likely be given next year, to ensure the tariffs were at the right level. In response to questions about usage of the Westgate car park and car parking tariffs, the Review Group was advised that the tariffs had been increased mid-year in September 2023, which was unusual. As far as the Council was aware, the Westgate had no intention of increasing its parking charges further in April 2024. The Council met with the Westgate annually to discuss car park usage and how the Westgate could better promote use of the Park & Rides – the next meeting was due to take place at the end of January 2024.

106. During discussion, the Review Group noted that the assumptions in the proposed budget were that income from Peartree Park & Ride would fall away after September 2025. The Review Group was advised that assumption had been factored in as a result of the Council's lease for Peartree Park & Ride expiring in September 2025. The Council was exploring the options in terms of whether it wanted to keep Peartree Park & Ride within its portfolio.

107. In response to questions relating to the introduction of charging at additional car parks, including Sunnymead Park, Meadow Lane, Bury Knowle and Headington Hill, the Review Group was informed that it was mixed in terms of whether or not these car parks were within an existing Controlled Parking Zone (CPZ). Assurance was provided that the

existence or not of CPZs within areas where new charging was proposed was taken into account when proposals were drawn up, as the Council was conscious of not simply moving parking problems elsewhere onto adjacent streets. When tariffs were introduced or increased, the Council aimed to do so in such a way that did not generate a huge amount of additional cost for users. The introduction of CPZs was being kept under review by the County Council and the City Council would monitor the impact of new tariffs on adjacent streets to ensure the introduction of charging did not cause any other issues.

Communities and People

108. The Communities and People directorate comprises the following main areas:

- Community Services
- Community Safety
- Housing Services

Community Services

109. The main budget proposals within Community Services related to:

- £1.236m of savings proposed over the first three years of the Medium Term Financial Plan, with £858k of those savings proposed in year two.

Leisure Management Contract

110. In response to questions, the Review Group was informed that a £500k management fee had been factored into the budget; it was hoped that any adjustments could be factored into the Budget Council meeting in February as the outcome of the procurement process would be clearer at that stage. The specification and standards in relation to the Leisure contract were included in the tender documentation; any requirements above and beyond what had been factored into the budget would be an additional draw on reserves – caution was strongly advocated in relation to this.

111. The Scrutiny Committee had considered a report on the Leisure Management Contract at its meeting on 16 January 2024. The report, which was due for Cabinet consideration on 24 January 2024, sought Cabinet agreement to award the contract to Serco Leisure Ltd and set out the proposed fees and charges which had not been included in the main Budget report given the procurement exercise was live at the time of publication. The Committee had made a series of recommendations and expressed grave concern about the award of the contract to the proposed provider.

112. The Review Group was not tasked with making recommendations as to whether or not the contract should be awarded to Serco Leisure Ltd, as this had already been considered by the Scrutiny Committee. However, the Review Group expressed similar concerns to those raised by the Scrutiny Committee in relation to the proposed provider and how the procurement process had been managed. In particular, Members mirrored the comments of the Scrutiny Committee that they did not feel they had been given sufficient opportunity to input into the process and highlighted that they had not received enough information, nor had it been received in a timely manner.

113. The Review Group did not make any specific recommendations related to the Leisure Management Contract in the context of the budget. It was noted that the concerns raised by the Review Group had already been raised by the Scrutiny Committee when it met on 16 January 2024 and reflected in the recommendations of the Scrutiny Committee. The Committee's recommendations would be submitted to Cabinet for consideration and response ahead of the Cabinet decision related to the contract award on 24 January 2024.

Museum Income

114. The Review Group interrogated the challenging proposed income target for the Museum to understand how realistic the targets were, given that the Council was not currently on track for the income targets set in previous years. The Review Group was advised that the target was challenging but realistic and options were being worked through in relation to a 'pay what you can' entry fee, promoting the commerciality of the Museum shop which had improved its range of products over the past year and maximising the commerciality of the maker/learner space by promoting it to community groups and commercial bookings.

115. Members remained of the view that, under the current Museum model, the income target appeared over-optimistic and consideration should be given to reducing the target. It was noted that, if the income did not come from the Museum, the money would need to be found elsewhere in order to balance the budget, which could involve service cuts. The Review Group was assured that officers constantly considered different options and ideas for income generation at the Museum to meet the target, however no alternative viable methods to those which had been outlined had been identified as yet. There had been gradual progress in relation to income generation from the Museum, but it was unlikely that the pace of progress towards the income target would increase significantly under the current model.

116. In discussion, the Review Group noted that there were museums in other areas, such as Brighton, which charged an entry fee for non-residents while maintaining free entry for residents of that area. This ensured accessibility for local people while boosting the potential for income generation. The Review Group was keen to see this option explored to understand whether it could be viable for the Museum of Oxford. While the Review Group did not make any specific recommendations in relation to Museum income or the related assumptions, it was agreed that a report would be presented to the Finance and Performance Panel in due course to enable a more focussed discussion to take place. The report would set out a more detailed analysis of the budget assumptions and options related to Museum income, alongside a report back to the Panel following exploration of museum charging models in other areas (e.g. Brighton) and how they might be implemented in Oxford.

Strategic Review of Services Provided Across Community Services

117. The Review Group was informed that a full scoping session for the Strategic Review of Community Services was planned with the Corporate Management Team in January 2024 to consider the scope, structure and delivery of the review. At the time of writing this report (January 2024) the scope for the review was not fully developed and therefore remained very high level at this stage. The Review Group was informed that there was a focus on ensuring the review was well-designed so that the ambitions within the Thriving Communities Strategy continued to be supported and service outcomes were maintained.

118. The Review Group was advised that there was also the ongoing Community Centres Review, of which there was a separate strand commencing in January 2024. Once the broader Strategic Review of Community Services scope was agreed, the Community Centres Review would fall under the umbrella of the wider review. There was a freeze on recruitment within Community Services while the broader strategic review was undertaken to ensure that opportunities around workforce planning were not lost. The proposed budget savings within Community Services were expected from the 2025/26 financial year.

119. In response to questions, Members were assured that the completion of thorough and robust Equalities Impact Assessments would form a critical part of the strategic review in order to understand the impact of any proposed changes to the delivery of Community Services. The Review Group was keen that adequate opportunities were built into the review process to allow for meaningful cross-party Member input; and that the Council facilitated meaningful and representative co-production with communities in shaping the review and its outcomes.

Recommendation 4: That the Council ensures adequate opportunities for cross-party Member involvement in the Strategic Review of Services Provided across Community Services from an early stage to facilitate meaningful Member input.

Recommendation 5: That the Council facilitates meaningful and representative co-production with communities in shaping the Strategic Review of Services Provided across Community Services and its outcomes.

Delivery of a Cafeteria in Cutteslowe Park

120. In relation to plans to deliver a café in Cutteslowe Park, attracting £25k per year from year two of the Medium Term Financial Plan, the Review Group wanted to understand the relationship between the proposed café and the two existing cafes run by North Oxford Association and Cutteslowe Community Association respectively. The Review Group was informed that the other two cafes were in different locations in the park and the proposed café would be in the pavilion, which did not currently have a café. The proposed project was in very early stages and further conversations would be held with North Oxford Association and Cutteslowe Community Association before developing a viable project to deliver a new café. The proposed location for the new café was expected to achieve significant footfall and make best use of the currently under-used pavilion.

Overtime for ODS Employees as a Result of Traffic Trials Across Cowley and East Oxford

121. In terms of the pressure resulting from the Low Traffic Neighbourhood (LTN) trials in Cowley and East Oxford as a result of overtime for ODS employees, the Review Group queried whether the changes to those trials recently agreed by the County Council had been factored into the budget. The Review Group was interested to know whether the amount of spend on overtime would reduce as a result of increased congestion on arterial roads and easing of flow through the LTNs through the introduction of ANPR technology.

122. It was confirmed that the ODS overtime cost (£168k) as a result of the LTN trials had been included in the budget since the 2023/24 financial year following advice from ODS.

Community Safety

123. The main budget proposals within Community Safety related to:

- Uplift of £120k from the HRA into the Anti-Social Behaviour Investigation Team in the Community Response Team based on the number of cases investigated on the Council's HRA tenancies.

Fly-tipping

124. The Review Group noted that when the Council prosecuted individuals who refused to pay a Fixed Penalty Notice (FPN) issued for fly-tipping the penalties applied by the courts were not retained by the Council. Given this, Members queried whether it was financially viable for the Council to take individuals to court for such offences. In response, the Review Group was advised that the cost of taking individuals to court was absorbed within Legal Services as part of 'business as usual', therefore there was no additional cost to the Council for prosecuting; prosecution was not pursued in the interests of financial gain, but rather in terms of supporting the Council's wider environment agenda around street cleanliness.

125. The Review Group was advised that income from FPNs was approximately £7k in the previous year. The Council prosecuted relatively few individuals for fly-tipping; in 2022, the Council issued 15 FPNs in relation to fly-tipping and there were no court prosecutions.

Housing Services

126. The main budget proposals within Housing Services related to:

- Minimal savings proposed in relation to the General Fund from Housing Services which was a reflection of current unprecedented and unavoidable homelessness costs and severe housing needs across the City. This pressure was particularly visible through increased demand for Temporary Accommodation.

- Changes in the HRA as a result of Council preparations for compliance with the Social Housing (Regulation) Act 2023 and the Regulator of Social Housing. This was a period of significant and substantial change within Housing and there was a requirement for a significant increase in staffing as a result of increases in standards, regulations and accountability from 2024/25.

- Driving efficiencies across the HRA Capital Programme and some reductions across revenue budgets as a result of proper prioritisation and investment in the Council's housing stock – which would accelerate from 2025/26 but was starting in 2024/25.

127. In terms of strategic landscape, Housing Services was a volatile environment as a result of demand pressures and national changes which placed additional responsibilities and requirements on the Council. This was a national trend rather than being specific to Oxford.

128. There was no additional revenue expected to come to the Council from Central Government in respect of the additional requirements and responsibilities placed on the Council via the Social Housing (Regulation) Act 2023. There was a host of additional requirements which the Council needed to ensure compliance with; this required additional capacity (13 additional posts) within Housing Services. Some of this additional capacity

would be considered through the transformation programme work being undertaken within the service.

Fibre to Homes Initiative

129. The Review Group queried whether the Fibre to Homes initiative was a premium offer and, if so, whether the Council should be pursuing initiatives such as these given its limited resource. Members were advised that the initiative was not a premium ask; if Housing Services did not have any capacity to undertake this work for Council tenants, then there was a huge risk that this would create digital inequalities for Council tenants compared to private owners. Work on Fibre to Homes for private ownership was well underway in Oxford and there was currently limited capacity within Housing Services to respond to the need to provide Fibre to Homes in Council blocks, which were the main area of focus for the Council, to enable Council tenants to access fast internet speeds.

130. The Review Group appreciated the rationale around ensuring equality of availability of Fibre to Homes, however raised further questions in relation to the current level of service at the homes in question. The Review Group noted that most premises in Oxford were already able to get fibre-to-cabinet service equal to most UK households today and there could be an argument that current speeds were more than adequate for the majority of home users.

131. Following further exploration of the nuances surrounding the initiative, the Review Group learned that the properties in question were currently able to get fibre-to-cabinet services with fast internet speeds. These were often marketed as a 'superfast' offer (50Mbps download speeds). This service was the most common grade of internet service in the UK, with approximately 70% of domestic users having fibre-to-cabinet services, and provided sufficient service for high-quality video streaming by two devices at the same time. The proposed upgrade to Fibre to Homes would provide internet speeds of up to 1Gbps (or 1,000Mbps). While the speed of Fibre to Homes services was considerably faster than fibre-to-cabinet services, it was not widely used within the UK currently; around 50% of properties had the ability to get the service, but uptake was only around 10% of UK properties.

132. In relation to the Council's proposed Fibre to Homes initiative, the Review Group was informed that private firms were expected to contribute around £320k to the project, compared to investment from the Council of approximately £80k. This would enable Council tenants of the properties in question to have the ability to sign-up to a Fibre to Homes internet service if they wanted to. Most domestic users had the ability to sign-up to Fibre to Homes services without needing to pay for infrastructure upgrades, however the Council was required to contribute to the infrastructure costs in this case as the internet providers were required to work with infrastructure providers to undertake additional works in respect of blocks of flats or apartments – for example installing cable runs and drawing up legal agreements permitting internet providers to provide the service to blocks of flats or apartments.

133. Given this additional context, the Review Group concluded that fibre-to-cabinet internet services appeared to be at sufficient levels for domestic usage requirements and, given the Council's limited resources, it was of the view that the Fibre to Homes initiative was more of a premium offer that it was not necessary for the Council to deliver at this point in time. The Review Group gave consideration to issues around digital exclusion, but from

the information provided this initiative was not a case of providing the ability to access internet services to those who currently could not; rather it related to upgrading an already sufficient service to a much faster service – which arguably significantly outstripped the usage requirements for the vast majority of domestic properties. The Review Group agreed that Council funding of the Fibre to Homes initiative should be reconsidered, particularly when considering that the saving from not pursuing the initiative could be used to partly offset other cuts proposed within the budget.

Recommendation 6: That the Council reconsiders its proposed involvement in, and funding of, the Fibre to Homes initiative with a view to exploring whether there is a strong enough case for the Council to pursue it given the already sufficient internet speeds available in the properties in question and the limited availability of Council resources, which could be put to better use offsetting proposed cuts in other areas.

Decency Standards

134. In response to questions, the Review Group was informed that the decency standard (or Decent Homes Standard[1]) was a set of national criteria used to assess the quality of housing. It was introduced by Central Government to improve the conditions of social housing and ensure that homes met a minimum standard of decency. The standard covered a range of different aspects of housing, including health and safety, structural stability, heating, insulation and general state of repair. In order to meet the Decent Homes Standard, a property was required to comply with key criteria including:

- **Fitness for Human Habitation** – the property should be free from serious hazards that could pose a threat to the health or safety of occupants.
- **Heating** – the home should have effective and efficient heating systems.
- **Insulation** – adequate insulation measures should be in place to prevent heat loss.
- **State of Repair** – the property should be in a reasonable state of repair, both internally and externally.
- **Modern Facilities** – the home should have reasonably modern facilities and services.
- **Health and Safety** – the property should be free from hazards that could cause harm.

135. There was a live consultation currently ongoing relating to future decency standards; it was anticipated that the updated Decent Homes Standard would be announced at some stage during 2024. The expectation was that the standard would extend. It was expected that criteria related to communal areas, the wider estate and damp and mould would be included in the updated standard.

Floyds Row

136. The Review Group was interested in understanding what was going to happen with Floyds Row. Work in relation to Floyds Row was still ongoing and the Council was in conversation with partners. The Review Group was informed that, post-pandemic, the Department for Levelling Up, Housing and Communities (DLUHC) issued a very clear statement around

[1] https://assets.publishing.service.gov.uk/media/5a7968b740f0b63d72fc5926/138355.pdf [accessed 18 January 2024]

the delivery of Somewhere Safe to Stay services, in that they could no longer be delivered from communal settings. Floyds Row was one such communal setting.

Investment in Housing Stock - Additional Staff

137. The proposed budget highlighted a need for an additional three members of staff and the Review Group sought clarification of the rationale as to why these additional posts were required. The Review Group was advised that the proposed roles would sit within the Affordable Housing Team and were required to support various areas of work.

138. The post relating to Right to Buy Receipts would manage acquisition programmes, which traditionally had only been Right to Buy Receipts in the past, however in the last few years Central Government had made new acquisition programmes available which targeted very specialist and specific areas of Housing (e.g. Housing First, single homelessness, refugees and migrants). The Government's Autumn Statement also made reference to the Local Authority Housing Fund (LAHF) 3, which would target Temporary Accommodation. This was all additional work which the team had tried to absorb over the past few years, but the Council could no longer respond to these opportunities without additional capacity. In addition, post-pandemic there had been an enormous rise in Right to Buy Receipts, which was likely as a result of supressed demand during the pandemic; this meant that the Council had significantly more money within the Right to Buy pot. The Government had removed the cap whereby local authorities were required to return some of that money to Central Government for the next two years, therefore the Council retained more money which meant there was a lot more work to do than the smaller acquisition programmes that the Council had run in the past. This was at least enough work for one additional FTE member of staff to enable the Council to make the most of its additional Right to Buy Receipts.

139. The post relating to some of the OX Place clienting work was required as a result of the huge increase in housing supply forecast over the next six-year period, as OX Place was set to deliver many more homes over that period. There were some significant sites in the pipeline which would stretch current capacity, therefore additional capacity was requested.

140. The third post was a resource ask within the Project Management Office (PMO) to support the whole of Housing Services with a newly established Housing Revenue Group to control and manage spend across the service. The post would also ensure governance reporting was done correctly. This post would be shared with the PMO.

Temporary Accommodation

141. At the time of writing this report (January 2024), the Council had 201 households housed in Temporary Accommodation; of these, 86 were households with children. Of the 86 households with children housed in Temporary Accommodation, 68 were living in houses or flats owned by the Council for the provision of Temporary Accommodation and 18 were in hotel accommodation. The households currently in hotel accommodation were housed there as a result of exceptional levels of homelessness in Oxford, which had led to the Council experiencing unprecedented demand for homelessness services. The housing of some families within hotel accommodation was an interim measure while the Council sought to source either Temporary Accommodation or permanent private or social housing for them. Major effort was underway to rehouse all families out of hotel accommodation as

quickly as possible; and the Review Group was assured that families currently housed in hotel accommodation had all been in that accommodation for less than three months.

142. The Review Group submitted a suite of written questions in December 2023 in relation to Temporary Accommodation and was particularly interested in understanding the impact of the Government's Autumn Statement on Temporary Accommodation. The Review Group noted from responses to questions that three positive announcements had been made in the Autumn Statement – the increase in the Local Housing Allowance; increases to the Homelessness Prevention Grant; and a Local Authority Housing Fund (LAHF) 3.

143. The Review Group was keen to understand the impact of Central Government's announcements, particularly the unfreezing of the Local Housing Allowance, as the initial budget papers justified a need for an additional £300k per year for Temporary Accommodation due to the freezing of the Local Housing Allowance. Members queried whether the national announcements would reduce the local pressures in relation to Temporary Accommodation and whether it still made sense to budget at the level of £300k per year for Temporary Accommodation. The Review Group was advised that it was still too early to tell what the impact of those Government announcements would be as the picture around Temporary Accommodation was multifaceted and very complex. It was not anticipated that demand for Temporary Accommodation would ease in the next 12 months and demand was expected to continue to rise.

144. The Government announcement around the unfreezing of the Local Housing Allowance was welcome and would ease the Council's ability to prevent homelessness more from the Private Rented Sector, which was where most homelessness came from. It would also allow the Council to access the Private Rented Sector again, which had become incredibly constrained due to its unaffordability for those in receipt of benefits. However, the announcement would not unlock any new opportunities overnight and while the Local Housing Allowance had been unfrozen, rents continued to rise so there would continue to be an ongoing gap in places such as Oxford. As a result, the £300k pressure outlined in the budget was deemed appropriate and prudent as the situation around Temporary Accommodation would take a significant amount of time to ease and was not expected to ease within the next 12 months.

145. The Review Group was informed that the slight uplift on the Homelessness Prevention Grant would not alleviate the complex macro issues which were driving up homelessness; and the LAHF 3 acquisition programme announced was likely to be relatively small scale when compared to the 201 households that the Council was currently housing in Temporary Accommodation.

146. Looking towards the latter years in the Medium Term Financial Plan, the Review Group asked whether the measures announced by the Government were likely to help reduce pressures relating to Temporary Accommodation; and whether the £300k per year was still the correct figure in those latter years. The Review Group was advised that it was difficult to know currently, but it was suspected that those assumptions would be monitored so that a clearer picture and more accurate assumptions could be included in the next budget-setting round for 2025/26.

147. In the meantime, the Council had a short-term plan in place to respond to and control the immediate cost pressures. This included a range of measures such as consolidation of hotels (i.e. making arrangements with hotels to block-book rooms to be used as Temporary

Accommodation, rather than having Temporary Accommodation dispersed across different hotels in Oxford and beyond, as this was more cost-effective) and the development of a short-term private sector leasing model. The Council was simultaneously developing a mid-longer term Temporary Accommodation response including measures such as further acquisition of Temporary Accommodation and development of modular units. At the time of setting the 2024/25 budget, it was not possible to include clear figures on the latter years of the Medium Term Financial Plan due to the evolving nature of the work in development. It was hoped that clearer figures would be brought forward soon.

148. While there was lots of work being undertaken by the Council in relation to trying to control the Temporary Accommodation crisis, it was noted that unless there were significant shifts in Central Government in terms of introducing policies and funding at the local level, the Council had to assume that pressures around Temporary Accommodation would continue to increase. As such, the Council needed to ensure prudent budget assumptions were factored into the Medium Term Financial Plan.

Homelessness and Domestic Abuse

149. In relation to the Council's homelessness Prevention Duty, the Review Group was interested to know how many of the 62 cases accepted by the Council between April 2023 to December 2023 where domestic abuse was the reason for homelessness involved children. The Council held data on the number of children in Temporary Accommodation as a result of domestic abuse and many other reasons – and there were a lot more children in Temporary Accommodation currently than previously.

150. As of January 2024, the Council had 12 families with a total of 20 children housed in Temporary Accommodation where the reason for homelessness was domestic abuse. All of these families were housed in suitable family accommodation, which was typically houses or flats owned by the Council – none of these families were currently housed in hotel accommodation. The Review Group noted that the definition of domestic abuse set out within the Domestic Abuse Act 2021 specifically included children as victims of domestic abuse and covered the lived experiences of children. It therefore agreed that when the Council was specifically collecting data on domestic abuse and homelessness it should include data on children, as this was part of legislative changes.

Recommendation 7: That the Council includes data on children when undertaking data collection related to domestic abuse and homelessness going forward.

151. It was noted that domestic abuse and violence against women and girls was a driver for homelessness and the Review Group sought further information on the joined-up work the Council was doing with partners on this matter and wanted to understand how Oxford's data compared to data from other cities of a similar size. In terms of joined-up work on domestic abuse, the Phase 1 Health Check element of the Council's work towards achieving the Domestic Abuse Housing Alliance (DAHA) Accreditation was almost complete, which had enabled the identification of good practice, areas for improvement and gaps within the Council's work on domestic abuse.

152. The Phase 1 Health Check included consideration of processes for survivors of domestic abuse who found themselves and their children homeless after fleeing domestic abuse. The Domestic Abuse Housing Link Workers were able to highlight where improvements in processes were required and ensured the voices of survivors of domestic abuse were fed

into this phase. The funding for the Domestic Abuse Housing Link Workers had now come to an end.

153. The Phase 2 ‘embedding stage’ of the DAHA Accreditation work would take place over the next year and be informed by the Phase 1 Health Check. An action plan was currently being developed as there was a considerable amount of work to undertake in order for the Council to achieve the DAHA Accreditation. Part of this work involved working in partnership with external agencies to improve outcomes for families. The Review Group noted that a multi-agency working group had been established to explore how the outcomes for homeless women who had experienced domestic abuse could be improved; the Council was represented on the working group by the Domestic Abuse Lead, the DAHA Project Manager and officers from the Homelessness Team. In addition, the Council had been working with the Oxfordshire Domestic Abuse Service to expand the criteria for access to places of safety to women who had presented to the Council for support but were currently residing outside of Oxfordshire, following changes in legislation. The Sanctuary Scheme Coordinator was also supporting women and children to remain safely in their homes and working closely with the Housing Team where rehousing was required.

154. In relation to how Oxford’s data compared to data from other cities of a similar size, the Review Group was provided with the latest published national homelessness data which covered April 2023 to June 2023. The data provided was from other comparable urban local authorities in the South of England outside of London and related to the number of Homelessness Relief Duties accepted with the reason for homelessness being domestic abuse; it highlighted that Oxford City Council had accepted a lower number of duties compared to many of those comparable authorities during that period:

Local Authority	**Number of Homelessness Relief Duties accepted April 2023 to June 2023 with the reason for homelessness being domestic abuse**
Oxford City Council	18
Reading Borough Council	25
Cambridge City Council	Not provided
Crawley Borough Council	15
Milton Keynes City Council	110
Bristol City Council	69

155. Members were also keen to know what additional lobbying work the Council was undertaking in relation to domestic abuse as a driver for homelessness, particularly given that there would be a General Election in 2024 which could present opportunities for the Council. The Review Group was advised that there was no current lobbying work being undertaken in relation to domestic abuse, as there was no officer capacity to undertake this. However, the Review Group was assured that where opportunities such as Central Government consultations or evaluations conducted by the Department for Levelling Up, Housing and Communities arose, the Council’s Domestic Abuse Lead proactively engaged.

156. In response to questions, the Review Group was advised that the Council did lobby Shadow Ministers on issues affecting local government and to represent the Council’s interests, in addition to undertaking those activities with respect to Government Ministers.

It was added that there were a number of instances where issues arose as a result of Central Government departments not coordinating between themselves.

Recommendation 8: That the Council compiles information to share with the future Government about the issues faced by local government as a result of a lack of coordination between Central Government departments, which could be solved by those departments communicating, collaborating and cooperating around policy development where there was direct or indirect overlap.

Asylum Dispersal Hotels

157. Members asked whether the Council had any predictive modelling on how the number of refugee and asylum seeker households housed in asylum dispersal hotels (e.g. the Kassam Stadium hotel) was expected to change and when those households would be in a position to try and seek accommodation in Oxford and Oxfordshire via the Housing Register. In response, the Review Group was informed that it was very difficult for the Council to predict the situation as it was constantly changing and the Council received very limited information from the Home Office. Under the current circumstances, it was therefore impossible for the Council to predict the situation in relation to refugee and asylum seeker accommodation. This was despite the Council asking the Home Office for information.

Recommendation 9: That the Council continues to lobby the Home Office to engage with Oxford City Council and local authorities more broadly in relation to asylum dispersal hotels to enable more certainty around predictive modelling, resource implications and demand management.

Chapter 5: Conclusions

158. Following detailed discussion at each of its meetings throughout January 2024, the Review Group made a total of **9 recommendations**. In formulating the majority of its recommendations, the Review Group sought to challenge assumptions in the context of the Council's limited resources and ensure that active, timely and meaningful Member engagement remains at the forefront of Council decision-making.

159. Despite operating within an increasingly difficult financial climate, the Review Group noted the Council's ongoing commitment to continue supporting residents through the Council Tax Reduction Scheme. The Review Group understood that, as a result of limited resources, savings in relation to the Council Tax Reduction Scheme were proposed from 01 April 2025 within the Budget report, subject to the outcome of a detailed public consultation. The need to identify savings in this area was recognised by the Review Group, however it was agreed that the Council should enable flexibility in terms of the options available to achieve those savings and seek meaningful feedback on a range of possible options through the public consultation. This is reflected in ***Recommendation 1.***

160. Wide-ranging discussion in relation to the Council's Corporate Property Service culminated in the formulation of two recommendations. One of these, ***Recommendation 2***, sought to ensure that the Council continues to engage and negotiate with other landowners in the city in the interests of making late night opening at the Covered Market a success in the trial period and, subject to a formal decision, beyond. The second recommendation related to Corporate Property, ***Recommendation 3***, challenged assumptions and modelling in respect of Park & Ride tariffs – specifically about estimated income generation from the removal of the free first hour at Park & Rides.

161. The Review Group was interested in the proposed strategic review of services provided across Community Services, as these services were of particular importance to the residents and communities that the Council served. Members sought assurance that residents and communities would be placed at the heart of the review and that the impact of any changes to service provision was fully explored before changes were implemented, as this would help mitigate against poorer outcomes across the city. This led to the formulation of two recommendations. ***Recommendation 4*** was related to ensuring adequate opportunity for meaningful cross-party Member involvement in the review, as Members knew their residents and communities, and the local issues and barriers they faced, best. Linked to this, ***Recommendation 5*** advocated for meaningful and representative co-production with communities to enable them to shape the review and its outcomes.

162. In context of current constraints on the Council's budget, the Review Group was keen to identify any areas of discretionary spend which looked as though they were more of a premium offer. The Review Group considered that this was the case for the Fibre to Homes initiative and, following significant interrogation of this proposal, the Review Group agreed that the Council's involvement in, and funding of, the initiative should be reconsidered to test whether the business case was strong enough, or whether that money could be put to better use in other areas. This is reflected in ***Recommendation 6***.

163. The members of the Housing and Homelessness Panel joined the Review Group for one of its meetings to scrutinise the housing element of the budget. There was widespread

concern about the unprecedented demand for homelessness services and Temporary Accommodation in Oxford, which mirrored the national picture. Comprehensive discussion related to the wide variety activity across Housing Services led to the agreement of three recommendations. These related to the inclusion of data on children when the Council collected data on domestic abuse and homelessness ***(Recommendation 7)***; the Council compiling information to share with the future Government on the issues faced by local government which could be solved by Government departments communicating with one another ***(Recommendation 8)***; and continued lobbying of the Home Office in relation to asylum dispersal hotels ***(Recommendation 9)***.

164. The Review Group was very appreciative of the substantial amount of work that had gone into preparing the budget and the level of support provided throughout the Budget Review process which enabled Members to scrutinise the proposals effectively. This report represents the output from a significant, intensive and wide-ranging piece of work where the Review Group aimed to ensure that all recommendations were constructive while recognising the significant financial pressure that the Council is under.

165. As the Review Group's scrutiny of the budget proposals concluded, Members noted that Oxford City Council was in a much better financial position than many other local authorities across the country; however the period ahead would still be challenging. The Review Group was satisfied that its contribution to the budget-setting process accounted for those challenges while also offering the helpful perspective of a critical friend.

166. The Review Group is pleased to present its recommendations.