

Divisions Affected - All

PERFORMANCE AND CORPORATE SERVICES OVERVIEW AND SCRUTINY COMMITTEE

17 JANUARY 2022

Budget and Business Planning 2022/23

Capital and investment strategies

Strategic plan - proposed priorities and objectives

Budget consultation findings

Report by Director of Finance and Corporate Director Customers Organisational Development and Resources

RECOMMENDATION

1. The Performance and Corporate Services Overview and Scrutiny Committee is invited to consider and comment on the following documents attached as annexes:
 - Budget consultation 2022/23 findings (Section 2.1) and the draft strategic plan (Section 2.2) with accompanying engagement feedback on the Oxfordshire Fair Deal Alliance's priorities (Section 2.3)
 - The Capital and Investment Strategy (Section 5.1), incorporating
 - i. The Treasury Management Strategy and Annual Investment Strategy 2022/23 (Section 5.2)
 - ii. The Investment Strategy for Property Investment 2022/23 (Section 5.3)
 - iii. The Property Strategy (Section 5.4)
 - Proposed additions to the Capital Programme (Section 5.5)
 - The Draft Capital Programme 2022/23 to 2031/32 (Section 5.6)

Executive Summary

2. On 18 January 2022, as part of the Budget and Business Planning Report 2022/23, Cabinet will consider the proposed revenue budget for 2022/23, the Medium Term Financial Strategy to 2025/26 alongside the Capital and Investment Strategy, capital programme and supporting strategies.
3. On 10 December 2021, as part of the budget proposals 2022/23 to 2025/26 report, Performance and Corporate Services Overview and Scrutiny Committee considered the investments, pressures and proposed savings for the revenue budget included in the public consultation and the Oxfordshire Fair Deal Alliance's draft high level priorities. The committee is now invited to comment on the Capital and Investment Strategy, capital programme and supporting strategies.
4. The committee is also invited to comment on the budget consultation findings set out in Section 2.1 and the draft strategic plan, which includes objectives set out under nine strategic priorities in Section 2.2. These priorities were reviewed and amended following feedback from public and stakeholder engagement during the autumn. The committee can review this feedback in Section 2.3.
5. These comments will be taken into consideration by Cabinet in finalising its budget proposals which will be set out in the report to Cabinet on 18 January 2022 and to council on 8 February 2022.

Introduction

6. Performance and Corporate Services Overview and Scrutiny Committee is invited to comment on the Capital and Investment Strategy and supporting strategies included in this report. The Capital and Investment Strategy forms Section 5 of the suite of budget papers that comprise the Business and Budget Planning 2022/23 report considered by Cabinet on 18 January 2022 and Council on 8 February 2022. The budget consultation 2022/23 findings and the draft strategic plan are also presented for consideration – these will form Section 2 of the budget papers to be considered by Cabinet and Council.
7. The full suite of Business and Budget Planning papers to Council on 8 February 2022 will be comprised of the following sections:
 1. Leader of the Council's Overview
 2. Strategic Plan
 3. Chief Finance Officer's Statutory Report
 4. Revenue Budget Strategy
 5. Capital and Investment Strategy
8. The Budget and Business Planning Report 2022/23 to Cabinet on 18 January 2022 will comprise Sections 2, 4 and 5 and include the proposed revenue budget for 2022/23, the Medium Term Financial Strategy to 2025/26 alongside

the Capital and Investment Strategy, capital programme and supporting strategies. The annexes attached to this paper covers sections 2 and 5 from the list above. The revenue budget (section 4) was covered in the meeting of the Performance and Corporate Services Overview and Scrutiny Committee 10 December 2021.

Budget consultation

9. Between 2 December 2021 and 5 January 2022, the council invited comments on its budget proposals for 2022/23, including its proposed council tax increase. Residents and stakeholders were also signposted to a supporting consultation booklet for background information and to the published budget reports.
10. Feedback was primarily collated using an online survey on the council's digital consultation and engagement platform, Let's Talk Oxfordshire, with residents and stakeholders also being able to submit comments by email. A small number of paper copies of the consultation booklet and promotional posters were distributed to libraries and arrangements were put in place to supply information in alternative formats on request.
11. The budget consultation was actively promoted to a wide range of audiences using multiple channels (media, social media and other digital platforms, the website, advertising) and to staff and councillors to help them spread the word.
12. 1,390 online survey responses were received and a small number of written responses. The results are set out in Section 2.1.

Strategic plan

13. In July 2021, the council's Cabinet set out a set of nine strategic priorities and agreed a comprehensive programme of public and stakeholder engagement to refine and develop these priorities into a more detailed plan.
14. This programme of engagement took place in the autumn of 2021 and included a quantitative residents' survey and a series of qualitative discussion groups as set out below:
 - A residents' survey to understand residents' priorities and experiences.
 - Public discussion groups.
 - Young people's discussion groups to ensure that young people's voices are included.
 - Stakeholder workshops and survey – with participation from the voluntary and community sector and town and parish councils.
 - Councillor engagement and survey – discussions at locality groups and follow-up survey to ensure the views of all county councillors were sought.

15. Further feedback on the nine priorities, within the context of revenue budget proposals, has been sought, including from the public as part of the formal consultation on the budget proposals that took place during December 2021 and January 2022.
16. Section 2.1 sets out the budget consultation findings and Section 2.3 provides a summary of the results from the programme of engagement undertaken in the autumn to further develop the strategic plan.
17. The proposed strategic plan is set out in Section 2.2. The nine strategic priorities considered by Cabinet in July 2021 have been reviewed and refined following feedback. A suite of 41 underpinning objectives have been set out drawing on the programme of engagement and reflecting socio-economic, demographic and environmental challenges facing the county as outlined in documents such as the Joint Strategic Needs Assessment (JSNA).
18. The priorities, commitments and objectives in the strategic plan sit under a long-term vision 'to lead positive change by working in partnership to make Oxfordshire a greener, fairer and healthier county'. This vision has been further developed, following the autumn engagement programme, to recognise the role of collaboration and partnership working and the importance of health and wellbeing, in addition to addressing inequality and the climate emergency.
19. During the final quarter of the current year, a set of outcome measures and targets for each of the objectives will be developed and agreed to form the basis of the performance management framework for 2022/23. These will be presented to the Performance and Corporate Services Overview and Scrutiny Committee in March 2022 for consideration prior to adoption by Cabinet. These measures will thereafter be reported in the council's finance, performance and risk reports to track progress. The strategic plan will also be reviewed on an annual basis.

Capital and Investment Strategy

20. The Capital and Investment Strategy is an overarching strategy that brings together the strategies that drive the Capital Programme, the Investment Strategy and the Treasury Management Strategy. The strategy satisfies the requirements as set out in the Prudential Code for Capital Finance in Local Authorities 2017 and updated in 2021 for authorities to prepare at least one Investment Strategy containing the disclosures and reporting requirements specified in the guidance each financial year. The Strategy must be approved by full Council.
21. The overarching strategy is supported by the following strategies:

Strategies that determine the need for and prioritisation of investment through the capital programme:

- (a) Pupil Place Plan
- (b) Special Educational Needs and Disabilities (SEND) Sufficiency Plan
- (c) Oxfordshire Infrastructure Strategy (OxIS)
- (d) Highways Asset Management Plan
- (e) ICT Strategy
- (f) Property Strategy (Section 5.4)

Strategies that support the financing of the programme:

- (g) Treasury Management Strategy and Annual Investment Strategy (Section 5.2)
- (h) Investment Strategy for Property Investment (Section 5.3)

22. The Treasury Management Strategy and Investment Strategy for Property Investment are annual strategies and require approval by Cabinet (18 January 2022) and Council (8 February 2022). An asset condition survey of the council's properties will be carried out in the first quarter of 2022/23. The outcome of that exercise will be used to inform a full review of the Property Strategy later in the year. It will also identify the investment needed to bring the Council's key property assets up to the necessary standard, including enhancements to achieve carbon zero.
23. The Pupil Place Plan includes present and predicted future pupil numbers on roll, together with information about birth rates, school capacity, and new housing. The Plan sets out proposed changes in the number of school places available over the next year and it suggests where other changes may be necessary in the future. The updated Pupil Place Plan is attached as Annex 3 to the Capital & Investment Strategy.
24. The current Highways Asset Management Plan was agreed by Council in February 2020 and reviewed in January 2021. Locality engagement underpinning an update to the Plan will be undertaken in early 2022 and the expectation is that a revised plan will be agreed by Cabinet in July 2022.
25. The Council's 10 year Capital Programme is derived from the priorities identified in the supporting strategies and sets out the agreed capital investment to deliver those priorities. The programme is refreshed annually and agreed by Council each February. Section 5.5 sets out the proposed changes to the existing Capital Programme. The draft programme for 2021/22 to 2031/32 is attached at Section 5.6.
26. The following annexes are attached to this report:
- Section 2.1 Budget consultation 2022/23 report
 - Section 2.2 Draft strategic plan
 - Section 2.3 Engagement feedback on the Oxfordshire Fair Deal Alliance's priorities
- Section 5.1 Capital and Investment Strategy

Section 5.2 Treasury Management Strategy 2022/23
Section 5.3 Investment Strategy for Property Investment 2022/23
Section 5.4 Property Strategy
Section 5.5 Proposed Changes to the Capital Programme
Section 5.6 Draft Capital Programme 2021/22 to 2031/32

Risk Management

27. The Capital and Investment Strategy sets out that the capital programme includes contingencies for changes to scheme costs and further provision for inflationary pressure is proposed to be added to the programme for Major Infrastructure Schemes.
28. The Treasury Management Strategy and Investment Strategy for Property Investment set out the council's approach to risk around these investments.

Equality and Climate Implications

29. The Equality Act 2010 imposes a duty on local authorities that, when making decisions of a strategic nature, decision makers must exercise 'due regard to the need to eliminate unlawful discrimination... advance equality of opportunity... and foster good relations.'
30. There are no direct equality implications arising from the strategies attached to this report. Climate implications have been considered as part of the strategies underpinning the capital programme. Impact assessments relating to the revenue budget have been published as part of the consultation.

Financial Implications

31. The financial implications arising from the Capital and Investment Strategy are set out in the supporting annexes.

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Legal Implications

32. There are no direct legal implications arising from this report. The Council is required under the Localism Act 2011 to set a council tax requirement for the authority. This report provides information which, when taken together with the previous and future reports up to January 2022, will lead to the council tax requirement being agreed in February 2022, together with a budget for 2022/23, four-year medium term financial strategy and ten - year capital programme.

