

Division(s):

CABINET – 20 DECEMBER 2016

Report from the Income Generation Cabinet Advisory Group

Report by Cabinet Member for Finance

Introduction & Background

1. The Income Generation Cabinet Advisory Group (CAG) was first established in July 2013 under the then Cabinet Member for Finance, Councillor Arash Fatemian and made recommendations to Cabinet as part of the Service & Resource Planning process for in 2014/15. It reconvened in April 2015 under the chairmanship of Councillor Lawrie Stratford in response to the need for the council to cope with increasing budget pressures. .
2. The CAG has met approximately monthly and has reviewed and assessed a number of options for income generation including
 - Reviewing existing services that we currently charge for and opportunities for increasing these charges as part of the Review of Charges process feeding into the annual Service & Resource Planning process.
 - Investigating discretionary services that we do not currently charge for where we may want to introduce charges.
 - Considering opportunities for generating income from property.
3. On 8 December 2015, Council unanimously agreed the motion calling on the Cabinet Advisory Group for Income Generation in conjunction with the Cabinet Member for Property to:
 - review the buildings which the council currently owns or leases in Oxfordshire;
 - explore the options for making the most cost effective way of using these buildings which we own or lease; and
 - make recommendations to Cabinet as to savings which could be made and income which could be generated from our property.
4. In response to the motion, the CAG amended and extended its membership to reflect the renewed focus on property. The membership of the CAG is:
 - Councillor Lawrie Stratford (Chairman)
 - Councillor Nick Hards (Vice-Chairman)
 - Councillor David Bartholomew
 - Councillor Charles Mathew
 - Councillor John Sanders
 - Councillor Les Sibley
 - Councillor Richard Webber

The Cabinet Portfolio Holder for Property has also been invited to meetings of the CAG.

5. The terms of reference of the CAG are included in Annex A.

Areas of Focus

6. The CAG has explored following areas of work related to income generation.

Property

7. The CAG has reviewed the Council's database of property information via an interactive property dashboard, Tableau. This displays the Council's current and former property holdings, as well as properties owned / used by other public sector bodies across Oxfordshire enabling users both to drill down to bespoke geographic areas, use and tenure, and to view more detailed information about individual properties. It has also been extended to include data held by other public sector partners.
8. The data is now available on the Intranet and was trialled by members of CAG before being made more widely available. In making this information available to all members via member locality meetings the CAG has enabled councillors to gain an understanding of the properties in their areas and challenge officers on the most efficient use of resources.
9. The CAG examined the Council's disposals programme; it reviewed sites released over the last three years, sites due for release, and sites identified for potential release over the next 3-5 years, including estimates as to how much capital/revenue could potentially be generated.
10. Linked to the disposal programme, the CAG also reviewed the Council's Strategic Property Asset Management Plan and sought assurance from officers that future updates would include the option to explore opportunities for income generation relating to surplus property rather than solely seeking a capital receipt on disposal.
11. The CAG also had a presentation from Carillion officers on the merits of expanding the Council's existing portfolio to include options such as an 'investment portfolio' approach and owning a property investment company. CAG members concluded that officers should work with Carillion to determine the best approach for the Council and to bring forward options as part of the updated Strategic Property Asset Management Plan for 2017/18 to be included as part of the Cabinet's proposed budget and capital programme in January 2017.
12. The CAG reviewed the Council's Office Strategy and the options for office use across the county. Income generation and/or minimising ongoing revenue costs remain a key principle.

13. Twenty six leaseholds have been disposed of since 2010, and this has reduced office costs by around 25%. This planned release of office buildings will continue over the next five years including the release of Unipart in 2016 and Kingsgate in 2017. The Office Strategy will be kept under review alongside the emerging Transformation Programme to ensure it is aligned with our emerging workforce strategy.

Review of Fees and Charges

14. The level of fees and charges for the services the Council provides are reviewed annually as part of the Service & Resource Planning process. Last year, the CAG undertook a comprehensive review of fees and charges for 2016/17 and the increases that were being proposed and challenged managers where there was no proposed increase or the increase was minimal. This resulted in a number of fees and charges being increased to a higher rate than originally planned. The charges were agreed by Cabinet in December 2015.
15. The CAG is currently undertaking a comprehensive review and challenge of the proposed fees and charges for 2017/18 in order to maximise income potential. The expectation is that charges will increase by a minimum of 4% (or more where the market allows). Increases of less than 4% will be considered in exceptional circumstances and will need to be reviewed and agreed by the CAG.
16. The CAG discussed proposals for fees and charges for the 2017/18 financial year at its meeting on 29 November 2016. The CAG's recommendations on the fees and charges review will be submitted to the Cabinet on 24 January 2017 as part of the Cabinet's proposed budget.

Workplace Charging and Congestion Charging

17. Over the last six months, the CAG has discussed both workplace parking and congestion charging options in Oxfordshire. It was recognised that although this would generate income, the reasons for introducing any charge would be for transport and environmental reasons. The Oxfordshire Local Transport Plan (adopted in July 2016) includes amongst other things, as part of the Oxford Transport Strategy (OTS), proposals to manage car traffic levels in Oxford, the introduction of a workplace parking levy. A congestion charging scheme is not ruled out and the CAG are keen to ensure that adequate evidence is presented to justify proceeding or not. However, the work carried out for the OTS raised a number of questions about the suitability of a congestion charge for Oxford.
18. Officers from Environment & Economy presented proposals for introducing a workplace parking levy to the CAG on a number of occasions. Given the report has now been considered by Cabinet, it was felt by the group that there was no further role for the CAG in taking this thinking forward.

Conclusion

19. Over the past year and a half the CAG has considered a number of policy areas, provided challenge to officers developing policies and pushed for creative approaches to maximise income for the council.
20. Its work has now reached a natural conclusion as the strategies it has informed are being taken forward and members' input to policy development would be welcome in other areas as we embark on a challenging transformation programme.

RECOMMENDATION

21. The Cabinet Member for Finance **RECOMMENDS** Cabinet to endorse the work of the Income Generation Cabinet Advisory Group and agree to disband the group.

COUNCILLOR LAWRIE STRATFORD

Cabinet Member for Finance and Chairman of the Income Generation Cabinet Advisory Group

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