



**Cabinet  
Tuesday, 17 December 2013**

**ADDENDA**

**3. Minutes (Pages 1 - 14)**

To approve the minutes of the meeting held on 26 November 2013(**CA3**) and to receive information arising from them.

**4. Questions from County Councillors (Pages 15 - 16)**

Attached.

**5. Petitions and Public Address (Pages 17 - 18)**

Attached.

**7. Service & Resource Planning Report for 2014/15 - 2017/18 - December 2013 (Pages 19 - 22)**

An addenda to the Service & Resource Planning Report to Cabinet that summarises the key announcements in the Chancellor's Autumn Statement and sets out the implications for the County Council is attached.

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# Agenda Item 3

## CABINET

**MINUTES** of the meeting held on Tuesday, 26 November 2013 commencing at 2.00 pm and finishing at 3.45 pm

### Present:

**Voting Members:** Councillor Ian Hudspeth – in the Chair  
Councillor Rodney Rose  
Councillor Mrs Judith Heathcoat  
Councillor Melinda Tilley  
Councillor Lorraine Lindsay-Gale  
Councillor David Nimmo Smith  
Councillor Arash Fatemian  
Councillor Louise Chapman  
Councillor Hilary Hibbert-Biles

**Other Members in Attendance:** Councillor Gill Sanders, (Agenda Item 6 & 7)  
Councillor Nick Hards, (Agenda Item 8)  
Councillor John Sanders, (Agenda Item 12 & 15))  
Councillor Anne Purse, (Agenda Item 11)

### Officers:

Whole of meeting Joanna Simons (Chief Executive)

Part of Meeting Item	Name
6	Jim Leivers, Director for Children's Services; Lucy Butler, Deputy Director for Children's Social Care & YOS
7	Jim Leivers, Director for Children's Services; Lucy Butler, Deputy Director for Children's Social Care & YOS
8	Greg Ley, Treasury Management Team
11	Martin Tugwell, Deputy Director, Strategy & Infrastructure Planning
12	Martin Tugwell, Deputy Director, Strategy & Infrastructure Planning
15	Huw Jones, Director for Environment & Economy

*The Committee considered the matters, reports and recommendations contained or referred to in the agenda for the meeting, together with a schedule of addenda tabled at the meeting, and decided as set out below. Except insofar as otherwise specified, the reasons for the decisions are contained in the agenda, reports and schedule, copies of which are attached to the signed Minutes.*

## **121/13 APOLOGIES FOR ABSENCE**

(Agenda Item. 1)

An apology for absence was received on behalf of Councillor Nick Carter.

## **122/13 MINUTES**

(Agenda Item. 3)

The Minutes of the meeting held on 15 October 2013 were approved and signed.

Councillor Hudspeth referred to the Talking Oxfordshire public meetings that had been well attended. There had also been over 400 responses on the web site. He thanked the Chief Executive who had attended every event. He commented that during the meetings it had been made very clear that no decisions had yet been taken over Children's Centres. He added that discussions had been wide ranging covering not only Children's Centres but adult social care, and rural transport amongst others.

## **123/13 QUESTIONS FROM COUNTY COUNCILLORS**

(Agenda Item. 4)

Councillor John Howson had given written notice of the following 2 questions to Councillor Nimmo Smith:

1. "Is there any S106 moneys available to provide cycle racks outside Belsyre Court on the Woodstock Road just north of the new Radcliffe Observatory Quarter?"

Councillor Nimmo Smith replied:

"We currently hold a £7,782 from a S106 which could be used to install bike racks in the location. I would be more than happy for Councillor Howson to discuss his ideas with officers".

2. "Would you consider the painting of a white line along the middle of the Marston Ferry Road cycle track, either all the way or just at each end to help with separating cyclists travelling in opposite directions at times of peak flows?"

Councillor Nimmo Smith replied:

"The Marston Ferry Road cycle track is for the most part very wide and has worked well for many years now – largely without segregation. Where it narrows at the Cherwell School end, there are some central segregation markings along with cycle symbols. I'd be happy for you to talk to officers about your specific concerns about how the cycle track is working who could then make an assessment of the need for better or more segregation."

Councillor Jean Fooks had given written notice of the following question to Councillor Nimmo Smith

"I asked at the last Cabinet for information on how much money is held by the County Council as S106 contributions to 'cycling measures' and how will its spending be decided?. I have not yet had a reply. Please could you let me have this information as soon as possible?"

Councillor Nimmo Smith replied:

"The County Council currently holds a total of £633,000 of developer funding specifically for investment in 'cycling measures'.

In areas where there is an agreed transport strategy in place funding is secured and then allocated on the basis of schemes identified within that strategy. Schemes are then designed and delivered using the County Council's capital programme process. This approach is followed for funding secured for Oxford, Banbury, Bicester, Science Vale, Witney and Carterton.

Where developer funding is held for locations outside areas with agreed transport strategies, the Member locality meetings will be used to help identify potential schemes for the funding to be allocated."

Supplementary: Councillor Fooks asked when it would be known what the funding was to be spent on as it would be helpful to have the details. Councillor Nimmo Smith replied that the locality meetings would determine. Responding to further comments Councillor Hudspeth indicated that he was scheduled to be at Councillor Fook's next locality meeting.

Councillor Roz Smith had given written notice of the following question to Councillor Fatemian

"What has been the financial cost to the council, (so far this year), of the external fund manager, Investec's failure to reach their benchmark return?"

Councillor Fatemian replied:

"In line with relevant guidance and as outlined in the Council's Treasury Management Strategy for 2013/14 the primary objective in relation to investments is the security of cash. This is followed in importance by liquidity and yield, in that order. As such, the Investec investment was aimed at achieving diversification, in terms of counterparties and investment instruments, in order to minimise risk in the Council's investment portfolio. In addition, the Investec portfolio, although initiated as a long-term investment, does offer four day liquidity should the cash be required for any reason.

Had Investec achieved their benchmark return for the period 01 April – 30 September 2013 the value of the Council's investment would have been £99k higher. It should be noted that the Investec portfolio is a long-term investment and performance for the last three years has been 0.88% against a benchmark of 1.34%. The average in-house return over the last three years has been 1.02%, although it is unlikely the Council would have achieved this rate had the Investec cash been available to invest in-house as

this is the average rate that includes long-term deposits. The average return on instant access investments over the last three years would be below that achieved by Investec.

When comparing the performance of Investec against the benchmark it needs to be considered that the benchmark in use is a cash benchmark (7-day London Inter-Bank Offer Rate) plus 1.23%. Therefore, as 1.23% of the performance is fixed it is necessary for Investec to take risks in attempting to achieve the target return, hence the volatility we have seen in their performance and the need to consider performance over a longer time horizon. In addition, many changes in the market, such as a fall in bond prices, will impact negatively on Investec's performance due to the investments they hold but will have minimal impact on the benchmark. Due to the varied nature of the portfolio it is difficult to have a benchmark that reflects the investments in the portfolio.

The Investec return since inception has been positive and has therefore achieved the aim of providing security of capital while diversifying the risk in the Council's investment portfolio."

## **124/13 PETITIONS AND PUBLIC ADDRESS**

(Agenda Item. 5)

The following requests to address the meeting had been agreed:

- Item 6 – Councillor Gill Sanders, Shadow Cabinet Member for Children, Education & Families
- Item 7 – Councillor Gill Sanders, Shadow Cabinet Member for Children, Education & Families
- Item 8 – Councillor Nick Hards, Shadow Cabinet member for Finance
- Item 11- Mr John Taylor, Chairman of PAGE  
Councillor Anne Purse, Deputy Chairman of the Waste and Minerals Advisory Group, at the invitation of the Chairman
- Item 12 – Councillor John Sanders, Shadow Cabinet Member for Environment
- Item 15 – Councillor John Sanders. Shadow Cabinet Member for Environment

## **125/13 ACTION IN RESPONSE TO CHILD SEXUAL EXPLOITATION IN OXFORDSHIRE**

(Agenda Item. 6)

Child sexual exploitation is among the most serious and challenging issue that Oxfordshire County Council has faced. Cabinet had before them a report that set out the council's learning and actions in response.

Councillor Gill Sanders, Shadow Cabinet Member for Children, Education & Families welcomed the report and the actions it outlined. She highlighted that it was important that the report recognised the girls were victims and had not made life choices. This was an essential change. She also welcomed the

screening tool. The training referred to should be on-going so that it was not possible to forget the lessons learned. She felt it was important to accept accountability. Councillor Sanders further welcomed the new residential home in Oxfordshire and supported the need for more foster parents.

Councillor Tilley in moving the recommendations advised that Councillors would be kept fully informed and referred to the role of the Cabinet Advisory Group.

Councillor Hudspeth, Leader of the Council, thanked the Labour and Liberal Democrat Groups for the cross party support in working together for the best for the children of Oxfordshire during a very testing time.

Jim Leivers, Director for Children's Services introduced the contents of the report highlighting key themes and actions going forward.

Councillor Hudspeth thanked the Directorate staff noting the toll dealing with this sensitive issue was taking. He paid tribute to his predecessor as the County did not ignore the issue and had ensured that the necessary finance was there. He referred to a speech he had given at a Conference on the experience of Oxfordshire with the intention of ensuring not happening elsewhere. The Council's commitment was to ensure that safeguarding and protection was one of our fundamental beliefs.

Councillor Rose added that he had seen the Conference speech and that it was an example that no-one was trying to avoid the issues and he thanked the Leader, Chief Executive and Director for Children's Services for their approach.

**RESOLVED:** to:

- (a) Endorse the progress and actions to date and identify any further measures for consideration.
- (b) Receive further reports from the Cabinet Advisory Group on Safeguarding Assurance and in relation to the Serious Case Review

## **126/13MULTI AGENCY SAFEGUARDING HUB (MASH)**

(Agenda Item. 7)

Cabinet considered a report seeking endorsement to the development of a Multi-Agency Safeguarding Hub (MASH) in conjunction with partner agencies.

A Multi-agency Safeguarding Hub (MASH) is a multi-agency unit which pools intelligence about safeguarding referrals, securely, and provides safe and speedy triage as a basis for appropriate on-going action. As such it is a gateway between universal services (such as Schools and GPs) and specialist and intensive services.

Councillor Gill Sanders Shadow Cabinet Member for Children, Education & Families spoke in support of the multi-agency safeguarding hub. It was sensible to bring agencies together and would also provide financial savings. However she would be concerned if the savings undermined the safeguarding efforts. She queried whether one single point of access would be sufficient and that location would be vital. She highlighted the role and importance of District Councils and queried how they featured in the Steering Group and decision making.

Councillor Tilley in moving the recommendations replied that they did not have all the answers as yet but gave assurances that it was not about making savings. Other Councils had done it and the County Council had learnt from them. Lucy Butler added that there would not be one single point of access. The Steering Group was set up with other agencies and she recognised the importance of other agencies including District Councils who were vital particularly in respect of housing matters. Councillor Tilley also highlighted the important role of schools.

During discussion Councillor Heathcoat, Cabinet Member for Adult Social Care, welcomed the approach which was one which adult social care could benefit from.

**RESOLVED:** to endorse the development of a Multi-Agency Safeguarding Hub (MASH) for Oxfordshire.

## **127/13 TREASURY MANAGEMENT MID-TERM REVIEW (2012/13)**

(Agenda Item. 8)

Cabinet had before them a report setting out the Treasury Management activity undertaken in the first half of the financial year 2013/14 in compliance with the CIPFA Code of Practice. The report included Debt and Investment activity, Prudential Indicator monitoring, changes in Strategy, and forecast interest receivable and payable for the financial year.

Cabinet were advised that the Audit & Governance Committee considered the report on Wednesday 20 November and had noted with concern Investec's performance and that Investec's annualised return for the first six months of the year was 0.00% compared with a benchmark of 1.59%, and they recommended that the Performance Scrutiny Committee consider the matter further and that Cabinet note the concerns in relation to Investec's performance as noted in paragraph 29 in the Council's Mid-Term Treasury Management Review 2013/14.

Councillor Nick Hards, Shadow Cabinet Member for Finance raised 3 points: on annex 4 he queried how helpful the indicators were and whether better indicators were needed; he sought assurances that the LOBO loans were being carefully monitored and on annex 1 referred to the relaxed maturity limit for J. P. Morgan and asked if this was being reconsidered in the light of recent news.



Councillor Fatemian thanked Councillor Hards for his comments and agreed that it would be useful to explore a more helpful index, gave an assurance that the loans referred to were kept under scrutiny and that he would look again at the criteria in relation to J. P. Morgan.

Councillor Fatemian in introducing the contents of the report and addenda highlighted that the level of debt had decreased (paragraph 15) and thanked the Treasury Management Team for their excellent work which had seen them exceed their benchmark (paragraph 27). He noted the concern in relation to Investec as highlighted by the Audit & Governance Committee and that they had asked Performance Scrutiny Committee to look at it.

**RESOLVED:** Cabinet noted the report and the concern and action proposed by the Audit & Governance Committee and **RECOMMENDED** Council to note the Council's Mid-Term Treasury Management Review 2013/14.

## **128/13 FINAL DECISION ON EXPANSION OF QUEENSWAY PRIMARY SCHOOL TO 2 FORMS OF ENTRY (2FE)**

(Agenda Item. 9)

Cabinet considered a proposed increase to the published admission number from 30 to 60 children at Queensway Primary School in Banbury, on a permanent basis from September 2014. This will eventually increase the school's total capacity from its current 277 places in Years Reception – Year 6 to a maximum of 420.

Councillor Tilley noted that in future reports such as this would be considered in her delegated decision session so that this was likely to be the last such report to Cabinet, with the exception of proposals that received significant levels of objection.

*Note: As set out under Rule 18(a) of the Scrutiny Procedure Rules, this decision is exempt from Call-In as it is deemed urgent and any delay would seriously prejudice the Council's interests, in that the Cabinet's role would be negated by referral to the Schools' Adjudicator if the decisions were not taken within two months of the end of the Statutory Notices, in this case being 10 December 2013.*

**RESOLVED:** to:

- (a) approve the permanent expansion of Queensway Primary School with effect from 1 September 2014; and
- (b) to note that future proposal of this nature would be considered by the Cabinet Member for Children, Education & Families unless there were significant levels of objection.

## **129/13 STAFFING REPORT - QUARTER 2 - 2013**

(Agenda Item. 10)

Cabinet considered a report that gave an update on staffing numbers and related activity during the period 1 July 2013 to 30 September 2013. It gave details of the agreed staffing numbers and establishment at 30 September 2013 in terms of Full Time Equivalents. In addition, the report provided information on vacancies and the cost of posts being covered by agency staff.

**RESOLVED:** to:

- (a) note the report; and
- (b) confirm that the Staffing Report meets the Cabinet's requirements in reporting and managing staffing numbers.

### **130/13 OXFORDSHIRE LOCAL AGGREGATE ASSESSMENT 2013**

(Agenda Item. 11)

The County Council has a statutory duty to prepare a new Oxfordshire Minerals and Waste Plan, to provide an effective planning strategy and policies for the supply of minerals and management of waste in the county, consistent with environmental, social and economic needs.

Under the Government's National Planning Policy Framework, March 2012 (NPPF), the County Council must prepare a Local Aggregate Assessment Annually. In addition, the duty to co-operate introduced by the Localism Act 2011 applies to the preparation of a local aggregate assessment since this is an activity supporting the preparation of a local plan relating to a strategic matter. Cabinet considered a report that recommended a Local Aggregate Assessment for Oxfordshire for 2013.

Councillor Purse, Deputy Chairman of the Waste and Minerals Advisory Group expressed her gratitude that the concerns of the Group had been heard and the rolling average had been restored.

Mr Taylor, Chairman of PAGE, endorsed the 10 year average sales method which he stated was in line with guidance and in use elsewhere. Over an 18 year period he felt that this would give a significant decrease saving Oxfordshire's lovely countryside. He asked that the 2013 sales figure be published as soon as possible as part of the planning process. He looked forward to being consulted.

Councillor Nimmo Smith in moving the recommendations noted that Oxfordshire was a growth county and as such any figure would need to be regularly reviewed. Martin Tugwell responded to questions about the use of recycled aggregate and sea dredged aggregate noting that much of the recycled aggregate was used on site so it was difficult to gauge. The County was not in the best position to make use of sea dredged aggregate and although a framework was a possibility its use would remain a commercial decision. The future use of china clay was also governed by commercial considerations.

During discussion Councillor Lindsay Gale stated that 9 parishes affected were in her Division and having been involved previously she was pleased with the outcome and paid tribute to the work of the Cabinet Advisory Group.

**RESOLVED:** to

- (a) approve the 10 year average sales figures set out in the table in paragraph 19 of the report as the provision figures in the Oxfordshire Local Aggregate Assessment 2013, for use as the basis for provision for mineral working in the consultation draft Minerals and Waste Local Plan and for calculating the Oxfordshire landbank;
- (b) authorise the Deputy Director for Environment & Economy (Strategy & Infrastructure Planning) in consultation with the Cabinet Member for Environment to finalise the Oxfordshire Local Aggregate Assessment 2013 for publication.

### **131/13 OXFORDSHIRE MINERALS AND WASTE DEVELOPMENT SCHEME 2013**

(Agenda Item. 12)

The County Council is preparing a new Oxfordshire Minerals and Waste Local Plan. Cabinet considered the Oxfordshire Minerals and Waste Development Scheme that sets out the programme for the production of this plan and the planning policy documents (local development documents) that will make up the plan.

Councillor John Sanders, Cabinet Member for Environment was pleased that the Council was still on target for the date of December 2015. He referred to previous problems with the Plan and the difficulties this could cause for the council.

During discussion the Chairman expressed his thankfulness that the previous plan had not been adopted with its higher levels of extraction.

Councillor Nimmo Smith in moving the recommendations outlined the role that the Cabinet Advisory Group would play.

**RESOLVED:** to

- (a) approve the Oxfordshire Minerals and Waste Development Scheme (Fifth Revision) 2013 at Annex 1, subject to final detailed amendment and editing, to have effect from 10 December 2013;
- (b) authorise the Deputy Director for Environment & Economy (Strategy & Infrastructure Planning) to:
  - (i) carry out final detailed amendment and editing of the Oxfordshire Minerals and Waste Development Scheme, in consultation with the Cabinet Member for Environment;

- (ii) take the necessary steps to bring the revised Scheme into effect from 10 December 2013 and publish the revised Scheme, in accordance with Sections 15 and 16 of the Planning and Compulsory Purchase Act 2004 (as amended).

### **132/13 FORWARD PLAN AND FUTURE BUSINESS**

(Agenda Item. 13)

The Cabinet considered a list of items for the immediately forthcoming meetings of the Cabinet.

**RESOLVED:** to note the items currently identified for forthcoming meetings.

### **133/13 EXEMPT ITEM**

(Agenda Item. 14)

**RESOLVED:** that the public be excluded for the duration of item 15 in the Agenda since it is likely that if they were present during those items there would be disclosure of exempt information as defined in Part I of Schedule 12A to the Local Government Act 1972 (as amended) and specified in relation to the respective items in the Agenda and since it is considered that, in all the circumstances of each case, the public interest in exemption outweighs the public interest in disclosing the information.

### **134/13 DIX PIT CONTRACT VARIATION**

(Agenda Item. 15)

*The information contained in the report and annexes is exempt in that it falls within the following prescribed category:*

*3 – information relating to the financial or business affairs of any particular person (including the authority holding that information)*

*It is considered that in this case the public interest in maintaining the exemption outweighs the public interest in disclosing the information, in that such disclosure would distort the proper process of free negotiations between the authority with another party for the purposes described and would prejudice the position of the authority in those negotiations and other negotiations of a similar nature in future.*

Cabinet considered a report containing exempt information and gave approval for the settlement agreement reached in principle with FCC Environment Ltd and for the Director for Environment & Economy in consultation with the Cabinet Member for Environment to finalise the agreement and sign the contract variation.

..... in the Chair

Date of signing .....

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By virtue of paragraph(s) 3 of Part 1 of Schedule 12A  
of the Local Government Act 1972.

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## CABINET – 26 NOVEMBER 2013

### ITEM 4 – QUESTIONS FROM COUNTY COUNCILLORS

Question received from the following Member:

**From Councillor Roz Smith to Councillor Fatemian**

“ I note the balance of earmarked reserves linked to on street car parking at 31 March 2014 will be over £1.5million and that the purpose for which these monies can be used are defined by statute. Does this huge amount include monies collected from residents’ permits to park on their street in a Controlled Parking Zone (CPZ)?

**Answer**

“On-Street income and expenditure is considered in three areas. On Street Pay & Display, Controlled Parking Zones and Enforcement outside of Controlled Parking Zones. This is different to the finance tables that the County produces which are defined by a legislative requirement for parking account reporting which separates yellow lines from all types of parking bay (including loading and disabled bays ) whether either be inside or outside of CPZ areas. The surplus of approximately £1.5 million is almost exclusively generated from pay & display income. The cost of enforcing controlled parking zones is almost exactly balanced with the income from permits and penalty charge notices issued with the zones. The costs of enforcement of restrictions outside of Controlled Parking Zones is similarly balanced with income from penalty charge notices.”

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## CABINET – 26 NOVEMBER 2013

### ITEM 5 – PETITIONS AND PUBLIC ADDRESS

#### Public Address

The Leader of the Council has agreed the following requests to address the meeting:-

<b>Item</b>	<b>Speaker</b>
Item 7 – Financial Monitoring	Councillor Nick Hards, Shadow cabinet member for Finance
Item 8 – Service & Resource Planning Report 2014/15 – 17/18	Councillor Nick Hards, Shadow cabinet member for Finance
Item 9 – New Schools for Great Western Park, Didcot: Shortlist of Academy Trusts	Councillor Nick Hards, local councillor for Didcot West

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Division(s):N/A

## CABINET – 17 DECEMBER 2013

### ADDENDA

#### SERVICE & RESOURCE PLANNING 2014/15 – 2017/18

##### Report by Chief Finance Officer

### Introduction

1. As set out in the main report, the Chancellor made his Autumn Statement on 5 December 2013 as expected. This addenda summarises the key announcements in the Statement and sets out the implications for the County Council.

### Key announcements

#### The Economy

2. The Office of Budget Responsibility's (OBR's) forecasts of economic growth have been revised upwards from 0.6% to 1.4% in 2013 and from 1.8% to 2.4% in 2014. Growth is projected to rise to 2.7% in 2017.
3. The date at which debt is predicted to begin falling is 2016/17, a year earlier than forecast at Budget 2013. Public sector net borrowing is forecast to be in surplus in 2018/19.
4. Although the structural deficit continues to fall year on year, the OBR believes that this reflects the improvement in economic outlook since Budget 2013 rather than an improvement in growth potential. The Autumn Statement 2013 therefore sets out a fiscally-neutral response to the improved outlook and reinforces the government's commitment to its deficit reduction plan and to returning the public finances to a sustainable position.

#### Public Spending

5. Government departments' budgets will be reduced by a further 1.1% in 2014/15 and 2015/16, with existing protections for health, education and international development continuing to apply. Local government, the Security and Intelligence Agencies and HMRC will also be excluded – the former to 'encourage councils to take up the Council Tax freeze offer'.
6. The Autumn Statement confirms that the £3.8bn pooled funding for health and social care for 2015/16 announced in the Spending Round 2013 will continue in subsequent years.

7. The government will provide funding to support the provision of free school meals for all children in reception, year 1 and year 2 from September 2014, as well as capital funding to increase capacity in school kitchens and eating areas.
8. Free early education will be extended to the 40% most disadvantaged two year olds by September 2014.
9. The government will provide extra funding over 2014/15 and 2015/16 to support new fraud investigator posts in councils to tackle non-welfare fraud.
10. To incentivise asset sales and support investment in transforming local services, local authorities will be able to bid to use £200m of receipts from asset sales over 2015/16 and 2016/17 for one-off costs of reforming services.

#### Taxes

11. A range of measures relating to business rates was announced including:
  - Reducing the 3.2% RPI increase for 2014/15 to 2%
  - A two-year £1,000 discount for all retail premises, pubs and cafes (excluding banks and betting offices) with rateable values below £50,000
  - Continuation of the current Small Business Rate Relief for a further year and extension of entitlement to relief on second properties
  - Discounts for new occupiers of former retail premises which have been unoccupied for a year
  - Consultation on reforms to the business rates appeals process and a commitment to clear 95% of the backlog of appeals before July 2015
  - Legislation to allow business rate bills to be paid in 12 instalments rather than over 10 months as now
12. A national council tax discount of 50% for family annexes will be introduced from April 2014 to support extended families living together.
13. Employer National Insurance Contributions for under-21 year olds earning less than the higher rate tax threshold will be abolished from April 2015.
14. The rise in fuel duty planned for September 2014 will be cancelled and fuel duty will be frozen for the remainder of this Parliament.

#### Welfare Benefits and Pensions

15. The Autumn Statement sets out how the welfare cap announced at Budget 2013 will operate. The cap will apply to all social security and personal tax credits expenditure but will exclude the State Pension and job seekers benefits. The cap will be set at Budget 2014 and be reviewed at the beginning of each Parliament.
16. The government is legislating for a new State Pension age framework. Future reviews of the State Pension age will be based on the guiding principle that people should expect to spend, on average, up to one third of their adult life in receipt of the State Pension. Based on this, the increase in the State Pension age to 68 is expected to come forward to the mid 2030s, and increase to 69 by the late 2040s.

### Capital Investment

17. The government announced a number of measures to support house building. This includes a £1bn, six year investment programme to fund infrastructure to unlock new large housing sites which will support the delivery of around 250,000 houses. There will also be a £300m increase in Housing Revenue Account borrowing, allocated via a competitive bidding process involving local enterprise partnerships.
18. The government will provide an additional £90m nationally over three years to improve energy efficiency of schools, hospitals and other public sector buildings.
19. Alongside the Autumn Statement, the government published an update to the *National Infrastructure Plan* first published in 2010. It sets out progress on delivery, a refreshed list of priority investments and public and private sector infrastructure projects in the pipeline.

### Local Growth

20. The government will maintain the £2bn Single Local Growth Fund announced in the Spending Round 2013, however will not require local authorities outside of London to pool their New Homes Bonus. On top of the £300m extra Housing Revenue Account borrowing outlined above, £110m of Regional Growth Fund will go into the Local Growth Fund and £50m of large sites funding will be earmarked for local enterprise partnership supported bids for housing growth.
21. There will be a review into the role of local authorities in supporting overall housing supply and consultation on changes to the planning system. An evaluation of the New Homes Bonus scheme will be carried out by Easter 2014, followed by consultation on measures to improve the incentive provided by the scheme.
22. £800m of borrowing at Public Works Loans Board project lending rates will be available to LEPs in partnership with local authorities in 2014/15 and 2015/16. This will be allocated on a competitive basis alongside the Local Growth Fund as part of growth deals.

### **Implications for the County Council**

23. The business rate measures announced in the Autumn Statement are estimated to reduce the Council's income by £1.5m in 2014/15. This is expected to be fully compensated by the government through a specific grant. The Council also expects to be fully funded for the effect of introducing the council tax discount on family annexes.
24. Following the consultation in the summer on pooling local authorities' New Homes Bonus it had been assumed that the Council may lose all of its £3m NHB funding over the medium term, so the government's decision not to pursue this proposal for local authorities outside of London is welcome.

25. Preliminary estimates suggest that it will cost an extra £7m per year to provide free school meals to all reception, year 1 and year 2 pupils in Oxfordshire. It is not yet clear how government funding for this will be allocated to councils. The Council may also get £1.5m capital grant towards the cost of improving kitchens, although this may not be sufficient to meet need.
26. Key programmes/projects relating to Oxfordshire mentioned in the *National Infrastructure Plan 2013* include:
- High Speed 2
  - Great Western rail electrification
  - Diamond Phase 3
  - Super-Connected Cities – Oxford
  - The Big Data Institute – Oxford
  - Satellite Applications Catapult - Oxford Harwell Campus

## **RECOMMENDATION**

**27. The Cabinet is RECOMMENDED to:**

**Note the implications set out in the addenda in forming their budget proposals in January 2014.**

LORNA BAXTER  
Chief Finance Officer

Background papers: Nil

Contact Officers: Stephanie Skivington – Corporate Finance Manager  
Tel. 01865 323995