

PERFORMANCE & CORPORATE SERVICES OVERVIEW & SCRUTINY COMMITTEE

MINUTES of the meeting held on Friday, 17 January 2025 commencing at 10.00 am and finishing at 12.42 pm

Present:

Voting Members: Councillor Eddie Reeves - in the Chair

Councillor Bob Johnston
Councillor Brad Baines
Councillor Jenny Hannaby
Councillor Damian Haywood
Councillor Kieron Mallon
Councillor Glynis Phillips

Other Members in Attendance:

Councillor Liz Leffman, Leader of the Council
Councillor Pete Sudbury, Deputy Leader of the Council with Responsibility for Climate Change, Environment & Future Generations
Councillor Dan Levy, Cabinet Member for Finance
Councillor John Howson, Cabinet Member for Children, Education and Young People's Services
Councillor Judy Roberts, Cabinet Member for Infrastructure and Development Strategy

Officers:

Lorna Baxter, Executive Director of Resources and Section 151 Officer
Stephen Chandler, Executive Director of People and Transformation
Robin Rogers, Director of Economy and Place
Tom Hudson, Scrutiny Manager

The Council considered the matters, reports and recommendations contained or referred to in the agenda for the meeting and decided as set out below. Except insofar as otherwise specified, the reasons for the decisions are contained in the agenda and reports, copies of which are attached to the signed Minutes.

1/25 APOLOGIES FOR ABSENCE AND TEMPORARY APPOINTMENTS

(Agenda No. 1)

Apologies were received from Cllr Middleton and from Cllr Miller, substituted by Cllr Hannaby.

2/25 DECLARATION OF INTERESTS

(Agenda No. 2)

There were none.

3/25 MINUTES

(Agenda No. 3)

The minutes of the meeting on the 6th December 2024 were **AGREED** as a true and accurate record.

4/25 PETITIONS AND PUBLIC ADDRESS

(Agenda No. 4)

Mr David Hearn addressed the committee to highlight the reduction in the number of public toilets at the Westgate library after refurbishment, which had led to long queues, especially on Mondays and Wednesdays when children visit the library. Mr Hearn urged the committee to address the budget for public toilet provision and to review their management.

5/25 UPDATED FUNDING AND BUDGET PROPOSALS 2025/26 TO 2027/28

(Agenda No. 5)

Cllr Liz Leffman, Leader of the Council, Cllr Dan Levy, Cabinet Member for Finance, Lorna Baxter, Executive Director of Resources and Section 151 Officer, Stephen Chandler, Executive Director of People and Transformation, and Robin Rogers, Director of Economy and Place, were invited to attend and present the updated funding and budget proposals 2025/26 to 2027/28.

i. Budget Overview

The Executive Director of Resources and section 151 Officer provided an overview of the developments to the funding and budget proposals 2025/26 to 2027/28, since the previous budget scrutiny meeting in December. In December the budget was reported with a deficit of £25.2 million. This was due to the assumption of no funding changes from 2024-25 because of uncertainties in council tax increases and government grants.

Since that meeting central government had confirmed the final funding settlement, and the proposed increases to council tax had been added to the budget proposals. These developments allowed the Executive Director of Resources and Section 151 Officer to confirm the following changes to the budget proposals.

The social care grant increased to £880 million nationally, resulting in an additional £10.8 million for the council compared to the Medium-Term Financial Strategy (MTFS). The improved Better Care Fund (iBCF) and Adult Social Care (ASC) Discharge Fund merged into the Better Care Grant, continuing at the 2024-25 levels, with no impact on the MTFS. It was also reported that, due to the funding formula, Oxfordshire would not see any of the new £600 million Recovery Grant.

The new Children's Social Care Prevention Grant, of £250 million, was to be distributed on a new needs-based formula, with £1.4 million expected to fund new activity related to the roll out of family help. The New Homes Bonus was also reported to be continued, with an additional £1.1 million in one-off funding.

With the Employers National Insurance increase, only direct costs were to be covered by the national funding of £515 million, which LGA estimates of the actual cost being £637 million. Based off this estimate the Chief Executive of Resources estimated that Oxfordshire would only receive 80% of the estimated £3.9 million of costs, roughly £3.1 million of funding.

The Settlement Funding Assessment (SFA) was also confirmed to be £600,000 lower than the estimated £80 million. However, this was offset by a higher-than-expected income from Section 31 grants for business rates, resulting in no overall impact on the business rates funding.

The most significant change to the updated funding and budget proposals was the changes to council tax. The administration proposed a 4.99% increase in council tax for 2025-26. This includes a 2.99% increase for general council tax and a 2% increase for the adult social care precept.

This increase was expected to generate an additional £15.2 million in ongoing funding from 2025-26. The tax base was expected to grow by 1.87% in 2025-26, higher than the initially estimated 1.75%, providing an additional £700,000 in income.

The combination of increased council tax, changes in the tax base, and additional grant funding reduced the initial deficit of £25.2 million to zero.

Assurances were also made by the Executive Director of Resources and Section 151 Officer that the Council demonstrated that the increase in adult social care spending was sufficient to match the proposed 2% adult social care precept increase, a core requirement for the council tax increase.

Concerns were raised about the impact of cuts on services provided in adult social care and healthcare, particularly on frontline care and the time staff spend with vulnerable people. The Executive Director of People and Transformation acknowledged that there were significant pressures on local authority-commissioned service providers. The council had been working to ensure they pay a fair cost for care and support, and they were among the highest payers in the country. The council was also looking at how technology can help improve efficiency and support staff. However, it was noted that there might be a point where the council would have to look at every level of the organisation and staff groups to continue delivering services effectively.

It was clarified, through the Chair, that of the £25 million deficit £15 million would be recovered from local taxpayers through the proposed council tax increase, and about £10 million would come from government funding. The Executive Director of People and Transformation also emphasised that the Council had been working on reducing the size of the organisation and streamlining services. This included further proposals for reductions and ensuring the organisation was lean without damaging services.

Concerns were raised about the potential costs associated with becoming a unitary authority and whether provisions had been made for these costs in the budget. It was confirmed that a reserve was being proposed to cover the costs associated with

devolution, with a suggested contribution of £5 million. A debate as to whether this should have been funded by central government, with Officers noting that there had not been previous funding. It was highlighted that while the implementation of a unitary authority could yield savings in the long term, there were uncertainties and short-term costs that must be managed prudently.

The Committee **AGREED** to the following actions:

- The Executive Director of Resources and Section 151 Officer would supply a list of the Grants which were ring-fenced for a purpose.

ii. Children's Services

Cllr John Howson, Cabinet Member for Children, Education and Young People's Services, joined to answer questions on the children's services section of the updated funding and budget proposal.

The Executive Director of People and Transformation highlighted the on-going investment of £2 million in preventative services for children's social care, with £1.4 million funded by the Children's Prevention Grant. However, the details concerning the requirements of use for this fund were yet to be confirmed.

Due to uncertainty about the fund requirements, officers could not specify where the money would be spent. However, the Executive Director of People and Transformation indicated that the investment was likely to support both direct staff in prevention and early help, focusing on activities such as parenting support, playgroups, emotional health and well-being, and communication and language support, as well as voluntary sector and external providers.

Concerns were raised about the high cost of out-of-County placements for looked after children. While these costs were not covered by grants, efforts were being made to reduce such placements by investing in local children's homes to keep more Oxfordshire children in Oxfordshire.

The Committee questioned how the council was considering the additional powers and responsibilities provided by the government for local authorities, particularly in relation to its role as an educational authority and working with locally maintained schools.

The Cabinet Member for Children, Education, and Young People's Services noted the Council's approval of the bill clause that transfers admissions responsibilities from academies back to local authorities, especially benefiting children in care. The council also sought to license online schools like the Department of Education does for the private sector, ensuring all children were enrolled in an Oxfordshire school. Their goal was to integrate children into mainstream schools wherever possible, reducing those receiving education elsewhere.

iii. Adult Services

The Executive Director of People and Transformation reported that there were no proposed changes in investments to the adult social services budget since the previous budget scrutiny. However, there was a 3% proposed increase in discretionary charges including community support service and telecare. There was also a 58% increase in the annual charge for support to people funding their own care to £330. This increase was to reflect the actual time required for the support.

The Committee asked if there were any efficiency measures built into the adult social care budget, specifically if contributions, to private contractors, would taper based on improved productivity over time.

The Executive Director of People and Transformation explained that while there were ongoing discussions with providers about improving productivity through technology and other means, the contracts were mostly based on individual care needs, making it difficult to apply a general productivity measure. However, some contracts, like reablement, were based on outcomes and fixed costs, which incentivise efficiency.

iv. Public Health and Communities

The Executive Director of People and Transformation provided a summary of the changes made to the public health and Communities budget, as well as the Oxfordshire Fire & Rescue Service and Community safety budget.

The budget for Domestic Abuse services increased by £0.3m to reflect, due to the increase in the Domestic Abuse Duty Safe Accommodation Grant. There was also a 3.5% rise in charges for Fire and Rescue services, though the Council had limited discretion over these statutory and discretionary charges.

v. Law and Governance

The Executive Director of Resources and Section 151 Officer reported the review of charges in the Resources and law & governance budget. The budget proposed an increase for school meal prices of 14-15% to bring prices in line with other local authorities. This increase was necessary as prices were not raised during the pandemic, leading to an overspend in the meal service. The increase aimed to ensure the sustainability of the service.

There was also a proposed increase of 3-4% in Gypsy and Travellers fees, to reflect the increased staff time and associated costs. Registration Service proposed an increase for 2025/26 and 2026/27 to account for bookings made well in advance.

The Committee raised concerns over why there was such a sharp increase in the school meal price, and why the price had not steadily risen with the costs of supplying the service. Members feared that the increase could have a significant negative impact on families.

The Executive Directors, as well as the Cabinet Member for Children, Education, and Young People's Services, addressed these concerns remarking that it would have

been preferable to have had a steady increase in school meal prices. However, the service was a loss-making service, and the increase in prices was needed to ensure its sustainability. The service was also competing against the private sector, and there was a danger of being seen as unfairly subsidised. It was also noted that the majority of parents would not be affected by this increase as their schools do not use the County Council's meal service.

vi. Economy and Place

Cllr Pete Sudbury, Deputy Leader of the Council with Responsibility for Climate Change, Environment & Future Generations, and Cllr Judy Roberts, Cabinet Member for Infrastructure and Development Strategy, joined to present and answer questions on the updated funding and budget proposals.

The Cabinet Members, along with the Director of Economy and Place, explained that the Economy and Place updated funding and budget proposals included a £2.1 million investment in flood prevention to enhance community resilience and emergency planning, and a £1 million investment to improve rail infrastructure, including the Cowley branch line and Oxford Station.

Members questioned why only £2 million was proposed for spending on flooding and £1 million on rail infrastructure, given the scale of the issues the County had faced over the previous year.

The £2 million allocated for flooding was described as a contingency budget designed to address immediate needs and enhance community resilience. This included employing two flood officers and supporting local flood wardens. The budget aimed to leverage additional funding from partners like the Environment Agency and Thames Water. The council recognised the urgency of flooding issues and plans to use this budget to respond effectively to flooding incidents and prevent future occurrences. The budget was seen as a starting point, with the potential for further investment as needs were identified and partnerships strengthened.

The £1 million investment in rail infrastructure was intended to support various projects, including the Cowley branch line and improvements at Oxford Station. This funding was to be used for feasibility studies, technical advice, and practical works to enhance the rail network. The goal was to leverage further investment from the government and other stakeholders by demonstrating the council's commitment to improving rail services. This investment was seen as a strategic move to secure additional funding and support for larger projects that will have a significant impact on reducing traffic congestion and improving public transportation.

vii. Environment and Highways

The council was to receive £5.1 million for 2025-2026 under the Extended Producer Responsibility (EPR) scheme. Funding was to start in November 2025. For the first year, the funds were to be reserved for waste services, covering extra costs, and boosting reuse and recycling of packaging. This was due to uncertainties about long-term income from the scheme and the carbon emission trading scheme starting in April 2028, which would add costs.

The Environment and Highways updated funding and budget proposals, also included the £400,000 allocated for park and ride services intended to maintain the joint ticket price at £4, despite the government's increase in the bus fare cap from £2 to £3. This funding aimed to keep park and ride services competitive and encourage their use, which had been recovering towards pre-pandemic levels.

Additionally, street parking charges were to remain unchanged, while business rate permits were to see an increase of 10%. The mechanism for calculating lane rental fees had been updated to more accurately reflect the costs. Furthermore, DIY waste charges were increase by 4.2%, reflecting the increased costs of disposing of this waste.

Concerns were raised about the potential increase in fly tipping because of the higher charges for DIY waste. However, it was noted that as a criminal activity, fly tipping required effective enforcement to address the issue. There was also a need to balance the contractual obligation to adjust charges and the potential impact on fly tipping. The importance of making it easy for residents to dispose of their waste properly was emphasised to mitigate the risk of increased fly tipping.

The Committee took a short 10-minute break at 12:00. The Executive Director of People and Transformation did not rejoin the meeting after the break.

viii. Capital Programme

The Executive Director of Resources and Section 151 Officer introduced the proposals within the capital programme, supported by the Cabinet Member for Infrastructure and Development Strategy and the Director of Economy and Place.

£0.3 million had been set aside for Banbury town centre to enhance partnership working with the town and district councils. This funding was to support the development of a master plan to guide future development and investment in the town centre, ensuring coordinated efforts to improve the area.

An additional £1.3 million had been allocated for active travel measures intended to accelerate the implementation of Local Cycling and Walking Infrastructure Plans (LCWIPs). This funding was to support the delivery of identified projects, prioritising quick wins and leveraging Section 106 agreements. The aim was to enhance active travel infrastructure, focusing on both urban and rural areas, and improving routes to schools and other key destinations.

Concerns arose about the LCWIPs for Banbury, as they initially ignored important destinations like secondary schools, railway stations, and cultural centres. It was noted that local knowledge and input from elected members should be included in planning. Maintaining short-stay parking in market town centres was deemed crucial for supporting local businesses and ensuring accessibility. Additionally, there was a discussion on the need for resources to implement active travel measures and improve market squares to make them more accessible and appealing for social and business activities.

Members sought clarification on project identification and prioritisation based on LCWIPs. The Cabinet Member for Infrastructure and Development Strategy explained that LCWIPs contained a priority list aiming to balance projects between urban and rural areas, focusing on quick and easy implementations. Section 106 funds were considered for projects needing additional resources. Priority was given to projects with significant impacts on modal shift and overlapping beneficial schemes. The process involved officer guidance and leveraging existing resources and funding for efficient implementation.

ix. Outstanding funding information and next steps

The Executive Director of Resources and Section 151 Officer explained that the final local government finance settlement was expected to be published in early February, likely after the administration's proposed budget and budget amendments were produced. Additionally, surpluses and deficits on the council tax collection funds were anticipated by the end of January, along with pending business rates information and funding related to National Insurance contributions.

The immediate next steps in the budget process included the publication of the Cabinet's proposed budget on January 20th. The Cabinet's proposed budget for Council was scheduled for publication on January 31st, with opposition amendments to be published on February 6th, leading up to the Council meeting on February 11th.

The Committee **AGREED** to the following actions as a result of their discussions:

- The Executive Director of Resources and Section 151 Officer would supply a list of the Grants which were ring-fenced for a purpose.

The Committee **AGREED** to make the following observations:

- To recognise the anticipated adverse impact on the Council's income over the course of MTFS due to changes to the criteria for distributing Government grants, including an increased focus on deprivation.
- To recognise that the Council is borrowing as much as it may prudently do to fund capital expenditure
- That there are likely equality impacts of National Insurance changes amongst external social care organisations
- That the Council recognises the desire for additional – though targeted – spending relating to flood-measures, and the importance therefore in securing matched funding from other partners
- That there is support for the development of the Cowley branch line and a new railway station at Wantage/Grove, but also that other rail projects need to be progressed. Nevertheless, investment in bus services may have more immediate and tangible benefits.

The Committee **AGREED** to Recommendations under the following headings:

- That the increases for school meals are stepped over a longer period.
- That the Council budget report provides members with i) the impacts of school meal price rises for parents with two children getting school meals every day

over a year (assuming that the full increase in costs are passed on by schools), and ii) and the anticipated savings to the Council made by increasing school meal prices.

- That the Council budget report includes a benchmark figure for the cost-avoidance accruing from the Council's proposed flood-prevention investment.
- That the Council budget report provides members with the financial impact to the Council of increasing DIY waste charges by 4.2%.
- That the Council makes clear the framework through which projects will be prioritised for active travel spending, including consideration of the impact on numbers of people walking and cycling as well as the additional benefits of schemes being complementary as part of a network.

Cllr Mallon and the guests of the committee left at this stage.

6/25 COMMITTEE ACTION AND RECOMMENDATION TRACKER

(Agenda No. 6)

The Committee **NOTED** the action and recommendation tracker.

The Committee also **AGREED** that they would like updates on recommendation responses periodically following their acceptance by Cabinet, and that the tracker required spring cleaning and updating.

7/25 COMMITTEE FORWARD WORK PLAN

(Agenda No. 7)

A debate arose about holding a meeting on February 21st. Some members emphasised the importance of formal committee consideration for recommendations and transparency, while others expressed concerns about the fluidity of commercial property transactions and the practicality of scheduling a meaningful discussion. It was proposed that an all-member briefing would be more inclusive and suitable for topics like the sale of County Hall and devolution.

It was **NOTED** that the committee had the full intention for the items on the sale of County Hall, and the proposals for Oxfordshire devolution to be full member briefing items.

The Committee **AGREED** to the forward workplan, subject to the removal of the provisional meeting on 21st February.

8/25 RESPONSES TO SCRUTINY RECOMMENDATIONS

(Agenda No. 8)

The Committee **NOTED** the response to scrutiny recommendations on Community Wealth Building and Wider Social Value.

..... in the Chair

Date of signing