All-member meeting, 14 December 2018 – Oxford city council budget briefing

Once again, this Council budget is being framed in challenging times.  Government grant is reducing to zero in 2019, interest rates remain low (and therefore affect the returns on council investments), and we are of course exposed to wider economic risks which might affect the local economy, investment income and commercial property.

However, we are once again proposing a **fully balanced four-year budget**, which **retains front-line services in full**, **continues to support the most vulnerable**, **including extra spending towards our aim of ending homelessness and support for the Oxford Living Wage**, and **includes £117 million of capital investment over the four-year period**.

At the heart of this decision is the “Oxford Model”, where, rather than choosing to outsource services, we instead “in-source” work to our excellent, wholly-owned company Oxford Direct Services Limited, from other public and private bodies.  ODSL was established in April 2018, in order to allow for more such activity to be undertaken.  Already next year, a “dividend” of over £1.5 million for Oxford City Council is projected from the organisation, which will enable front-line services to be supported.  ODSL is requesting additional capital investment from the council in a range of modernisation activities, which will enable that projected dividend to increase to over £3 million per annum by 2022/23.  Clearly the City Council, as the sole shareholder, will guide the company carefully and keep this projected dividend under review, but we believe this distinctive approach shows the benefits of “insourcing” rather than “outsourcing” work and placing faith in the talents of council and ODSL staff.

There are other important areas to highlight:

* We intend continuing the Council Tax Reduction Scheme, in full, for those on low incomes;
* We propose additional promotion of the Oxford Living Wage towards local businesses and other organisations, as well as paying it to our own workforce;
* We propose an “accessability app” to make the city easier for people with a disability to use fully;
* We are confirming additional funding of £200,000 towards homelessness a year, as proposed in last year’s budget, to be implemented from April 2019, and leisure services will be made available for free to homeless pathway clients;
* We are reviewing how best to use the government’s welcome decision to lift the restriction on borrowing in the Housing Revenue Account, and how both this, and our local housing company Oxford City Housing Ltd., can help address the city’s housing shortage;
* There is no increase in park and ride charges;
* A “crèche” is to be trialled at Ferry Leisure Centre, and three drinking fountains will be installed in parks, to give users a better experience and reduce plastic waste.

Clearly, there are difficult decisions – for instance, we are proposing to phase out our subsidy to “Experience Oxfordshire” over the next three years, and there are modest increases in other charges.  However, by being willing to prioritise, we are able to safeguard the front-line and in particular support the most vulnerable in Oxford.

We will consult on this budget, and will welcome feedback in any areas.  Developing the “Oxford Model”, which places great faith in its staff, has drawn upon the expertise of officers across our organisation and in ODSL, and we remain grateful for their excellent efforts all year round.

Ed Turner

Deputy Leader (non-statutory) and Board Member for Finance and Corporate Assets

Oxford City Council