

# Supplementary Papers



Listening Learning Leading

Contact Officer: Steve Culliford  
Tel: 07895 213735

FOR THE MEETING OF

## Cabinet

held on Thursday 3 February 2022 at 6.00 pm

in the First Floor Meeting Space, 135 Eastern Avenue, Milton Park, OX14 4SB

Open to the public including the press

**6. Recommendations and updates from other committees** (Page 2)

To consider any recommendations to Cabinet from other committees.

**12. Revenue budget 2022/23 and capital programme 2022/23 - 2026/27** (Pages 3 - 39)

To consider the head of finance's report.



# Recommendations and updates from other committees to Cabinet on 3 February 2022

Below are updates from other committees to South's Cabinet meeting on Thursday 3 February.

## Climate and Ecological Emergencies Advisory Committee

The Climate and Ecological Emergencies Advisory Committee met on 11 January to reports on the **climate action plan**. The committee **recommended that Cabinet recommends adopts the climate action plan**. A report on this matter appears on Cabinet's agenda.

The committee discussed other climate emergency matters but made no further recommendations to Cabinet. The committee's minutes are published on the council's website.

## Joint Scrutiny Committee

The committee met on 24 January to discuss the future of waste services. An update will be given in the exempt session later in the meeting.

## Joint Audit and Governance Committee

The committee met on 25 January to discuss:

- The **treasury management strategy for 2022/23** – the committee has recommended that Cabinet recommends to Council to approve the treasury management strategy (see the report on the Cabinet agenda).
- The **future provision of external audit services** – the committee supported the recommendations set out in the report (see the report on the Cabinet agenda).

Democratic Services

[democratic.services@southandvale.gov.uk](mailto:democratic.services@southandvale.gov.uk)

3 February 2022



Listening Learning Leading

# Report to: Cabinet Scrutiny Committee Council

Report of Head of Finance

Author: Simon Hewings

Tel: 01235 422499

E-mail: [Simon.Hewings@southandvale.gov.uk](mailto:Simon.Hewings@southandvale.gov.uk)

Cabinet Member responsible: Leigh Rawlins

Tel: 01189 722565

E-mail: [Leigh.Rawlins@southoxon.gov.uk](mailto:Leigh.Rawlins@southoxon.gov.uk)

To: CABINET

3 February 2022

To: SCRUTINY COMMITTEE

7 February 2022

To: COUNCIL

17 February 2022

## Revenue Budget 2022/23 and Capital Programme to 2026/27

### RECOMMENDATIONS

1. That Cabinet recommends to Council that it:

- a. sets the revenue budget for 2022/23 as set out in appendix A.1 to this report,
- b. approves the capital programme for 2022/23 to 2026/27 as set out in appendix D.1 to this report, together with the capital programme changes as set out in appendix D.2 and Appendix D.3 to this report,
- c. sets the council's prudential limits as listed in appendix E to this report,
- d. approves the medium-term financial plan to 2026/27 as set out in appendix F to this report,
- e. allocates £500,000 to fund the Communities Capital and Revenue grant scheme,
- f. asks officers to review the Medium-Term Financial Strategy (MTFS) following the announcement by the Secretary of State for Levelling Up, Housing and Communities (DLUHC) of changes to the council's future funding streams

2. That Cabinet agrees that the cabinet member for finance, in conjunction with the head of finance, may make minor adjustments to this report and the prudential indicators should they prove necessary prior to its submission to Council on 17 February 2022.

## Purpose of report

1. This report:

- brings together all relevant information to allow Cabinet to recommend to Council a revenue budget for 2022/23 and a capital programme for 2022/23 to 2026/27;
- recommends the prudential indicators to be set by the council in accordance with 'the Prudential Code' introduced as part of the Local Government Act 2003;
- contains the opinion of the council's chief financial officer on the robustness of estimates and adequacy of the council's financial reserves;
- contains the Medium-Term Financial Plan (MTFP) which provides details of the forward budget model for the next five years.

## Strategic objectives

2. The allocation of financial resources within the revenue and capital budgets needs to match the objectives agreed by the council.

## Revenue budget setting 2022/23

### Background

3. The revenue budget for 2021/22 agreed by Council in February 2021 was balanced by a significant draw on revenue reserves of £4.3 million. Whilst this draw reflected an anticipated increase in net costs due to the Coronavirus pandemic, a significant draw was anticipated to be required from reserves across all years of the Medium-Term Financial Plan (MTFP) and was predicted to be in excess of £5 million by 2025/26.
4. As noted in the budget setting report, this use of reserves was considered manageable in the period covered by the MTFP (in light of the reserves and balances available to the council and the council's ability to vary budgets and redirect funding) but was not considered sustainable over the medium and long term.
5. The use of reserves highlighted in the February 2021 budget setting report, and the need to address them, was also highlighted by the council's external auditor, EY when they addressed Joint Audit and Governance Committee (JAGC) in July 2021. Kevin Suter, Associate Partner, in addressing JAGC members, advised that:

*"What I am flagging here is I need to be assured next year that those decisions are at least being prepared or considered in order to reduce that budget gap over time and before the councils, and this will apply to both South Oxfordshire and Vale of White Horse, before they get to a position where a S114 notice would be required because those reserves have been diminished to such a level."*

6. Over the summer officers discussed the budget situation informally with cabinet members to agree an approach to the 2022/23 budget setting round that would continue to address the financial challenges facing the council. Those discussions highlighted that, whilst a comparatively low-cost council, South Oxfordshire's revenue situation was affected by a number of key issues:

- The council's Band D Council Tax of £131.24 in 2021/22 is the eighth lowest in the country for a shire district council and is well below the national average of £198.96,
- The council had, unlike other councils, not benefitted from the business rates retention scheme,
- The council had benefitted from the "New Homes Bonus" funding stream but that was under review by government and was expected to be less generous in the future.

7. The approach to budget setting agreed with cabinet members for 2022/23 was that officers would undertake a thorough review of the base budget and, subject to what that process could achieve, a more managed approach to the use of reserves in future years would be adopted.

### **Revenue base budget setting 2022/23**

8. The starting point for building the council's base budget 2022/23 is the 2021/22 base service budgets for service teams of £20,308,245. This has then been updated for the following:

- opening budget adjustments, including the removal of one-off growth items relating to 2021/22
- addition of
  - inflation, salary increments and other salary adjustments
  - essential growth
- removal of costs relating to
  - base budget savings.

9. In the MTFP agreed as part of the budget setting in February 2021, the base budget for 2022/23 was estimated to be £18,271,813. This included an estimate for inflationary pressure and essential growth.

10. Base budgets for 2022/23 have been constructed by heads of service and budget holders supported by finance business partners from the Strategic Finance Team. They have been scrutinised through a "base budget challenge" exercise undertaken by the Interim Head of Policy and Programmes and the Head of Finance supported by project accountants from the Strategic Finance Team. The challenge exercise, which took place during October and November focussed on the following key areas:

- Identification and removal of all surplus budgets and consolidation of one corporate contingency budget,
- Ensuring that all discretionary fees and charges increase by a minimum of five per cent to ensure all costs are recovered,
- Centralisation of certain budgets e.g. property, legal and IT to enable better financial control.

Officers have also engaged with the Chartered Institute of Public Finance and Accountancy (CIPFA) and the Local Government Association (LGA) to benchmark the cost of services provided by the council.

## Revenue budget 2022/23

### Budget composition 2022/23

11. **Appendix A.1** summarises the movements in the base budget from £20,308,245 in 2021/22 to £16,271,079 in 2022/23. These movements are detailed below.
12. **Opening budget adjustment reduction (£3,028,930) (appendix A.2)**. This includes the removal of one-off growth items relating to previous years' budgets.
13. Additions to the base budget:
  - **inflation, salary increments and other salary adjustments £596,821 (appendix A.3)**. For all employees an increase in salary of 1.9 per cent is budgeted for 2022/23. Increments payable to council employees not at the top of their salary range total £135,553. Other salary adjustments represent a cost of £227,615.
  - **essential growth – one-off £298,674 and ongoing £887,227 (appendix A.4)**, these items comprise additional expenditure items, and reductions in income, which have been identified by officers as unavoidable and reflect changes that have occurred in the current year or which are known will happen in 2022/23. Given the value of these additional essential growth items they have been scrutinised during the base budget challenge.
14. Deductions from the base budget:
  - **base budget reductions £2,471,182, (appendix A.5)** These base budget savings are reductions in costs identified by officers which may be the result of more efficient working or previously agreed policy decisions, cost reductions outside of the council's control, increases in income, or correction to budgets.

One of the most significant reductions is in respect of the costs of the Local Plan. Local plan costs fluctuate significantly from year to year depending on at what stage the council is in the local plan process. Officers intend to manage this going forward by creating a separate reserve, to which the council will make a fixed annual contribution, to pay for the non-staffing costs of the local plan to manage these fluctuations. It is also proposed that the underspend on these costs at the end of 2021/22 will be added to this reserve.

- **increase in managed vacancy factor £219,776**. The council has previously operated a managed vacancy factor level of four per cent i.e. it anticipates only spending 96 per cent of the employee budget due to, for example, in year vacancies. Officers have concluded that this can be increased to five per cent.
- **In year savings target £300,000**. In undertaking the base budget challenge exercise, officers consider that there is further potential to realise further savings from the base budgets from future exercises. The following areas have been identified as initial areas for review:
  - Development management,

- Front of house,
- Grounds maintenance.

15. Realising the level of base budget savings identified above is not without risk and budgets that could have withstood potential in year service pressures have been removed. In mitigation, officers feel it appropriate to **increase the contingency budget from its previous base level of £200,000 to £400,000**. (Note that the contingency budget was increased for 2021/22 for one-year only from £200,000 to £1,100,000 due to the Coronavirus pandemic).

16. As a result of these changes the council's revised base budget for 2022/23 is **£16,271,079** some **£4,037,166** less than that set in 2021/22. This decrease is due to the removal of prior year one off budgets and savings identified during the budget challenge.

### Revenue growth

17. Revenue growth of **£612,500** has been included in the budget for 2022/23. This is detailed in **appendix B.1** and reflects the following.

- The ongoing increase in employer National Insurance costs which commences in 2022/23, government funding for which has now been confirmed to be in the settlement,
- One-off funding, totalling £500,000, to fund activity in support of the following corporate plan priorities:
  - Climate action,
  - Nature recovery, and
  - Community well-being.
- A one-off increase in the budget to fund transformation activities, to be funded from the projected underspend in 2021/22. Transformation activities are discussed later in this report.

### Revenue savings

18. Savings proposals relate to an ongoing proposed change in car parking fees has been included in the budget for 2022/23. This is detailed in **appendix B.2** and amounts to **£105,000**.

### Borrowing costs

19. The revised capital programme for 2021/22 to 2025/26 agreed by Council in October 2021 was funded in part by external borrowing. Borrowing costs of £101,500, reflecting anticipated interest costs, are included in the budget for 2021/22.

### Gross treasury income

20. Treasury income earned in 2022/23 is currently forecast to be **£1,776,730** and will be allocated as follows:

- £1,376,730 to support future revenue budgets; and
- £400,000 reinvested in financial instruments.

21. Investment income remains low because of very low interest rates forecast over the medium term. More details of treasury income can be found in the council's Treasury Management Strategy report<sup>1</sup>.

22. Including revenue growth and savings, borrowing costs and treasury income results in a net expenditure budget for the council of **£15,103,349**.

## Reserves and other funding

### Transfers from reserves

23. The proposed transfers to earmarked reserves total **£545,890** and reflect:

- The transfer from reserves of projected treasury income earned in 2021/22 and earmarked to support the revenue account in 2022/23 - **£1,210,000**,
- The transfer to reserves of treasury income earned in 2022/23 - **£1,777,000**,
- The transfer to reserves of the affordable homes element of the New Homes Bonus (NHB) payment - **£90,160**,
- Other transfers from the revenue grants reserve - **£111,270**.

24. Based on the above use of reserves and other funding, the amount of revenue expenditure to be financed from government settlement, council tax and unearmarked reserves in 2022/23 is **£15,649,239 (appendix A.1)**.

## Funding

### Local government settlement

25. Following the Spending Review in November 2021, the provisional local government settlement for 2022/23 was announced in December 2021. As with the previous year's settlement, this is for one year only.

26. Table 1 below details the government's funding for the council in 2022/23.

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<sup>1</sup> Considered by Cabinet 3 February 2022, Council 17 February 2022

**Table 1: provisional local government finance settlement 2022/23**

	<b>Provisional Settlement £</b>
Business rates retention scheme	(2,604,892)
Revenue Support Grant	(377)
Indexation	(214,029)
NDR at safety net	195,367
<b>Settlement Funding Assessment</b>	<b>(2,623,931)</b>
<b>Other funding</b>	
New Homes Bonus	(2,003,256)
Rural Services Delivery Grant	(44,314)
Lower tier services grant	(116,848)
22/23 services grant	(179,575)
<b>Grand total</b>	<b>(4,967,924)</b>

27. The provisional settlement for 2022/23 is over five per cent lower than 2021/22. Whilst the provisional settlement, at a national level, includes an average increase in “core revenue spending power” of 6.8 per cent, council tax income is included in that definition and, in calculating the increase, government assumes that council tax will increase by the maximum allowed before a referendum is required. As shown in the government’s calculations, the council’s core revenue spending power will increase by 1.1 per cent, reflecting an increasing reliance on council tax income whilst government grant funding reduces.
28. Included within the government’s definition of core revenue spending power is NHB, which has become critical to the sustainability of the council’s MTFP. As identified above funding has been provisionally announced along with the settlement this year at **£2,003,256** for 2022/23.
29. Outside of core revenue spending power, government has also provided additional one-off services grant funding. This amounts to **£179,575** and is in addition to lower tier services grant funding of **£116,848**.
30. At the time of writing this report the final settlement figures had not been received from the government. It is not anticipated that when this information is available it will be significantly different to the provisional figures.
31. In announcing the settlement, the Secretary of State for Levelling Up, Housing and Communities stated that:

*“Government is committed to ensuring that funding allocations for councils are based on an up-to-date assessment of their needs and resources. The data used to assess this has not been updated in a number of years, dating from 2013-14 to a large degree, and even as far back as 2000. Over the coming months, we will work closely with the sector and other stakeholders to update this and to look at the challenges and opportunities facing the sector before consulting on any potential changes.*

*As part of this we will look at options to support local authorities through transitional protection. Councils should note the one-off 2022/23 Services Grant provided in the*

*Local Government Finance Settlement in 2022/23 will be excluded from potential transitional protections.”*

32. For budget setting purposes it has been assumed that the council’s “core revenue spending power” will remain constant during the period covered by the MTFP period. It is conceivable that this may be too optimistic an approach, or indeed too pessimistic. Unlike a number of other district councils for whom core revenue spending power had not changed in the last two settlements, this council has seen small increases over that period. Officers therefore consider it prudent to project core revenue spending power being maintained over the MTFP period.
33. The actual funding generated in future years will depend on the outcome of the review of the retained business rates scheme which will include changes to:
- The percentage of business rates growth is retained by the different tiers of local government,
  - the baseline in accordance with the fair funding review,
- together with the outcome of the review of NHB.
34. Business rates retained by the council as planning authority relating to facilities generating renewable energy within the district is estimated at **£76,894** (MTFP row 54).

#### **Collection fund**

35. The surplus on the collection fund is estimated in 2022/23 to be **£275,396**.

#### **Use of reserves**

36. The difference between expenditure requirement and the funding available is smoothed over the medium-term financial plan by transfers to and from the general fund balance. The net impact of these budget proposals is a draw on reserves of **£2,107,799** in 2022/23. This is considerably lower than the £4.3 million required to balance the revenue budget in 2021/22. It is also lower than the £3,564,356 that, when the 2021/22 budget was set, was the estimated draw on reserves required for 2022/23.

#### **Cabinet member for finance’s revenue budget proposal**

37. Based on the amendments detailed above, and as shown in **appendix A.1** of this report, the cabinet member’s budget proposal, including growth, is for a net revenue budget of **£15,103,349**. This revenue budget as proposed would result in an increase of £5.00 to current band “D” council tax to **£136.24**.
38. **Appendix C** shows the breakdown of the revenue budget.

## Capital programme 2022/23 to 2026/27

### Current capital programme

39. The latest capital programme (before growth) is attached at **appendix D.1** and is summarised in table 2 below. It is the capital programme as set by Council in February 2021 plus: -
- slippage (caused by delays to projects) carried forward from 2020/21,
  - new schemes approved by Council during 2021/22,
  - re-profiling of expenditure on schemes from the 2021/22 financial year to future years where delays to schemes have occurred,
  - cabinet approved movement of schemes from the provisional to the approved capital programme,
  - the deletion of previously agreed schemes that have completed or are no longer being pursued at this time in their original form.
40. A number of existing schemes have been identified as being available to be funded from the council's share of Community Infrastructure Levy (CIL). £296,000 has been allocated the following existing schemes in the provisional programme:-
- Abbey Sports Centre Artificial Turf Pitch
  - Park Leisure Centre Roof Lights
  - Thame Leisure Centre Combined Heat and Power Unit
41. The capital programme also includes CIL receipts that are payable to Oxfordshire County Council and Oxfordshire Clinical Commissioning Group.

### Cabinet capital programme proposals

42. **Appendix D.2** contains a list of capital schemes that are being recommended for inclusion and amendment in the capital programme. **Appendix D.3** contains a further list of proposals that will be funded from CIL and Section 106 receipts. Officers will amend the provisional capital programme to include the proposals if approved by Cabinet and Council.

### Financing the capital programme

43. Where permitted, capital expenditure is funded in the first instance from specific government grants, earmarked reserves and other external contributions. The balance of the programme is funded from the council's capital receipts reserve.
44. **Table 2** contains a schedule showing the current and proposed capital programme and how it will be financed, including the growth proposals, if they are approved. The total planned capital expenditure is **£73.973 million** over five years.
45. The council's usable capital receipts, based on current estimates, are expected to be **£4.26 million** by the end of 2026/27. In addition, future asset sales and realisation of

capital receipts are anticipated to be generated via implementation of the Strategic Property Review.

**Table 2: current and proposed capital programme with financing**

	2021/22 latest estimate £000	2022/23 estimate £000	2023/24 estimate £000	2024/25 estimate £000	2025/26 estimate £000	2026/27 estimate £000	GRAND TOTAL £000
<b>Capital programme before growth</b>							
- approved	8,845	16,528	11,802	9,791	1,782	1,782	50,530
- provisional	2,115	10,570	625	652	626	626	15,214
	<b>10,960</b>	<b>27,098</b>	<b>12,427</b>	<b>10,443</b>	<b>2,408</b>	<b>2,408</b>	<b>65,744</b>
Capital growth proposals (Appendix D.2)	0	827	115	105	105	105	1,256
Capital growth proposals externally funded (Appendix D.3)	0	5,474	1,500	0	0	0	6,974
<b>Total expenditure</b>	<b>10,960</b>	<b>33,399</b>	<b>14,042</b>	<b>10,548</b>	<b>2,513</b>	<b>2,513</b>	<b>73,973</b>
<b>Financing</b>							
Grant funding	2,343	5,183	1,518	1,518	1,518	1,518	13,598
Developers' contributions/CIL	5,672	13,185	1,500	0	0	0	20,357
Borrowing	0	5,000	10,000	0	0	0	15,000
Usable capital receipts/revenue reserves	2,945	10,031	1,024	9,030	995	995	25,019
<b>Total financing</b>	<b>10,960</b>	<b>33,399</b>	<b>14,042</b>	<b>10,548</b>	<b>2,513</b>	<b>2,513</b>	<b>73,973</b>
<b>Estimated balances as at 31 March 2027 (excluding amounts ring-fenced as part of the the MTFS)</b>							
Usable capital receipts							4,251
General fund balance							18,375
New homes bonus:							
Unringfenced							0
Affordable homes							1,822

### Future pressures on the capital programme

46. **Table 2** also shows the use of council resources to fund the capital programme. Officers advise Cabinet not to earmark all available resources in proposing the budget to Council, as the prudential code requires local authorities to set sustainable budgets. By retaining unallocated balances, Cabinet can demonstrate that through a combination of this and future income (that can be expected beyond the period of the budget) it can fund future pressures.

47. In terms of future capital spending, Cabinet has indicated that it would like to prioritise spending to support the following corporate plan priorities:

- Climate action,
- Nature recovery,
- Homes and infrastructure.

### The prudential code and prudential indicators

48. In setting its revenue and capital budgets for 2022/23, the council must agree prudential indicators in accordance with the prudential code (see below). When recommending its budgets to Council, Cabinet must also recommend the prudential indicators.

49. From 1 April 2004, government control of local authorities' borrowing was abolished and replaced by a prudential system of self-regulation. Authorities are able to borrow based on need and affordability, which they demonstrate through compliance with the prudential code developed by the Chartered Institute of Public Finance and Accountancy (CIPFA) and given statutory force by government regulation.

50. The key objectives of the prudential code are to ensure that the capital investment plans of the authority are affordable, prudent and sustainable. To demonstrate that authorities have had regard to these objectives, the prudential code sets out a number of indicators that must be considered covering five distinct areas – capital expenditure, affordability, prudence, external debt and treasury management. Council must approve the indicators through the budget process before 1 April each year, but they can be revised during the year if required.
51. The key indicators that will drive the capital budget decision making process will be those concerning long term affordability, as these measure the impact of capital investment decisions on the overall revenue budget and in particular the precept against the collection fund.
52. In setting or revising the prudential indicators the council is required to have regard to:
- affordability e.g. implications for the precept
  - prudence and sustainability e.g. implications for external borrowing
  - value for money e.g. option appraisal
  - stewardship of assets e.g. asset management planning
  - service objectives e.g. strategic planning for the council
  - Practicality e.g. achievability of the forward plan.
53. Under the code, the head of finance as chief finance officer is responsible for ensuring that the council considers all relevant matters when setting or revising indicators through a report. The head of finance is also required to establish procedures to monitor performance against all forward-looking indicators; and report upon any significant deviations from forward forecasts with proposed actions.
54. **Appendix E** contains the recommended prudential indicators, which have been calculated based on the budget proposals. The head of finance is satisfied that these indicators show that the council's capital investment plans are affordable, prudent and sustainable.

## The Medium-Term Financial Plan (MTFP)

55. The MTFP provides a forward budget model for the next five years. **Appendix F** contains the MTFP for 2022/23 to 2026/27. This is a projection of the revenue budget up to 31 March 2027. As identified above it assumes that core revenue spending power will remain unchanged over the MTFP period. It also incorporates assumptions on interest income and other predictable pressures on the council, such as inflation and salary increments.
56. Included within the MTFP is an estimate of costs associated with the exit and service transformation required when the Five Councils Partnership contract ends in September 2025. It is proposed that the council will, as allowed under the rules for the flexible use of capital receipts, fund these costs, anticipated at this time to be around £1.5 million, from those receipts.
57. As a result of the work undertaken through the budget challenge process, the future projections represent a significantly improved position as compared to that estimated in previous years. Whilst in all financial years revenue expenditure exceeds revenue income, and there is an increasing draw on reserves to balance the budget, the annual

draw on reserves is significantly lower than previously forecast and reflects the budget strategy agreed by Cabinet. Based on these latest estimates, revenue reserves are sufficient to set a balanced budget across the MTFP period to 2026/27 and beyond the end of that period, but not indefinitely.

58. Government have confirmed that details regarding the spending review will be brought forward within the current parliamentary term.

**Table 3: use of reserves during MTFP period to balance the revenue budget**

Financial year	Use of revenue reserves £000	Use of capital receipts £000
2022/23	2,137	0
2023/24	1,752	0
2024/25	1,965	150
2025/26	2,316	1,350
2026/27	3,018	0
<b>Total</b>	<b>11,189</b>	<b>1,500</b>

59. The council's MTFP states that the council will hold £50 million of investments of which up to £35 million can be invested in capital schemes that will produce a return of certainty. The remaining balance can be invested in treasury investments. Whilst the treasury investments may in some cases be capable of being realised, investment in capital schemes is not capable of being realised. Such principles will need to be reviewed and potentially adjusted in accordance with the level of future government funding.
60. As at 31 March 2027 the council is currently projected to have invested or earmarked at least £30 million of the £35 million permitted in capital schemes, including an ongoing £15 million loan to South Oxfordshire Housing Association. A further £15 million has been invested in long term financial instruments.
61. Excluding the £50 million investment, the council is projected to hold £18.3 million of general revenue balances and £7.7 million earmarked revenue reserves as at 31 March 2027.

### Communities Capital and Revenue Grant Scheme

62. On an annual basis, the council has considered the amount to be made available for the Community Capital Grant Scheme. From 2018/19, some of this funding has been allocated to revenue projects. The council is asked to consider the amount to be made available for the Community Capital and Revenue Scheme and it is recommended that a grants budget of £500,000 be set for 2022/23 comprising:

- £180,000 for individual councillor grants,
- £320,000 for the communities' capital grants scheme.

Any underspend on the individual councillor grants will be available to fund additional spend on the communities' capital grants scheme.

## The robustness of the estimates and the adequacy of reserves

63. The Local Government Act 2003 places a duty on the chief finance officer (i.e. the head of finance) to report on the robustness of the estimates and the adequacy of reserves. The council must have regard to this report when making decisions about the setting of the budget.
64. The construction of the budget has been managed by qualified accountants and as identified above, has this year been subject to significant challenge both by strategic management team and cabinet members.
65. An informal cabinet update on December 17 2021 noted an interim report on progress with on budget setting. A detailed informal briefing on this budget proposal was given to the council's scrutiny committee members on 7 February 2022. This session was open to all councillors.
66. In view of the process undertaken and his own knowledge of the budget, the head of finance is satisfied that the budget for 2022/23 is both prudent and robust. However, as demonstrated above and based on current assumptions, revenue expenditure exceeds revenue income in all years of the MTFP. Whilst the council's revenue reserves are sufficient to cover that gap over the MTFP period and beyond, the ongoing budget gap, whilst much reduced, still needs to be addressed. The Head of Finance is satisfied, based on their knowledge of the current work to deliver the long term transformation programme, that there is strong member and officer commitment to achieve this.
67. The transformation activity, which was first agreed in the 2020/21 budget and forms part of the corporate plan delivery activity, is central to the council's efforts to tackle the ongoing budget gap. This work, whilst progressing, has been impacted by the pandemic. However, officers are now working on defining more closely the scope and remit of this work, which is anticipated progress at pace in 2022/23 and will benefit from the additional £250,000 being proposed in this budget and funded from the projected 2021/22 underspend.
68. It is anticipated that a dedicated team of officers, supported by external consultants as appropriate, will drive and programme manage the delivery of the transformation work, which will be focussed initially on the following areas that have been identified in discussions between officers and cabinet members:
- Implementation of the IT strategy,
  - Customer services including front of house,
  - Strategic property review and implementation of the corporate landlord model,
  - Development management,
  - Grounds maintenance.
69. Further details on this work will be presented to cabinet as they progress in accordance with the council's democratic process.
70. The head of finance's full report will be available at full Council.

## **Climate and ecological impact implications**

71. Agreement of the revenue budget for 2022/23 and capital programme to 2026/27 agrees the allocation of funding to support the council's corporate objectives, including the objectives of Protect and Restore our Natural World and Action on the Climate Emergency, for which revenue growth has been included.

## **Legal Implications**

72. The Cabinet needs to make recommendations to Council on its spending proposals. Under the Local Government Act 2000 it is Council that must agree the revenue and capital spending plans, and then set the council tax. Council will meet on 17 February 2022 in order to set the budget, and the council tax (including amounts set by Oxfordshire County Council and the Police and Crime Commissioner for the Thames Valley).
73. The requirement placed on the council by the Local Government Act 2003 to set prudential indicators and for the chief finance officer to make a report to the authority on the robustness of the estimates and the adequacy of reserves are addressed within the body of this report.

## **Other Implications**

74. Agreement of the revenue and capital budgets authorises expenditure in accordance with the council's delegated powers and financial procedure rules. The officer, councillor or councillor body taking those decisions will take into account the human resources, sustainability and equality and diversity implications of individual spending decisions.

## **Conclusion**

75. This report provides details of the revenue base budget for 2022/23, the capital programme 2022/23 to 2026/27, government grants (the settlement), uncommitted reserves and balances, the cabinet member for finance's budget proposals and the resulting prudential indicators.
76. In light of the information provided Cabinet must make a number of recommendations to Council regarding the revenue budget, the capital programme and the prudential indicators.

## Appendices

- Appendix A.1 Revenue budget 2022/23
- Appendix A.2 Opening budget adjustments
- Appendix A.3 Inflation, salary increments and other salary adjustments
- Appendix A.4 Essential growth
- Appendix A.5 Base budget savings
- Appendix A.6 Revenue contingency
- Appendix B Budgeted corporate plan activity
- Appendix C Service budget analysis
- Appendix D.1 Capital programme before growth
- Appendix D.2 Capital growth bids
- Appendix D.3 Capital growth bids funded by CIL
- Appendix E Prudential indicators
- Appendix F Medium term financial plan

## Background Papers

Provisional settlement figures (December 2021)

Council tax base 2022/23 – Cabinet 2 December 2021, Council 9 December 2021

Treasury management strategy – Cabinet 3 February 2022, Council 17 February 2021

	2021/22 Budget	2022/23 Budget	Appendix Ref:
<b>Opening base budget 2020/21</b>		<b>20,308,245</b>	
<b>Revisions to base budget</b>			
Opening budget adjustments		(3,028,930)	Appendix A.2
Inflation, salary increments and adjustments		596,821	Appendix A.3
Essential growth - one-off		298,674	Appendix A.4
Essential growth - ongoing		887,227	
Base budget savings		(2,471,182)	Appendix A.5
Movement in revenue contingency		200,000	
Movement in managed vacancy factor		(219,776)	
<b>Total base budget after revisions</b>	<b>20,308,245</b>	<b>16,271,079</b>	
<b>Growth proposals</b>			
Revenue - one-off		500,000	Appendix B.1
Revenue - ongoing		112,500	
<b>Savings proposals</b>		(105,000)	Appendix B.2
Borrowing costs	0	101,500	
Gross treasury income	(1,846,610)	(1,776,730)	
<b>Net expenditure</b>	<b>18,461,635</b>	<b>15,103,349</b>	
<b>Funding</b>			
(Funding from reserves)/Contribution to reserves	(4,381,172)	(1,561,909)	
Funding from government grants and council tax	(14,080,462)	(13,541,440)	
<b>Total Funding</b>	<b>(18,461,635)</b>	<b>(15,103,349)</b>	
<b>Council tax yield required</b>	<b>7,765,628</b>	<b>8,221,226</b>	

## South Oxfordshire DC - 2022/23 budget build changes

## Opening budget adjustments

Year of bid	Summary	Spending profile				
		2022/23 £	2023/24 £	2024/25 £	2025/26 £	2026/27 £
<b>CORPORATE MANAGEMENT TEAM</b>						
2020/21	Additional funding for transformation activities	(317,000)	(317,000)	(317,000)	(317,000)	(317,000)
		<b>(317,000)</b>	<b>(317,000)</b>	<b>(317,000)</b>	<b>(317,000)</b>	<b>(317,000)</b>
<b>CORPORATE SERVICES</b>						
2014/15	Bi-annual residents survey	(24,000)	0	(24,000)	0	(24,000)
2020/21	Review of costs and income at Cornerstone	(73,122)	(73,122)	(73,122)	(73,122)	(73,122)
2021/22	Contract extension of two communications officers	(44,009)	(44,009)	(44,009)	(44,009)	(44,009)
2021/22	Budget reduction pending grants policy review	85,289	85,289	85,289	85,289	85,289
		<b>(55,842)</b>	<b>(31,842)</b>	<b>(55,842)</b>	<b>(31,842)</b>	<b>(55,842)</b>
<b>DEVELOPMENT &amp; REGENERATION</b>						
2019/20	Lease of 135 and car parking	(20,000)	(40,000)	(40,000)	(40,000)	(40,000)
2019/20	Rent of 135 - Vale contribution	157,500	315,000	315,000	315,000	315,000
2019/20	Rental of 135 ceases in 2022	(322,500)	(645,000)	(645,000)	(645,000)	(645,000)
2020/21	Repairs & maintenance to HQ	(10,000)	(10,000)	(10,000)	(10,000)	(10,000)
2020/21	Rent for 135 Milton Park	(14,782)	(29,565)	(29,565)	(29,565)	(29,565)
2020/21	No longer receiving rent for the data centre	(5,134)	(10,268)	(10,268)	(10,268)	(10,268)
2021/22	Additional resources for property team	(54,718)	(54,718)	(54,718)	(54,718)	(54,718)
2021/22	Increase maintenance budget/NNDR for 135	0	(65,343)	(65,343)	(65,343)	(65,343)
2021/22	Additional resources for property team	(131,800)	(131,800)	(131,800)	(131,800)	(131,800)
		<b>(401,434)</b>	<b>(671,694)</b>	<b>(671,694)</b>	<b>(671,694)</b>	<b>(671,694)</b>
<b>FINANCE</b>						
2020/21	Reduction in income from overpaid HB debtors	30,469	50,688	57,105	57,105	57,105
		<b>30,469</b>	<b>50,688</b>	<b>57,105</b>	<b>57,105</b>	<b>57,105</b>

## South Oxfordshire DC - 2022/23 budget build changes

### Opening budget adjustments

Year of bid	Summary	Spending profile				
		2022/23 £	2023/24 £	2024/25 £	2025/26 £	2026/27 £
<b>HOUSING &amp; ENVIRONMENT</b>						
2020/21	NNDR on public conveniences	(9,800)	(9,800)	(9,800)	(9,800)	(9,800)
2020/21	Homelessness prevention/supported accommodation	(101,824)	(101,824)	(101,824)	(101,824)	(101,824)
2020/21	Additional resource for waste contract re-tender	2,000	2,000	(33,843)	(33,843)	(33,843)
2021/22	Temporary increase in Env/Housing officers	(72,678)	(170,266)	(170,266)	(170,266)	(170,266)
2021/22	Additional waste technical officer	0	0	0	(20,070)	(20,070)
2021/22	Domestic abuse service budget shortfall	(10,625)	(10,625)	(10,625)	(10,625)	(10,625)
		<b>(192,927)</b>	<b>(290,515)</b>	<b>(326,358)</b>	<b>(346,428)</b>	<b>(346,428)</b>
<b>LEGAL &amp; DEMOCRATIC</b>						
2018/19	District and parish election	50,000	100,000	0	0	50,000
2020/21	Storage costs for election equipment	0	(5,000)	(5,000)	(5,000)	(5,000)
2020/21	District/parish elections	0	40,000	0	0	0
		<b>50,000</b>	<b>135,000</b>	<b>(5,000)</b>	<b>(5,000)</b>	<b>45,000</b>
<b>PARTNERSHIPS</b>						
2017/18	Corporate contract savings	(87,923)	(87,923)	(87,923)	(87,923)	(87,923)
2018/19	Additional costs 5CP from renegotiation	54,000	54,000	54,000	54,000	54,000
2020/21	Reprofiling of Capita 5CP costs	(135,515)	(542,061)	(542,061)	(542,061)	(542,061)
2021/22	Growth Board contribution Oxfordshire Plan	0	(60,000)	(60,000)	(60,000)	(60,000)
		<b>(169,438)</b>	<b>(635,984)</b>	<b>(635,984)</b>	<b>(635,984)</b>	<b>(635,984)</b>
<b>PLANNING</b>						
2019/20	Local plan	(25,000)	(25,000)	(25,000)	(25,000)	(25,000)
2020/21	Cost of new local plan	205,000	205,000	205,000	205,000	205,000
2020/21	Reduction in planning fees	(100,178)	(200,356)	(200,356)	(200,356)	(200,356)
2020/21	Development management posts not recruited due to fewer applications	38,319	76,319	76,319	76,319	76,319
2020/21	Development Income to return to 2017/18 levels by end of MTFP period	0	0	(50,000)	(50,000)	(50,000)
2021/22	Funding for potential challenges to Local Plan	(250,000)	(250,000)	(250,000)	(250,000)	(250,000)
		<b>(131,859)</b>	<b>(194,037)</b>	<b>(244,037)</b>	<b>(244,037)</b>	<b>(244,037)</b>

## South Oxfordshire DC - 2022/23 budget build changes

### Opening budget adjustments

Year of bid	Summary	Spending profile				
		2022/23 £	2023/24 £	2024/25 £	2025/26 £	2026/27 £
<b>POLICY &amp; PROGRAMMES</b>						
2021/22	Extension of climate change lead post	(15,899)	(15,899)	(15,899)	(15,899)	(15,899)
		<b>(15,899)</b>	<b>(15,899)</b>	<b>(15,899)</b>	<b>(15,899)</b>	<b>(15,899)</b>
<b>ALL SERVICES</b>						
2021/22	Income losses due to Covid-19	(925,000)	(925,000)	(925,000)	(925,000)	(925,000)
2021/22	Additional contingency budget for Covid-19	(900,000)	(900,000)	(900,000)	(900,000)	(900,000)
		<b>(1,825,000)</b>	<b>(1,825,000)</b>	<b>(1,825,000)</b>	<b>(1,825,000)</b>	<b>(1,825,000)</b>
<b>GRAND TOTAL</b>		<b>(3,028,930)</b>	<b>(3,796,283)</b>	<b>(4,039,709)</b>	<b>(4,035,779)</b>	<b>(4,009,779)</b>

**South Oxfordshire DC - 2022/23 budget build changes**  
**Inflation, salary increments and other salary adjustments**

Summary	Spending profile				
	2022/23 £	2023/24 £	2024/25 £	2025/26 £	2026/27 £
<b>ALL SERVICES</b>					
Salary inflation	204,680	413,453	626,401	843,609	1,065,161
Salary increments	135,553	273,817	414,846	558,696	705,423
Other salary adjustments	227,615	232,168	236,811	241,547	246,378
Other net inflation	28,973	86,920	147,185	175,578	205,722
<b>GRAND TOTAL</b>	<b>596,821</b>	<b>1,006,357</b>	<b>1,425,243</b>	<b>1,819,430</b>	<b>2,222,684</b>

## South Oxfordshire DC - 2022/23 budget build changes

## Essential growth

No	Title of bid	Summary	One-off/ Ongoing	Spending profile:					
				2022/23 £	2023/24 £	2024/25 £	2025/26 £	2026/27 £	
<b>STRATEGIC MANAGEMENT TEAM</b>									
1	<b>Additional staffing costs</b>	Additional ongoing costs resulting from the confirmation of the senior management structure	Ongoing	12,435	12,435	12,435	12,435	12,435	
				<b>12,435</b>	<b>12,435</b>	<b>12,435</b>	<b>12,435</b>	<b>12,435</b>	
<b>CORPORATE SERVICES</b>									
2	<b>Staff cost re-apportionment</b>	Re-apportionment of staffing costs in service to reflect	Ongoing	62,931	62,931	62,931	62,931	62,931	
				<b>62,931</b>	<b>62,931</b>	<b>62,931</b>	<b>62,931</b>	<b>62,931</b>	
<b>DEVELOPMENT AND REGENERATION</b>									
3	<b>Leisure facilities</b>	Additional costs associated with the council's leisure facilities	Ongoing	124,580	124,580	124,580	124,580	124,580	
4	<b>Womens Cycle Tour</b>	Additional one-off costs associated with hosting the Womens Cycle Tour event	One-off	30,000	0	0	0	0	
5	<b>Property costs</b>	Net one-off expenditure on council property	One-off	31,000	7,560	7,560	0	0	
6	<b>Office accomodation</b>	SODC share of office accomodation on departure from 135MP	One-off	123,214	148,214	74,107	0	0	
7	<b>Corporate landlord</b>	Additional costs associated with the strategic property review and the implementation of the corporate landlord model, including stock condition serveys	Ongoing	136,673	56,835	56,835	144,794	56,835	
				<b>445,467</b>	<b>337,189</b>	<b>263,082</b>	<b>269,374</b>	<b>181,415</b>	

## South Oxfordshire DC - 2022/23 budget build changes

## Essential growth

No	Title of bid	Summary	One-off/ Ongoing	Spending profile:				
				2022/23 £	2023/24 £	2024/25 £	2025/26 £	2026/27 £
<b>HOUSING AND ENVIRONMENT</b>								
8	<b>Business Rates</b>	Increase in business rates for council car parks	Ongoing	10,000	10,000	10,000	10,000	10,000
9	<b>Increased waste contract costs due to household growth</b>	Increased contract costs to Biffa for waste collection services, increased subscribers to the garden waste service not included in the base budget	Ongoing	16,000	16,000	16,000	16,000	16,000
10	<b>Loss of income for bulky waste</b>	Loss of income for bulky waste	Ongoing	10,000	10,000	10,000	10,000	10,000
11	<b>Homelessness prevention and supported accommodation</b>	SODC received Homelessness Support Grant in 2021/22 and it is anticipated that this support will be ongoing. The grant "may be used only to prevent and deal with homelessness". It will be used to: a) fund supported housing for SODC residents who are homeless or at risk of becoming homeless in 2022/23; b) to help households secure sustainable accommodation <b>FULLY FUNDED</b>	Ongoing	110,918	185,418	185,418	185,418	185,418
12	<b>Additional waste technical officers</b>	Linked to the previously approved growth bid (2020/21) for tendering of new waste contract. Resource to collate detailed information needed in preparation for retendering the waste contract, while still maintaining current contractors performance. Information required includes: audit of litter bin provision, review assisted collections list, review Schedule 1 collections, produce a litter strategy, road indemnities database, review communal bin store provision	One-off	25,807	0	0	0	0
13	<b>Grounds maintenance</b>	Additional ongoing costs of provision of service	Ongoing	48,170	48,170	48,170	48,170	48,170
14	<b>Staff cost re-apportionment</b>	Re-apportionment of staffing costs in service to reflect	Ongoing	19,056	19,056	19,056	19,056	19,056
				<b>239,951</b>	<b>288,644</b>	<b>288,644</b>	<b>288,644</b>	<b>288,644</b>

## South Oxfordshire DC - 2022/23 budget build changes

## Essential growth

No	Title of bid	Summary	One-off/ Ongoing	Spending profile:				
				2022/23 £	2023/24 £	2024/25 £	2025/26 £	2026/27 £
<b>LEGAL AND DEMOCRATIC</b>								
15	<b>Councillors allowances</b>	Increased budget to reflect changes in members allowances	Ongoing	13,755	13,755	13,755	13,755	13,755
				<b>13,755</b>	<b>13,755</b>	<b>13,755</b>	<b>13,755</b>	<b>13,755</b>
<b>PARTNERSHIPS</b>								
16	<b>Five Councils Partnership</b>	Provision for additional future costs, reflecting potential inflationary and volumetric pressures	Ongoing	100,000	100,000	100,000	100,000	100,000
17	<b>Five Councils Partnership</b>	Costs associated with exit and service transformation	One-off	0	0	150,000	1,350,000	0
18	<b>Future Oxfordshire partnership</b>	Additional contribution to the Future Oxfordshire Partnership	One-off	88,653	88,653	0	0	0
				<b>188,653</b>	<b>188,653</b>	<b>250,000</b>	<b>1,450,000</b>	<b>100,000</b>
<b>PLANNING</b>								
19	<b>Planning fee income</b>	Anticipated reduction in planning fee income	Ongoing	200,000	200,000	200,000	200,000	200,000
				<b>200,000</b>	<b>200,000</b>	<b>200,000</b>	<b>200,000</b>	<b>200,000</b>
<b>POLICY AND PORGRAMMES</b>								
20	<b>Corporate Programme</b>	Correction to existing budget	Ongoing	22,709	22,709	22,709	22,709	22,709
				<b>22,709</b>	<b>22,709</b>	<b>22,709</b>	<b>22,709</b>	<b>22,709</b>
<b>TOTAL</b>				<b>1,185,901</b>	<b>1,126,316</b>	<b>1,113,556</b>	<b>2,319,848</b>	<b>881,889</b>

South Oxfordshire DC - 2022/23 budget build changes  
Base budget savings

Item	Summary	One-off or ongoing?	Spending profile:				
			2022/23 £	2023/24 £	2024/25 £	2025/26 £	2026/27 £
<b>STRATEGIC MANAGEMENT TEAM</b>							
1	Recovery of costs for staff time working on multi-council partnerships	On-going	(51,808)	(51,808)	(51,808)	(51,808)	(51,808)
			<b>(51,808)</b>	<b>(51,808)</b>	<b>(51,808)</b>	<b>(51,808)</b>	<b>(51,808)</b>
<b>CORPORATE SERVICES</b>							
2	Reduction in net running costs of Cornerstone	On-going	(170,836)	(170,836)	(170,836)	(170,836)	(170,836)
3	Reduction in publicity and promotion costs	On-going	(17,500)	(17,500)	(17,500)	(17,500)	(17,500)
4	Reduction in corporate consultation costs	On-going	(36,878)	(36,878)	(36,878)	(36,878)	(36,878)
5	Reduction in external grant funding	On-going	(85,289)	(85,289)	(85,289)	(85,289)	(85,289)
6	Reduction in insurance costs following retendering exercise	On-going	(39,772)	(39,772)	(39,772)	(39,772)	(39,772)
7	Reduction in training costs	On-going	(37,631)	(37,631)	(37,631)	(37,631)	(37,631)
8	Other minor savings	On-going	(32,267)	(32,267)	(32,267)	(32,267)	(32,267)
			<b>(420,173)</b>	<b>(420,173)</b>	<b>(420,173)</b>	<b>(420,173)</b>	<b>(420,173)</b>
<b>DEVELOPMENT &amp; REGENERATION</b>							
9	Increase in commercial property rental income	On-going	(292,731)	(292,731)	(292,731)	(292,731)	(292,731)
10	Net reduction in property running costs	On-going	(49,031)	(49,031)	(49,031)	(49,031)	(49,031)
11	Reduction in community centre running costs	On-going	(56,209)	(56,209)	(56,209)	(56,209)	(56,209)
12	Reduction in costs of fees and hired services	On-going	(76,804)	(76,804)	(76,804)	(76,804)	(76,804)
13	Anticipated additional net income from Didcot Gateway regeneration schemes	On-going	0	0	78,407	(418,340)	(418,340)
14	Other minor savings	On-going	(35,370)	(35,370)	(35,370)	(35,370)	(35,370)
			<b>(510,145)</b>	<b>(510,145)</b>	<b>(431,738)</b>	<b>(928,485)</b>	<b>(928,485)</b>
<b>FINANCE</b>							
15	Additional anticipated income from court fees and government grants	On-going	(47,904)	(47,904)	(47,904)	(47,904)	(47,904)
16	Net reduction in housing benefit costs	On-going	(113,342)	(113,342)	(113,342)	(113,342)	(113,342)
17	Other minor savings	On-going	(18,291)	(18,291)	(18,291)	(18,291)	(18,291)
			<b>(179,537)</b>	<b>(179,537)</b>	<b>(179,537)</b>	<b>(179,537)</b>	<b>(179,537)</b>

South Oxfordshire DC - 2022/23 budget build changes  
Base budget savings

Item	Summary	One-off or ongoing?	Spending profile:				
			2022/23 £	2023/24 £	2024/25 £	2025/26 £	2026/27 £
<b>HOUSING &amp; ENVIRONMENT</b>							
18	Reduction in staffing costs as temporary contracts end	On-going	(91,043)	(91,043)	(91,043)	(91,043)	(91,043)
19	Reduction in base waste contract costs	On-going	(223,719)	(223,719)	(223,719)	(223,719)	(223,719)
20	Anticipated increase in recycling credit income	On-going	(141,950)	(141,950)	(141,950)	(141,950)	(141,950)
21	Other minor savings	On-going	(58,660)	(58,660)	(58,660)	(58,660)	(58,660)
			<b>(515,372)</b>	<b>(515,372)</b>	<b>(515,372)</b>	<b>(515,372)</b>	<b>(515,372)</b>
<b>LEGAL SERVICES</b>							
22	Minor savings	On-going	(25,829)	(25,829)	(25,829)	(25,829)	(25,829)
			<b>(25,829)</b>	<b>(25,829)</b>	<b>(25,829)</b>	<b>(25,829)</b>	<b>(25,829)</b>
<b>PARTNERSHIPS</b>							
23	Reduction in Five Councils Partnership client team costs	On-going	(44,294)	(44,294)	(44,294)	(44,294)	(44,294)
			<b>(44,294)</b>	<b>(44,294)</b>	<b>(44,294)</b>	<b>(44,294)</b>	<b>(44,294)</b>
<b>PLANNING</b>							
24	Review of salary budgets and recharging to Vale of White Horse DC	On-going	(219,178)	(219,178)	(219,178)	(219,178)	(219,178)
25	Local plan	On-going	(423,539)	(423,539)	(423,539)	(423,539)	(423,539)
26	Other minor savings	On-going	(81,307)	(81,307)	(81,307)	(81,307)	(81,307)
			<b>(724,024)</b>	<b>(724,024)</b>	<b>(724,024)</b>	<b>(724,024)</b>	<b>(724,024)</b>
			<b>(2,471,182)</b>	<b>(2,471,182)</b>	<b>(2,392,775)</b>	<b>(2,889,522)</b>	<b>(2,889,522)</b>

## South Oxfordshire DC - 2022/23 revenue budgets bids

No	Title of bid	Summary	One-off or ongoing?	South only or joint bid?	Spending profile:				
					2022/23 £	2023/24 £	2024/25 £	2025/26 £	2026/27 £
<b>ALL SERVICES</b>									
1	National Insurance	One year uplift in National Insurance contributions	Ongoing	South only	112,500	112,500	112,500	112,500	112,500
2	Transformation budget	Fully funded increase in budget for transformation activities	One-off	Joint	250,000	0	0	0	0
2	Transformation budget	Funding for increase in transformation activities	One-off	Joint	(250,000)	0	0	0	0
					<b>112,500</b>	<b>112,500</b>	<b>112,500</b>	<b>112,500</b>	<b>112,500</b>
<b>CLIMATE ACTION</b>									
1	Climate action	To fund the accelerating of activity to support retrofit actions contained in the Climate Action Plan (CAP), green business fairs in towns, development of green construction skills and activity to support car sharing clubs	One-off	South only	150,000	0	0	0	0
					<b>150,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>NATURE RECOVERY</b>									
1	Nature recovery	To include funding to support tree/hedge planting by towns and parishes, the delivery of tiny forests and to accelerate tree planting on council owned land	One-off	South only	150,000	0	0	0	0
					<b>150,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>COMMUNITY WELLBEING</b>									
1	Community wellbeing	To fund additional activity in accordance with corporate plan priorities. Potential projects under discussion - support access and use of blue and green natural assets, renovate public toilets, additional deep cleans, children's activities, action on litter prevention and funding for active community leisure projects	One-off	South only	200,000	0	0	0	0
					<b>200,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>GRAND TOTAL</b>					<b>612,500</b>	<b>112,500</b>	<b>112,500</b>	<b>112,500</b>	<b>112,500</b>

## South Oxfordshire DC - 2022/23 Revenue savings

No	Summary	One-off or ongoing?	Spending profile:				
			2020/21 £	2021/22 £	2022/23 £	2023/24 £	2024/25 £
<b>DEVELOPMENT &amp; CORPORATE LANDLORD</b>							
1	Changes to car parking fees	Ongoing	(105,000)	(105,000)	(105,000)	(105,000)	(105,000)
			<b>(105,000)</b>	<b>(105,000)</b>	<b>(105,000)</b>	<b>(105,000)</b>	<b>(105,000)</b>
<b>Overall total</b>			<b>(105,000)</b>	<b>(105,000)</b>	<b>(105,000)</b>	<b>(105,000)</b>	<b>(105,000)</b>

<b>South Oxfordshire DC Service budget analysis 2022/23</b>		
<b>Budget head</b>	<b>Final Budget £</b>	<b>Final Budget £</b>
Corporate Management Team		851,685
Corporate Services		3,856,085
Development & Regeneration		655,734
Finance		234,450
Housing & Environment		5,676,314
Legal Services		1,118,725
Partnerships		2,696,400
Planning		1,290,676
Policy & Programmes		424,114
Managed Vacancy Factor		(738,105)
Contingency		400,000
In year savings target		(300,000)
All services - growth		612,500
<b>Net cost of delivering services</b>		<b>16,778,579</b>
Borrowing costs		101,500
Gross treasury income		(1,776,730)
<b>Net expenditure</b>		<b>15,103,349</b>
<b>Transfer to reserves</b>		
New Homes Bonus	90,160	
Interest and dividends	1,776,730	
<b>Transfer from reserves</b>		
Previous years interest	(1,210,000)	
Earmarked revenue reserves	(111,000)	
		545,890
<b>Total net revenue budget</b>		<b>15,649,239</b>

**SOUTH OXFORDSHIRE DISTRICT COUNCIL**  
**CAPITAL PROGRAMME TO 31 MARCH 2027**

	No.	App/Prov	Note	Costc	2021/22 Latest Budget £000	2022/23 £000	2023/24 £000	2024/25 £000	2025/26 £000	2026/27 £000
<b>APPROVED PROGRAMME</b>										
Corporate Services		App			827	7,000	10,000	7,796	0	0
Development & Corporate Landlord		App			6,842	7,820	109	308	109	109
Finance		App			53					
Housing & Environment		App			1,123	1,708	1,693	1,687	1,673	1,673
<b>TOTAL APPROVED PROGRAMME</b>		App			8,845	16,528	11,802	9,791	1,782	1,782
PROVISIONAL PROGRAMME		Prov			2,115	10,570	625	652	626	626
<b>GRAND TOTAL</b>		Both			10,960	27,098	12,427	10,443	2,408	2,408

<b>Cumulative Total Budget (Approved &amp; Provisional)</b>	<b>65,744</b>
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<b>CAPITAL FINANCING</b>										
Grants		Both			2,343	5,183	1,518	1,518	1,518	1,518
Developers contributions & CIL		Both			5,672	7,711	0	0	0	0
Borrowing		Both			0	5,000	10,000	0	0	0
Usable capital receipts		Both			2,945	9,204	909	8,925	890	890
<b>GRAND TOTAL</b>		Both			10,960	27,098	12,427	10,443	2,408	2,408

Capital receipts b/f from previous year					30,770	27,825	18,621	17,712	8,637	6,397
Capital receipts earmarked for transformation funding								150	1,350	
Capital receipt balance to c/f					27,825	18,621	17,712	8,637	6,397	5,500

**SOUTH OXFORDSHIRE DISTRICT COUNCIL**  
**CAPITAL PROGRAMME TO 31 MARCH 2027**

No.	App/Prov	Note	Costc	2021/22 Latest Budget £000	2022/23 £000	2023/24 £000	2024/25 £000	2025/26 £000	2026/27 £000
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**Corporate Services**

<b>Programmes &amp; Assurance</b>										
Didcot Gateway Regeneration Schemes	307	App	2018/19 (4)	A307	500	7,000	10,000	7,796		
<b>IT Operations</b>										
Upgrade GIS	088	App		A088	5					
IT Infrastructure	251	App	201314 (22)	A251	12					
<b>CIF Grants</b>										
Capital Grants - 16/17 Delegated Powers		App		A293	125					
Capital Grants - 17/18 Delegated Powers		App		A306	12					
Capital Grants - 18/19 Delegated Powers		App		A308	69					
Capital Grants - 19/20 Delegated Powers		App		A319	104					
					827	7,000	10,000	7,796	0	0

# SOUTH OXFORDSHIRE DISTRICT COUNCIL

## CAPITAL PROGRAMME TO 31 MARCH 2027

No.	App/Prov	Note	Costc	2021/22 Latest Budget £000	2022/23 £000	2023/24 £000	2024/25 £000	2025/26 £000	2026/27 £000
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### Development & Corporate Landlord

<b>Property</b>									
Operational Property Assets - essential works	326	App	202122 (5)	A326	109	109	109	109	109
<b>Technical</b>									
Housing Act Works Refurbishment	103	App		X170	9				
Flood Alleviation	143	App		A143	157				
Grounds Team Equipment	310	App		A310	40				
<b>Toilets</b>									
Greys Road WC	291	App	2016/17 (7)	A291	145				
<b>Leisure</b>									
Henley Leisure Centre - spend to save	274	App		A274	120				
Park Sports Centre - gym equipment	275	App		A275			66		
Abbey Sports Centre - gym equipment	285	App		A285			38		
Thame Leisure Centre - gym equipment replacement	287	App		A287	1		95		
Thame LC Dryside Refurbishment	315	App	2018/19 (dc)	A315	9				
Sports Hall Floor Berinsfield	318	App	2019/20 (dc)	A318	60				
Abbey Sports Hall Lighting	324	App	s106	A324	7				
Didcot Wave Pool Filters	327	App	CIL	A327	45				
DLC reception flooring	328	App	s106	A328	5				
Henley Leisure Centre sports hall lighting	TBC	App	s106	TBC	11				
Didcot Wave Flooring			s106	X155	5				
Leisure Centre - capital works	078	App	201314 (8)	X155	285				

Agenda Item 12

**SOUTH OXFORDSHIRE DISTRICT COUNCIL  
CAPITAL PROGRAMME TO 31 MARCH 2027**

	No.	App/Prov	Note	Costc	2021/22 Latest Budget £000	2022/23 £000	2023/24 £000	2024/25 £000	2025/26 £000	2026/27 £000
<b>Development</b>										
CIL - OCC		App		TBC		6,528				
CIL - CCG		App		TBC	4,059	1,183				
<b>Private housing renovation</b>										
Didcot Broadway affordable housing			S106	TBC	500					
Growth Points	136	App		A136	1,275					
					6,842	7,820	109	308	109	109

**Finance**

General Ledger	325	App		A325	53					
					53	0	0	0	0	0

**Housing & Environment**

<b>Customer Service, Licensing &amp; Land Charges</b>										
Licensing Software Project		App		A259	0	1				
<b>Private housing renovation</b>										
Mandatory disabled facilities grants	011	App	201516 (1)	X108	971	1,518	1,518	1,518	1,518	1,518
Discretionary assistance	012	App		X109	12	65	65	59	45	45
<b>Waste</b>										
Wheeled Bins	279	App		A068	110	110	110	110	110	110
<b>Community Safety</b>										
Replacement CCTV Cameras	271	App	201516 (8)	A271	30	14				
					1,123	1,708	1,693	1,687	1,673	1,673

## SOUTH OXFORDSHIRE DISTRICT COUNCIL CAPITAL PROGRAMME TO 31 MARCH 2027

No.	App/Prov	Note	Costc	2021/22 Latest Budget £000	2022/23 £000	2023/24 £000	2024/25 £000	2025/26 £000	2026/27 £000
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### Provisional Capital Programme

<b>CORPORATE SERVICES</b>										
External Capital Grants	009, 010	PROV	201314 (4)		321	320	320	320	320	320
Volunteer brokerage IT solution	302	PROV	2017/18 (9)		40					
IT Operations purchase of hardware	321	PROV	202021 (2)		75	50	50	50	50	50
<b>DEVELOPMENT &amp; CORPORATE LANDLORD</b>										
Leisure Centres Essential Works	173	PROV	201314 (8)		198	198	198	198	198	198
Leisure Centres General Works	320	PROV	202021 (1)		20	20	20	20	20	20
Abbey Sports Centre - ATP renovation	330	PROV	202122 (2)		250					
Park Sports Centre - roof light replacement	331	PROV	202122 (3)		5					
Thame Leisure Centre - replace CHP	332	PROV	202122 (4)		180					
Car Park Resurfacing & Improvement	142	PROV	201314 (10)		42					
Car Park resurfacing	323	PROV	202021 (4)		22	26	25	52	26	26
Refurb Kidmore and Wallingford cemeteries	265	PROV	201415 (6)		0	34				
Grounds Team Equipments	310	PROV	2018/19 (2)		0	30				
Electric Vehicles	333	PROV	202122 (6)		0	30				
Flood Alleviation Wheatley	246	PROV	201314 (17)		0	59				
Flood Defence	281	PROV	201516 (7)		0	15				
Replacement Sewage Pumping Station for FMP	309	PROV	2018/19 (1)		0	60				
Public Art - Great Western Park	248	PROV	201314 (19)		156					
Cornerstone Capital Works	242	PROV	201314 (13)		56					

**SOUTH OXFORDSHIRE DISTRICT COUNCIL  
CAPITAL PROGRAMME TO 31 MARCH 2027**

	No.	App/Prov	Note	Costc	2021/22 Latest Budget £000	2022/23 £000	2023/24 £000	2024/25 £000	2025/26 £000	2026/27 £000
<b>HOUSING &amp; ENVIRONMENT</b>										
Affordable Homes Delivery Plan	317	PROV	2019/20 (3)		0	3,665				
Replacement CCTV Cameras	271	PROV	201516 (8)		0	4				
CCTV replacement cameras	322	PROV	202021 (3)		0	59	12	12	12	12
Temporary Accommodation	312	PROV	Council 10/17		0	1,000				
<b>PARTNERSHIP &amp; INSIGHT</b>										
Investment in Pension Scheme Assets	311	PROV	2018/19 (5)		0	5,000				
<b>CONTINGENCY</b>										
Capital Contingency	235	PROV	201314 (2)		750					
					2,115	10,570	625	652	626	626

No	Title of bid	Summary	One-off or rolling	South only or joint bid?	CAPITAL SPEND					REVENUE CONSEQUENCES				
					Spending profile:					Spending profile:				
					2022/23 £	2023/24 £	2024/25 £	2025/26 £	2026/27 £	2022/23 £	2023/24 £	2024/25 £	2025/26 £	2026/27 £
<b>Funded from internal resources</b>														
<b>DEVELOPMENT AND REGENERATION</b>														
1	Capitalisation of staff costs for property	Costs of staff employed on property related matters that can be capitalised	Ongoing	Joint	135,811	104,558	104,558	104,558	104,558					
5	Essential capital works	Essential capital works in maintaining the council's property estate	One-off	South only	500,000									
					<b>635,811</b>	<b>104,558</b>	<b>104,558</b>	<b>104,558</b>	<b>104,558</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>CORPORATE SERVICES</b>														
6	IT operations	Delivery of the Technology Strategy	One-off	Joint	191,500	10,000				0	0	0	0	0
					<b>191,500</b>	<b>10,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>GRAND TOTAL</b>					<b>827,311</b>	<b>114,558</b>	<b>104,558</b>	<b>104,558</b>	<b>104,558</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

No	Title of bid	Summary	One-off or rolling	South only or joint bid?	CAPITAL SPEND					REVENUE CONSEQUENCES				
					Spending profile:					Spending profile:				
					2022/23 £	2023/24 £	2024/25 £	2025/26 £	2026/27 £	2022/23 £	2023/24 £	2024/25 £	2025/26 £	2026/27 £
<b>Funded from CIL</b>														
1	Wallingford Riverside Splashpad Extension	Create a larger splashpad by creating a new one on the adjacent green space to the current location inc. building a refreshment kiosk	One-off	South	200,000	0	0	0	0	0	0	0	0	0
2	Wallingford Riverside Campsite Improvements	Full refurbishment of campsite changing block and potential removal of pill box to create more space and easier access to the river front	One-off	South	150,000	0	0	0	0	0	0	0	0	0
3	Abbey Sports Centre Pool Improvements	Replacement of pool prom tiles and improvement works to current pool drainage	One-off	South	100,000	0	0	0	0	0	0	0	0	0
4	Henley Leisure Centre - Sports Hall Floor	Replacement of sports hall floor as approaching end of service life	One-off	South	200,000	0	0	0	0	0	0	0	0	0
5	Henley Leisure Centre - Replacement Sauna and Steam Room	Replacement of current sauna and steam area which are both in a poor condition having exceeded their service life	One-off	South	55,000	0	0	0	0	0	0	0	0	0
6	Didcot Wave Spin Studio	Create a new spin studio by combining the current kitchen/store/party space which is no longer used	One-off	South	140,000	0	0	0	0	0	0	0	0	0
7	Park Leisure Centre - Roof Replacement	Replacement of flat roof covering across the whole centre as service life has already been exceeded by two	One-off	South	250,000	0	0	0	0	0	0	0	0	0
8	Thame Leisure Centre - Sauna and Steam Room	Install a sauna and steam area to poolside utilising the current pool store	One-off	South	55,000	0	0	0	0	0	0	0	0	0
9	Thame Leisure Centre - New Gym Area	Create a new gym area downstairs for multi-functional fitness and a new studio, and creating a spin studio by reconfiguring current areas.	One-off	South	350,000	0	0	0	0	0	0	0	0	0
10	Cornerstone Roof Replacement	Critical roof improvements including replacement and upgrade of equipment to improve energy efficiency	One-off	South	250,000	0	0	0	0	0	0	0	0	0
11	Wallingford Moorings Access	To improve existing access path and ramp at Wallingford Riverside Moorings to provide improved access for wheelchair users and other visitors to the site.	One-off	South	148,500	0	0	0	0	0	0	0	0	0
12	Tiny Forests	The Tiny Forests will be sited to improve green infrastructure and open spaces in areas where there is a deficit of green spaces. Pilot site	One-off	South	25,000	0	0	0	0	0	0	0	0	0
13	Strategic Partnership with Trust for Oxfordshire's Environment to protect the natural world	Allocate funds to Trust for Oxfordshire's Environment to deliver at least 3 projects in South Oxfordshire, for new wildlife habitats, tree planting and access to the countryside.	One-off	South	50,000	0	0	0	0	0	0	0	0	0
					<b>1,973,500</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Funded from Section 106</b>														
1	Affordable housing	Funding for affordable housing schemes	One-off	South	3,500,000	1,500,000	0	0	0	0	0	0	0	0
					<b>3,500,000</b>	<b>1,500,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>GRAND TOTAL</b>					<b>5,473,500</b>	<b>1,500,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

	A	B	C	D	E	F
1	South Oxfordshire District Council	Budget	Indicative	Indicative	Indicative	Indicative
2		2022/23	2023/24	2024/25	2025/26	2026/27
3		£	£	£	£	£
22	<b>Base budget b/w/d</b>	<b>20,308,245</b>	<b>20,308,245</b>	<b>20,308,245</b>	<b>20,308,245</b>	<b>20,308,245</b>
23	<b>Revisions to base budget</b>					
24	Opening budget adjustments	(3,028,930)	(3,796,283)	(4,039,709)	(4,035,779)	(4,009,779)
25	Inflation, salary increments and adjustments	596,821	1,006,357	1,425,243	1,819,430	2,222,684
26	Essential growth - one-off	298,674	244,427	231,667	1,350,000	0
27	Essential growth - ongoing	887,227	881,889	881,889	969,848	881,889
28	Future essential growth	0	250,000	500,000	750,000	1,000,000
29	Base budget savings	(2,471,182)	(2,471,182)	(2,392,775)	(2,889,522)	(2,889,522)
30	In year savings target	(300,000)	(300,000)	(300,000)	(300,000)	(300,000)
31	Movement in revenue contingency	200,000	200,000	200,000	200,000	200,000
32	Movement in managed vacancy factor	(219,776)	(219,776)	(219,776)	(219,776)	(219,776)
34	<b>Total revised base budget</b>	<b>16,271,079</b>	<b>16,103,677</b>	<b>16,594,784</b>	<b>17,952,447</b>	<b>17,193,741</b>
35	<b>Growth, savings and other budget adjustments</b>					
36	<b>Growth proposals</b>					
37	Revenue - one-off	500,000	0	0	0	0
38	Revenue - ongoing	112,500	112,500	112,500	112,500	112,500
40	<b>Savings proposals</b>	<b>(105,000)</b>	<b>(105,000)</b>	<b>(105,000)</b>	<b>(105,000)</b>	<b>(105,000)</b>
41	<b>Net cost of services</b>	<b>16,778,579</b>	<b>16,111,177</b>	<b>16,602,284</b>	<b>17,959,947</b>	<b>17,201,241</b>
42	Borrowing costs	101,500	304,500	298,410	592,320	586,230
43	Gross treasury income	(1,776,730)	(1,899,260)	(1,999,560)	(1,882,960)	(1,761,410)
44	<b>Net expenditure</b>	<b>15,103,349</b>	<b>14,516,417</b>	<b>14,901,134</b>	<b>16,669,307</b>	<b>16,026,061</b>
47	Transfers to/from earmarked reserves	545,890	522,530	500,300	283,400	278,450
48	<b>Amount to be financed</b>	<b>15,649,239</b>	<b>15,038,947</b>	<b>15,401,434</b>	<b>16,952,707</b>	<b>16,304,511</b>
49	<b>Financing</b>					
50	Core Government Funding	(4,967,924)	(4,384,355)	(3,971,849)	(3,550,686)	(3,120,715)
51	<b>Core Funding</b>	<b>(4,967,924)</b>	<b>(4,384,355)</b>	<b>(3,971,849)</b>	<b>(3,550,686)</b>	<b>(3,120,715)</b>
52	NDR - renewable energy	(76,894)	(76,894)	(76,894)	(76,894)	(76,894)
56	Collection fund surplus/deficit	(275,396)	(200,000)	(200,000)	(200,000)	(200,000)
57	<b>Council tax req'ment before reserves funding</b>	<b>10,329,025</b>	<b>10,377,698</b>	<b>11,152,691</b>	<b>13,125,127</b>	<b>12,906,902</b>
59	Use of reserves to balance budget	(2,107,799)	(1,752,479)	(2,114,965)	(3,666,238)	(3,018,042)
60	<b>Council tax req'ment after reserves funding</b>	<b>8,221,226</b>	<b>8,625,220</b>	<b>9,037,725</b>	<b>9,458,889</b>	<b>9,888,860</b>
61	Tax base	60,343.7	61,067.8	61,800.6	62,542.2	63,292.8
62	Band D Council tax	136.24	141.24	146.24	151.24	156.24
63	Council tax increase from previous year	3.7%	3.7%	3.5%	3.4%	3.3%
64	<b>Usable balances at year end:*</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
65	General fund balance	(25,427)	(23,675)	(21,710)	(21,394)	(18,375)
66	Earmarked revenue reserves - allocated	(7,142)	(7,665)	(8,165)	(7,449)	(7,727)
67	Capital receipts	(12,795)	(11,781)	(7,601)	(5,256)	(4,261)
68	<b>Total</b>	<b>(45,365)</b>	<b>(43,121)</b>	<b>(37,476)</b>	<b>(34,098)</b>	<b>(30,363)</b>
69						
70	* Excludes balances held for the long term as per the Medium Term Financial Strategy					