

# Minutes

## OF A MEETING OF THE

# Scrutiny Committee

HELD ON TUESDAY 9 FEBRUARY 2021 AT 6.00 PM

### HELD AS A VIRTUAL MEETING.

You can watch the recording here:

<https://www.youtube.com/channel/UCTj2pCic8vzucpzlaSWE3UQ>

### Present:

Ian White (chair)

Mocky Khan (vice-chair), Sam Casey-Rerhaye, Stefan Gawrysiak, Alexandrine Kantor, George Levy, Jane Murphy and David Turner

### Also present:

Cabinet members: Councillors Robin Bennett, Sue Cooper, Maggie Filipova-Rivers, Leigh Rawlins

### Officers:

Simon Hewings, Candida Mckelvey, Adrianna Partridge, Margaret Reed, Richard Spraggett.

## 82 Apologies for absence

Councillor Badcock sent her apologies. Her substitute who attended the meeting was Councillor Murphy.

## 83 Minutes

The minutes of the meeting held on 7 December 2020 were agreed as a correct record and will be signed as such by the chair.

## 84 Declarations of interest

None.

## 85 Urgent business and chair's announcements

The chair announced that he had an announcement on the work programme item.



Listening Learning Leading

## **86 Public participation**

None.

## **87 Work schedule and dates for all South and Vale scrutiny meetings**

The chair noted that a lot of items on the work programme had no dates. He explained that the reason for this was changes to officer workload due to Covid-19 related work, meaning that reports cannot come forward as anticipated. The chair will meet with the vice-chair and officers to review the dates in early March.

There was a call-in of the scrutiny committee on the car parking fees and charges Cabinet decision. This will be held on 1 March 2021.

There was a task and finish group regarding the government green home grants. Councillors on the group hope to invite other interested parties across the district and county, to discuss retrofitting skills and industries. The green grants scheme had been extended. Councillors had developed a Terms of Reference and scope, and discussed having a joint scrutiny approach to this, with Vale of White Horse. Examples of interested parties include OxLEP, local colleges. Councillor Levy had registered interest in getting involved.

## **88 Budget 2021/22**

The chair explained that there was one appendix that is confidential (A6). It contained officer estimates of costs of the pandemic. If this needed further discussion it would need to be in closed session at the end of the public meeting.

Councillor Rawlins, Cabinet member for Finance, introduced the report.

The budget was constrained by less officer time being available and was very much a Covid-19 budget. That said, bringing together a budget was a major task and the officers were thanked for their work. The Interim Head of finance had set the scene in the paper.

The Cabinet report presented for scrutiny brought together all relevant information to allow Cabinet to recommend to Council a revenue budget for 2021/22 and a capital programme for 2021/22 to 2025/26. It recommended the prudential indicators to be set by the council in accordance with 'the Prudential Code' introduced as part of the Local Government Act 2003.

It also contained the opinion of the council's chief financial officer on the robustness of estimates and adequacy of the council's financial reserves and contained the Medium-Term Financial Plan (MTFP) which provided details of the forward budget model for the next five years.

In last year's budget, there was a £2.2 million deficit. This climbed to £6.5 million deficit by 2024/25, leaving £7.7 million of unallocated revenue reserves remaining.

This year's budget assumed that the unallocated revenue reserves at the end of 2024/25 would be £17 million, and £11 million at the end of 2025/26. The burning of reserves was

an existential threat long-term. We projected that £21 million of reserves will be used up over the five-year MTFP period.

We will be seeking a long-term sustainable framework from Government to provide understandable security to councils. Addressing these shortfalls was a priority. There was a corporate plan in place now to guide the future. There was progress on a number of projects despite the limit on resources, and some projects needed to be scoped.

Other points:

- £5 increase in council tax was proposed - maximum increase allowed.
- Commercial property income has fallen due to Covid-19.
- There had been a slightly better settlement from government than was anticipated, leading to a more positive outlook.
- Base budget net expenditure grew by £2.6 million from 2019/20 base to 2021/22. Much of this will be tied down directly to Covid-19 costs. We had taken account of funding that had already been committed to by government.
- Paragraph 53 – revenue per resident is £131 per resident – we can apply 2.5 residents to each home = £328 cost per home. Last year was £126 per resident. Costs for South Oxfordshire are very low.

There was some positive progress:

- New office progress
- 5Cs negotiations progress and repatriating of staff
- Sales fees and charges items do feed beneficially into the budget.
- Proper stewardship of council properties
- Grounds maintenance brought in-house

Total net cost of Covid-19 to the council in this budget was £1.9 million.

The Interim Head of Finance reminded the committee that the council had a statutory duty to set a budget.

The chair led the committee through the report page by page, for questions.

- Page 12 – paragraph 53 regarding revenue costs. Councillor Rawlins explained how South Oxfordshire charging is low compared for other English shire district councils.
- If we were limited by an annual maximum £5 increase in council tax, how long would it take to reach the average for a shire district council? Discussions would be had about phasing in changes.
- Appendix A1 – this was a key summary page.
- Page 22 – any information on uplift for Cornerstone service charge? Cabinet member Councillor Filipova-Rivers answered that it was increased in 2019/20 and was being discussed with Hammersons.
- Appendix A2 showed savings and also investment in council properties. This will impact positively on insurance savings.
- Page 24 – the budget 2020/21 for 2020/21 included the global resettlement scheme and but did not appear in this report – had this moved due to Covid-19? Cabinet member Councillor David Rouane explained that the resettlement scheme was

funded, in the programme and was an ongoing cost. Lately people haven't been travelling so we have resettled less people. If the service was continuing, with no change, it would not appear in the schedule.

- Domestic abuse services - can we note we need to seek more funding due to the increase in need during lockdown? Cabinet member Councillor David Rouane advised that the council bought into a county-wide service. We will need to renegotiate soon, and that will be reflected in budget at the contract end. Police and Crime Commissioner (PCC) funding to Community Safety Partnership (CSP) should continue but there was uncertainty to services, not change at this stage.
- Page 27 – committee was pleased to hear of two new enforcement officers being recruited.
- Car parking fees on page 28 – Appendix A5 - £35,000 per year for South Oxfordshire – the Interim Head of Finance confirmed that this is the budgeted increase in income. Estimates were based on future charges and usage. This was a prudent income estimate.
- Councillor Rawlins explained that New Homes Bonus (NHB) funding included a contribution from the council of £214,000, which had gone towards the affordable homes pot of money. NHB in its current form was due to cease. Treasury income was used in the year after it is earned This was reflected through transfers to/from earmarked reserves.
- On capital – the numbers for new offices relate to Crowmarsh – a budget for the new building will be determined in due course.

Officers were commended for achieving a budget to present in these difficult circumstances.

The committee motioned and voted in favour of noting the contents of the Cabinet report and its appendices.

## **89 Budget 21/22 - Appendix A6**

The meeting closed at 7.07 pm

Chairman

Date