

Minutes

OF A MEETING OF THE



Listening Learning Leading

Scrutiny Committee

HELD ON THURSDAY 26 JANUARY 2023 AT 6.00 PM
ABBEY HOUSE, ABINGDON OX14 3JE

Present in the meeting room:

Councillors: Ian White (Chair), Mocky Khan, David Bartholomew, Alexandrine Kantor, George Levy, Jo Robb and David Turner
Officers: Adrianna Partridge (Deputy Chief Executive – Transformation and Operations), Candida Basilio (Democratic Services Officer), Simon Hewings (Head of Finance)
Cabinet Members: Councillor Pieter-Paul Barker – Finance and Corporate Assets

Remote attendance:

Cabinet members: Councillors Robin Bennett, Sue Cooper, Maggie Filipova-Rivers and David Rouane.
Officers: Harry Barrington-Mountford (Head of Policy and Programmes), Patrick Arran (Head of Legal and Democratic)

11 Apologies for absence

Apologies were received from Councillor Stefan Gawrysiak and Councillor Anna Badcock. Councillor Lynn Lloyd was present as a substitute for Councillor Badcock.

12 Urgent business and chair's announcements

Chair outlined housekeeping matters and explained that the first main agenda item was budget briefing, viewable to all from the live broadcast and recording on YouTube.

13 Declaration of interests

None.

14 Minutes

Resolved:

The minutes of the meeting held on 21 November 2022 were agreed as a correct record.

15 Public participation

None.

16 Work schedule and dates for all South and Joint scrutiny meetings

Committee reviewed the work programme.

17 Revenue Budget 2023/24 and Capital Programme to 2027/28 - budget briefing

Head of Finance presented a budget briefing to committee, supported by Cabinet Member for Finance and Corporate Assets. Strategic Finance Manager was present virtually.

A presentation was given using slides and can be viewed on the recording.

Cabinet member opened the item. Head of Finance briefed the committee on the following:

Section 1: Revenue

- Context of budget setting – our legal duties, what a balanced budget means - appropriate reserves without heavy reliance on them. Over recent years there had been improvement in having less reliance on reserves at the council.
- Appendix A1 – base budget 2023-24, what formed part of the base budget.
- Appendix B1 and B3 – discretionary items, such as temporary funding for 2023-25.
- Core revenue spending power had increased by 5.3% - settlements, government grants and council tax. Significant increase in core revenue spending power in response to economic climate. New Homes Bonus had gone down, reduced to four years from six. Uncertainty from central government on the future of this. Included a one-off funding guarantee of £883k. Revisions to council tax were in line with the council tax referendum principles.

Questions:

- A member asked about the history of reserves. Head of Finance responded that in 1996 council housing stock was sold, and money was put into reserve, however financial crashes result in using reserves. Now, we get more grant funding than previously. We had a low council tax base also. More detail would be provided in the presentation
- A member asked for clarity on the assumptions made about inflation over the MTFP. This would be covered in the presentation.

Section 2: Capital

- Details of schemes in Appendix D2 and D3 (CIL funded).
- Didcot North-East leisure centre will be funded by S106 receipts, also from Valley Park receipts. Vale would need to pay some of those receipts.
- Didcot Wave pool – Valley Park receipts, with some to be paid by Vale

Questions:

- Query on how we would ensure Vale receipts were paid. Head of Finance responded it was in Vale's budget. Council Leader added that Valley Park, being in Vale, would be closest to Didcot in terms of utilising community facilities, which Valley Park would be missing. These community assets would benefit South and Vale residents.
- Discussion had about assessment of risk. A question was asked about whether entering into a contract with Vale regarding the above projects was more secure. Leader explained the decision was made to enable facilities to be ready in line with the new housing.

Recommendation:

Scrutiny members were in agreement on suggesting that officers consult the Legal team regarding the potential to enter into a contract with VOWHDC, in relation to new South Oxfordshire based Capital projects, where SODC have agreement with VOWHDC to part fund projects which are of benefit for both districts.

- A discussion was had about the arrangements for briefing on the budget. The intention from officers was that this would be watched by anyone who wanted to, and questions were welcomed from all members.

Resolved: Head of Finance would check with cabinet members to consider whether a further briefing was needed considering it was being recorded already and open to questions. The recording and slides will be available to all.

- A discussion around income generation at leisure centres – Cabinet member for Community Wellbeing did explain this was mixed. Business case will be set out for new facilities to ensure income generation.

Section 3: Medium Term Financial Plan (MTFP)

- Key variables/assumptions shown of expenditure and income
- Inflation – applied what we see as inflation. Consideration given to contracts ending.
- See appendix F – row 25 expectations of inflation. Row 43 shows cost increases offset with inflationary increases.
- Core government funding assumptions – uncertainty, assumption was that government funding will reduce and council tax raises.
- 2025 onwards, the balances looked challenging but there were many variables that could not be predicted with much certainty. However, the assumptions made lead to solvency at the end of the period.
- Alternative scenario given where the one-off funding was left in the MTFP.
- Strong progress on transformation work, leading to financial stability.
- Including IT strategy, Cornerstone, grounds maintenance, customer service and front-of-house, development management

Committee discussed confidence levels and inflation predictions. Head of Finance also explained that tweaks were applied on staff salary and complexity of contract costs, so the result was more pessimistic.

A member asked about long-term assets and investments and the potential to liquidate if necessary.

18 Revenue Budget 2023/24 and Capital Programme to 2027/28 - Cabinet report

Cabinet Member for Finance and Corporate Assets introduced the paper. The revenue picture for this year was balanced, including the effects of the economy. Cabinet member explained that government funding normally was more certain over five years, and now we only had two years, so this could not be reflected with as much certainty as previous budgets.

Chair welcomed cabinet members to help answer in-depth portfolio questions if asked to, to support the Cabinet Member for Finance and Corporate Assets.

Questions and comments:

- How do we ensure we keep Community Hub, beyond the two-year funding? Cabinet member explained that a decision would need to be made to reflect it in future budgets.
- Capital spending on housing was discussed, and the permanent local housing stock being increased to deal with refugee crisis.
- Data centre rent – Head of Finance to check if this is a misrepresentation in the papers
- £5 million one off contribution to OCC pension fund. How much will this one-off payment save us long term? It was confirmed that this was not a specific sum agreed yet. Decision was due 31 March 2023. It was suggested by a member that this helped save money previously.
- Salary figures queried – it was explained that the figures were cumulative.
- Appendix D2: local authority housing fund – what will the government give us - £500 million was the national figure. The scheme was at an early stage. Cabinet member for Development explained that funding for 21 properties, approximately £150,000. Roughly a 40% contribution from central government. Leader added that the housing would alleviate stress on the current housing list. The council will own the properties and manage them.
- A query raised about cemetery refurbishment being budgeted
- Didcot Gateway – it was explained that the budget envelope was £25 million, including a wide range of schemes as part of a larger regeneration programme to improve the gateway area (such as public spaces), and this included the new council office. The building itself had not gone to tender yet so the cost of that individually was not known yet. Best value at the tendering process would be ensured.
- A discussion was had around election costs, which was explained by Cabinet member as an uncertainty for all councils at present, no definitive figure yet.

Resolved:

The committee reviewed and discussed the cabinet paper and budget appendices, and asked questions to Head of Finance and Cabinet members as outlined above.

19 Exclusion of the public

To consider whether to exclude members of the press and public from the meeting for the following items of business under Section 100A and 100I of the Local Government Act 1972 on the grounds that:

- (i) It is likely that there will be disclosure of exempt information as defined in paragraph 3 of Schedule 12A, and
- (ii) the public interest in maintaining the exemption outweighs the public interest in disclosing the information.

Resolved:

Committee voted in favour to exclude the public to discuss the confidential items in appendix D2.

20 Confidential appendix D2

After a short break, the committee reconvened at 19:50.

The committee had a short discussion on a line item in the appendix and after an explanation of its meaning, the committee made a recommendation to officers to review the line item's wording, in order to make it clearer.

The meeting closed at 19:58

Chair

Date

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