

# Minutes

## OF A MEETING OF THE



Listening Learning Leading

## Cabinet

Held on Thursday 3 February 2022 at 6.00 pm  
First Floor Meeting Space, 135 Eastern Avenue, Milton Park, OX14 4SB

### Present in the meeting room:

Cabinet members: Councillors David Rouane (Chair), Robin Bennett, Maggie Filipova-Rivers, Pieter-Paul Barker, Sue Cooper, Andrea Powell, Leigh Rawlins and Anne-Marie Simpson

Officers: Steve Culliford (Democratic Services Team Leader) and Mark Stone (Chief Executive)

### Remote attendance:

Officers: Patrick Arran (Head of Legal and Democratic), Vicky Aston (Planning Infrastructure Team Leader), John Backley (Technical Services Manager), Harry Barrington-Mountford (Head of Policy and Programmes), James Carpenter (Head of Development and Corporate Landlord), Liz Hayden (Head of Housing and Environment), Simon Hewings (Head of Finance), Jeremy Lloyd (Broadcasting Officer), Suzanne Malcolm (Deputy Chief Executive - Place), William Maxwell (Waste and Recycling Project Manager), Donna Ross (Principal Accountant), Cathie Scotting (Major Applications Officer), Richard Spraggett (Interim Strategic Finance Manager), and Michelle Wells (Insight and Policy Manager)

Guests: Councillors Sam Casey-Rerhaye and Ian White

## 72 Apologies for absence

None

## 73 Minutes

**RESOLVED:** to approve the minutes of the Cabinet meeting held on 2 December 2021, and the minutes of the informal meeting of Cabinet members held on 17 December 2021, as correct records and agree that the Chair signs them as such.

## 74 Declaration of disclosable pecuniary interest

None

## 75 Urgent business and chair's announcements

None

## **76 Public participation**

Councillor Ian White had registered to speak to the budget item (minute 83 refers).

## **77 Recommendations and updates from other committees**

Cabinet noted the recommendations and updates from other committees since Cabinet's meeting on 2 December 2021.

## **78 Community infrastructure levy charging schedule and developer contributions supplementary planning document**

Cabinet considered the head of policy and programmes' report. This sought agreement to the proposed new community infrastructure levy rates for the district so that a draft charging schedule and a revised developer contributions supplementary planning document could be published for public consultation.

The report investigated the option of maintaining the current levy rates. However, the Cabinet member for planning explained that the charging schedule needed to be reviewed to maximise the effectiveness of the community infrastructure levy in helping to deliver the necessary infrastructure to support development across the district. The Cabinet member also pointed to the infrastructure funding gap assessment, and the community infrastructure levy viability assessment, both of which were appended to the report.

The report assessed the option of levying different rates for greenfield and brownfield developments, which was rejected due to regulatory issues and the complexity and associated costs. Instead, the Cabinet member recommended that the charging schedule had three geographical zones for residential development: the southern parishes of the district, Didcot and Berinsfield, and the rest of the district. A map showing these zones was included in the appendix to the report. The proposed charging schedule also recommended levy rates for student accommodation and retail development. There would be no levy for offices/industrial development, nor for residential development on strategic sites.

Cabinet supported the proposals, believing that they struck the right balance between the need to increase the levy and the need for fairness. The new charging schedule would raise additional funds for much needed infrastructure in local communities. Cabinet also welcomed the introduction of three charging zones, with a separate zone for Didcot and Berinsfield.

Following any necessary changes required as a result of the consultation responses, Cabinet noted that the charging schedule would be submitted for independent examination.

### **RESOLVED to:**

- (a) approve the proposed new Community Infrastructure Levy rates for public consultation, as set out in Table 1 of the head of policy and programmes' report to Cabinet on 3 February 2022;

- (b) authorise the head of policy and programmes, in consultation with the Cabinet member for planning, to make any necessary further minor changes to the Draft Community Infrastructure Levy Charging Schedule and associated maps and the Draft Supplementary Planning Document, prior to public consultation;
- (c) publish the Draft Community Infrastructure Levy Charging Schedule and draft Developer Contributions Supplementary Planning Document for public consultation for a minimum of a four-week period; and
- (d) following public consultation, to authorise the head of policy and programmes, in consultation with the Cabinet member for planning, consideration of all representations made, making any necessary amendments to the Draft Community Infrastructure Levy Charging Schedule and Draft Supplementary Planning Document. The Draft Community Infrastructure Levy Charging Schedule document and associated information will then be submitted for independent examination.

## **79 Car park fees and charges**

Cabinet considered the head of development and corporate landlord's report on the annual review of car parking fees and charges. The Cabinet member with responsibility for car parks reported that the proposals set out three options to increase fees and charges. This would increase income, with the intention of covering the council's car park costs. The review had identified the following options:

- A. increase all fees (for up to two hours and above) by at least 40 pence
- B. extend the parking charge period from 9am-5pm to 8am-6pm Monday to Saturday (except Goldsmiths Lane car park in Wallingford)
- C. review season tickets (permits)
- D. no increase to the fees and charges

The Cabinet member dismissed the option of not increasing fees and charges as this would not allow the council to cover its costs. Instead, the Cabinet member recommended options A, B and C to Cabinet for implementation on 1 April 2022.

Cabinet agreed with the proposal as this would allow the council to cover its costs and help manage its finances. It was also fairer, as the cost of providing car parks should not be subsidised. Cabinet considered that council tax payers without cars should not have to subsidise drivers using the council's car parks.

### **RESOLVED to:**

- (a) agree to amend the car parking fees in line with options A, B and C, as set out in paragraphs 14 to 26 of the head of development and corporate landlord's report to Cabinet on 3 February 2022;
- (b) authorise the head of legal and democratic to prepare and publish any relevant documents under the Road Traffic Regulation Act 1984; and
- (c) authorise the head of development and corporate landlord to oversee necessary communications and consultations and report back to Cabinet if required.

## 80 Climate action plan

Cabinet considered the head of policy and programmes' report on a climate action plan. The report set out the plan's development process and sought Cabinet's approval to adopt and implement the plan. The Climate and Ecological Emergencies Advisory Committee had recommended the plan's adoption; the committee's chair updated Cabinet. The committee's suggestions had been included in the report.

Cabinet welcomed the plan, noting that it set out how the council would work towards its target of being a carbon neutral council by 2025. It supported the work of the Future Oxfordshire Partnership and the work of local environmental groups. It was a 'live' plan, which would be updated to adapt to changing circumstances. A progress monitoring report would be produced every quarter and adjustments to the plan would be recommended as appropriate. The plan would be a web-based document to allow for timely updates. Cabinet also welcomed the inclusion of a budget to implement the plan.

Cabinet thanked all councillors and officers involved in the development, monitoring and implementation of the plan.

**RESOLVED:** to note the development of and approve the Climate Action Plan for adoption and implementation.

## 81 Treasury management and investment strategy 2022/23

Cabinet considered the head of finance's report regarding a treasury management and investment strategy for 2022/23.

The Cabinet member for finance reported that several changes were proposed to the strategy, including:

- increases to counterparty limits
- an increased limit for Short Dated/Ultra Short Dated Bond Funds
- inclusion of bonds with the existing limits for corporate bonds
- an increase to the maximum portfolio percentage to 100 per cent for local authority and UK Government deposits
- an increase to the portfolio limit for deposits under one year
- a reduction in the maturity limit for local authority deposits
- removal of the non-treasury management property-related investment category
- enabling deposits to be placed with foreign financial institutions
- an increase to the variable interest rate exposure prudential indicator limit to reflect the increased level of cash balances and to allow greater use of funds with variable rate returns

The Joint Audit and Governance Committee had supported the strategy; Cabinet concurred as the revised strategy would allow the council greater flexibility.

**RECOMMENDED** to Council to:

- (a) approve the treasury management strategy 2022/23, as set out in appendix A to the head of finance's report to Cabinet on 3 February 2022;

- (b) approve the prudential indicators and limits for 2022/23 to 2024/25, as set out in appendix A to the report;
- (c) approve the annual investment strategy 2022/23 set out in appendix A to the report, and the lending criteria detailed in table 6.

## **82 Capital strategy 2022/23 - 2031/32**

Cabinet considered the head of finance's report on a capital strategy to cover the period 2022/23 to 2031/32. The report requested Cabinet to recommend Council to approve the capital strategy. The strategy provided a framework to the council's approach to capital spending, based on the council's corporate strategy, and was linked to the council's corporate objectives, medium-term financial strategy, and management of projects and programmes.

The Cabinet member for finance reported that the key changes to the strategy broadened the areas where capital investment could be considered, including:

- property investments – to maximise the use and value of council owned assets to support council services, or for regeneration purposes to deliver a wider social or community benefit
- loans to companies and other organisations to support the delivery of the council's corporate objectives
- renewable energy schemes to support delivery of the council's climate action plan priorities
- flexible use of capital receipts to identify revenue activity which, under guidance issued by the Secretary of State, was eligible to be funded using capital receipts rather than revenue resources

The Cabinet member reported that in all cases investment would need to be within the council's legal powers, be proportionate to the council's financial standing, and support the council's corporate objectives. Investment could not result in commercial gain.

Cabinet supported the strategy as it would allow the council greater investment opportunities to raise income.

**RECOMMENDED** to Council to:

- (a) approve the capital strategy 2022/23 to 2031/32, contained in the appendix to the head of finance's report to Cabinet on 3 February 2022; and
- (b) agree the strategy for flexible use of capital receipts, which is contained as annex 1 of the capital strategy.

## **83 Revenue budget 2022/23 and capital programme 2022/23 - 2026/27**

Cabinet considered the head of finance's report on the budget for financial year 2022/23. The report included a draft revenue budget, a capital programme for the period 2022/23 to 2026/27, the prudential indicators, and a medium term financial plan covering 2022/23 to 2026/27. Cabinet was asked to recommend the report to the Council meeting on 17 February 2022.

Councillor Ian White, Chair of the Scrutiny Committee, addressed Cabinet on the process for the committee to consider the draft budget. This year the committee was trying a new method. It would meet on 7 February to consider Cabinet's budget proposals. The committee would consider whether to make any recommendations to Cabinet before the Council meeting on 17 February. For this purpose, the leader had set a reserve date for a Cabinet meeting on 8 February to consider any recommendations from Scrutiny Committee and to consider whether Cabinet should amend its budget proposals to Council. Councillor White thanked the leader, Cabinet members and the head of finance for their understanding and assistance, and reported that the success or otherwise of this trial would be reviewed at a later date.

The Cabinet member for finance introduced the report. The budget proposals would help chart the council back to a more stable financial position. The council's finances were recovering from the position the administration had inherited at the district council elections in 2019. The council's finances were also recovering from the Covid-19 pandemic, which still was ongoing. The Cabinet member for finance praised his predecessor for work in starting this recovery.

This year Cabinet was keen to do more to implement the corporate plan and focus on financial sustainability. To assist, a thorough review of the council's budget expenditure had been carried out. This had achieved substantial revenue base budget savings. He thanked officers for their work. This had been helped by the council's accountancy team returning in-house. He believed that many of the decisions made by the council since 2019 were beginning to bear fruit, as reflected by the significant savings in the base budget. There was now more income and less expenditure, all without having to cut services provided to local residents.

The Cabinet member reported that this year's budget had been prepared at a time when the council faced key financial challenges. The council tax in 2021/22 was the eighth lowest in the country for a shire district council and significantly below the national average, despite South Oxfordshire district being in the expensive South East. The council was restricted in how much it could increase its council tax. Also, the council had not benefitted from the business rates' retention scheme. Although it had benefitted in the past from the new homes bonus scheme, the continuation of this funding was under review by the government. The result of this was that the cost of running the council exceeded the grant it received from government. The revenue budget set for 2021/22 had predicted that the use of the council's reserves that was unsustainable over the medium to long term. Following the thorough review of the base budget, the medium term financial plan now predicted a significantly better position with less reliance on reserves. The transformation activities planned during 2022/23 were central to tackling the budget gap for future years.

The budget proposed no cuts to services and included revenue provision to support the council's corporate plan priorities in climate action, nature recovery, and community wellbeing. Council tax was proposed to increase by £5 for a Band D property—the maximum allowed. However, there was no long long-term promise of a funding framework from the government, and the current settlement was only for one year. The medium term financial plan showed a fundamental structuring towards sound financial planning, a transformation from previous years, and included an element for exit costs at the close of the current corporate service contract, funded through capital reserves. The capital programme included several new schemes to be funded from the community infrastructure

levy income, and also income from section 106 receipts to support affordable housing schemes. The Cabinet member moved the recommendations as set out in the report.

Cabinet members thanked the Cabinet member for finance, and the head of finance and his team, for their work in preparing the budget. Cabinet members highlighted several elements of the budget proposals: a change in emphasis towards greater creativity resulting in positive change. The council had learned important lessons from the Covid-19 pandemic; officers and councillors had adapted well to support the local community. It was important that strategies were developed to support the community, and that the council continued to support the voluntary and community sector, where their work matched the council's corporate plan objectives. Funding in the budget to support the climate action plan work, nature recovery and new housing was welcomed also. Cabinet was pleased with the inclusion of capital projects to be funded by the community infrastructure levy. The decision to work on a joint local plan, with Vale of White Horse District Council, and to develop new offices shared with the Vale, would save significant sums. The office development would also help with the regeneration of an important site in Didcot.

In summary, Cabinet considered that the budget proposals represented an impressive transformation. In-sourcing of service provision had helped this process, as had the work to review the council's base budget requirement. The move to new offices and the preparation of a joint local plan would save significant costs. The budget would ensure financial sustainability and showed a positive direction of travel. There would be no cuts to services in 2022/23. Cabinet supported the budget proposals.

**RECOMMENDED** to Council to:

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

**RESOLVED** to:

- (g) agree that the Cabinet member for finance, in conjunction with the head of finance, may make minor adjustments to the report and the prudential indicators, should they prove necessary prior to its submission to Council on 17 February 2022.

## **84 Future provision of external audit services**

Cabinet considered the head of finance's report on the need to appoint external auditors for the five-year period from April 2023.

In 2018, the council had opted into the 'appointing person' national auditor appointment arrangements, established by the Public Sector Audit Appointments for the period covering the accounts for 2018/19 to 2022/23. The same organisation was undertaking a procurement for the next appointing period, covering audits for 2023/24 to 2027/28, and had invited the council to opt into these procurement arrangements again. The options open to the council were to:

1. arrange its own procurement and appointment of external auditors; or
2. join the national collective scheme administered by the Public Sector Audit Appointments, a decision needed by 11 March 2022.

The Cabinet member for finance recommended option 2, as had the Joint Audit and Governance Committee. Cabinet noted that the Chartered Institute of Public Finance and Accountancy (CIPFA) and the Local Government Association (LGA) had also recommended this option. Cabinet concurred, believing that this would bring clear advantages of economies of scale.

**RECOMMENDED** to Council to:

- (a) accept Public Sector Audit Appointments' invitation to opt into the sector-led option for the appointment of external auditors to principal local government and police bodies for five financial years from 1 April 2023; and
- (b) authorise the head of finance to opt into the national scheme for auditor appointments for the provision of external audit services starting with the audit of the 2023/24 accounts.

## **85 Exclusion of the Public**

**RESOLVED:** to exclude members of the press and public from the meeting for the following item of business under Part 1 of Schedule 12A Section 100A(4) of the Local Government Act 1972 and as amended by the Local Government (Access to Information) (Variation) Order 2006 on the grounds that:

- (i) it involves the likely disclosure of exempt information as defined in paragraph 3 of Part 1 of Schedule 12A of the Act, and
- (ii) the public interest in maintaining the exemption outweighs the public interest in disclosing the information.

## **86 Future waste services**

Cabinet authorised officers to make arrangements for the future of waste services.