

Minutes

OF A MEETING OF THE



Listening Learning Leading

Cabinet

Held on Thursday 2 February 2023 at 6.00 pm
Meeting Room 1, Abbey House, Abbey Close, Abingdon, OX14 3JE

Present in the meeting room:

Cabinet members: Councillors David Rouane (Chair), Maggie Filipova-Rivers (Vice-Chair), Pieter-Paul Barker, Robin Bennett, Sue Cooper, Kate Gregory and Anne-Marie Simpson
Officers: Steve Culliford (Democratic Services Team Leader) and Simon Hewings (Head of Finance)

Remote attendance:

Cabinet member: Councillor Andrea Powell
Officers: Patrick Arran (Head of Legal and Democratic), Harry Barrington-Mountford (Head of Policy and Programmes), and Jeremy Lloyd (Broadcasting Officer)
Guests: Councillor Sam Casey-Rerhaye

66 Minutes

RESOLVED: to approve the minutes of the Cabinet meeting held on 19 December 2022 as a correct record and agree that the Chair signs them as such, subject to the last sentence in minute 60 being amended to read: 'Following the withdrawal of the Oxfordshire Plan 2050 work, the council had continued work with Vale of White Horse District Council on a joint local plan.'

67 Declaration of interests

None

68 Urgent business and chair's announcements

None

69 Public participation

None

70 Recommendations and updates from other committees

Cabinet received updates from recent meetings of the Climate and Ecological Emergencies Advisory Committee, the Scrutiny Committee, and the Joint Audit and Governance Committee. Cabinet noted the recommendations made by the Scrutiny

Committee and the Joint Audit and Governance Committee, which would be considered later in the meeting.

71 Treasury mid-year monitoring 2022/23

Cabinet considered the head of finance's report, being the treasury management mid-year monitoring report for 2022/23, being the first six months up to 30 September 2022.

The Cabinet member for finance reported that income from cash investments was projected to be above budget by the year end. This was due to increases in interest rates that were unexpected when the 2022/23 budget was set. The report also set out performance against benchmarks for the first six months of the financial year. The council had not borrowed during the first six months of the year and was unlikely to borrow during the remainder of the financial year.

Cabinet noted that the Joint Audit and Governance Committee was satisfied that the treasury activities had been carried out in accordance with the treasury management strategy and policy.

RECOMMENDED to Council to:

- (a) note the treasury management mid-year monitoring report 2022/23; and
- (b) note that Cabinet is satisfied that the treasury activities are carried out in accordance with the treasury management strategy and policy.

72 Treasury management and investment strategy 2023/24

Cabinet considered the head of finance's report on a draft treasury management and investment strategy for 2023/24. This set out how the council's treasury service would support the financing of capital investment decisions, and how treasury management operated day to day. The strategy also set out the prudential indicators, providing limits within which the treasury function must operate.

The Cabinet member for finance highlighted that the proposed strategy for 2023/24 included the following changes, which Cabinet was asked to recommend to Council:

- amendments to individual maximum counterparty limits, increasing the limits for LVNAV & VNAV Money Market Funds to £30 million
- amendments to the minimum lending criteria - an increase in the minimum asset value criteria for non-rated building societies from assets over £1 billion to assets over £2 billion

Cabinet noted that the Joint Audit and Governance Committee had supported the draft strategy and had recommended it to Cabinet, along with approving the prudential indicators and limits, and approving the annual investment strategy and lending criteria.

Cabinet supported the proposed changes to the strategy.

RECOMMENDED to Council to:

- (a) approve the treasury management strategy 2023/24, as set out in appendix A to the head of finance's report to Cabinet on 2 February 2023;

- (b) approve the prudential indicators and limits for 2023/24 to 2025/26, as set out in appendix A to the report; and
- (c) approve the annual investment strategy 2023/24, as set out in appendix A to the report, and the lending criteria detailed in the amended table 6 to appendix A of the report.

73 Capital strategy

Cabinet considered the head of finance's report on a draft capital strategy for 2023/24 to 2032/33. The report sought Cabinet's agreement to recommend the capital strategy to Council.

The Cabinet member for finance reported that it was a requirement for the council to review its capital strategy annually. It provided the parameters within which capital expenditure and investment decisions would be made once the supporting requirements were in place.

Cabinet noted that there were no changes proposed to the strategy. Cabinet supported the strategy, noting that it was based on the council's corporate strategy, and was linked to the council's corporate objectives, the medium term financial strategy, and the delivery of capital projects.

RECOMMENDED to Council to:

- (a) approve the capital strategy 2023/24 to 2032/33, as set out in appendix 1 of the head of finance's report to Cabinet on 2 February 2023; and
- (b) agree the strategy for flexible use of capital receipts, which is contained as annex 1 of the capital strategy.

74 Revenue budget 2023/24 and capital programme 2023/24 to 2027/28

Cabinet considered the head of finance's report on the draft revenue budget for 2023/24 and the draft capital programme to 2027/28. The report brought together information to allow Cabinet to recommend its budget to Council. The report contained the medium term financial plan detailing a model budget for the next five years. The report also contained the opinion of the council's chief finance officer on the robustness of estimates and the adequacy of the council's reserves.

The Cabinet member for finance proposed a balanced budget. It included £0.5 million of discretionary spending and used only £0.7 million from reserves. Officers and members had worked hard in balancing the budget at a time of great economic uncertainty, resulting in assumptions being made in the medium term financial plan. High inflation had put pressure on the council's spending, and there was uncertainty over government funding beyond 2024/25. Another uncertainty was whether the council would be required to pay an additional £5 million to the pension fund. The triennial pension fund valuation might require this and so provision had been made for this possibility. The budget also included new capital funding for a new leisure facility at north-east Didcot, a new learner pool at The Wave in Didcot, and funding for the decarbonisation project at the Cornerstone Arts

Centre. Council tax would increase by £5 for a Band D property, the maximum allowed without holding a referendum. This increase equated to less than 10 pence per week.

Cabinet noted that Scrutiny Committee had considered the draft budget and had received a briefing from the head of finance. The committee discussed the proposed new leisure facility at north-east Didcot. The intention was for this to be part-funded by Vale of White Horse District Council as its residents could benefit from this facility. The committee recommended to Cabinet that officers should consult the council's Legal team to consider whether the council should enter into a contract with the Vale to formalise the funding agreement. Cabinet welcomed Scrutiny Committee's suggestion but considered that this need not be actioned at this stage. The first step was for both councils to allocate sufficient funds in their budgets and for the project to be progressed further before a decision could be made on whether a contractual position was required between the two councils.

Cabinet members were proud of the budget. It provided discretionary spending to allow the council to continue funding the community hub. The government funding for this was coming to an end. The hub had proved successful, providing support to the residents through the Covid-19 pandemic and during the cost-of-living crisis. It had also supported refugees and host families in the district. The budget also provided support for the voluntary and community sector, which supported the most vulnerable. There was investment in new leisure facilities and support for the decarbonisation project at the Cornerstone. An allocation had also been made to contribute to the Local Authority Housing Fund, a new project introduced by the government. This brought in capital funding, which was matched in the budget to provide homes to meet local need. The use of section 106 funds and Community Infrastructure Levy income had supported the council's capital programme. There was money for additional lawyers and funding for the new voter photo identification project due to be introduced at the May 2023 local elections.

In conclusion, Cabinet welcomed the proposed budget. It was a balanced budget with minimal draw from reserves. The council was now in a better financial position and able to deliver its corporate plan, while planning for the future with new homes and infrastructure and retaining the community hub to provide for those most in need.

Cabinet noted the confidential appendix D2 to the report and decided that it was unnecessary to discuss it in exempt session.

Cabinet thanked the Cabinet member for finance, the head of finance and his team, and all budget holders for their work in preparing and balancing the budget.

RECOMMENDED to Council to:

- (a) set the revenue budget for 2023/24, as set out in appendix A.1 to the head of finance's report to Cabinet on 2 February 2023;
- (b) authorise the head of finance, in consultation with the cabinet member for finance, to make a one-off contribution to the Oxfordshire County Council pension fund of up to £5 million, subject to confirmation of the results of the triennial pension fund valuation;

- (c) approve the capital programme for 2023/24 to 2027/28, 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;
- (d) set the council's prudential limits as listed in appendix E to the report;
- (e) approve the medium-term financial plan to 2027/28, as set out in appendix F to the report;
- (f) allocate £500,000 to fund the Communities Capital and Revenue grant scheme; and
- (g) ask officers to review the Medium Term Financial Strategy at the end of the current spending review period.

RESOLVED: to agree that the head of finance, in conjunction with the Cabinet member for finance, may make minor adjustments to the report and the prudential indicators, should they prove necessary prior to its submission to Council on 16 February 2023.

The meeting closed at 6.45 pm

Chair

Date