

Minutes

OF THE BUDGET MEETING OF THE

Council



Listening Learning Leading

**Held on Thursday 16 February 2023 at 6.00 pm
Didcot Civic Hall, Britwell Road, Didcot, OX11 7JN**

Present in the meeting room:

Councillors: David Turner (Chair), Anna Badcock, Pieter-Paul Barker, David Bartholomew, Robin Bennett, Sam Casey-Rerhaye, Sue Cooper, Peter Dragonetti, Maggie Filipova-Rivers, Stefan Gawrysiak, Kate Gregory, Victoria Haval, Lorraine Hillier, Kellie Hinton, Alexandrine Kantor, Mocky Khan, Lynn Lloyd, Jane Murphy, Caroline Newton, Andrea Powell, Leigh Rawlins, Jo Robb, Sue Roberts, David Rouane, Anne-Marie Simpson, Ian Snowdon, Alan Thompson, Andrea Warren, Ian White and Celia Wilson

Officers: Patrick Arran, Head of Legal & Democratic and Monitoring Officer, Steven Corrigan, Democratic Services Manager, Simon Hewings, Head of Finance and Section 151 Officer and Mark Stone, Chief Executive

Apologies for absence:

Apologies for absence were submitted on behalf of Councillors Ken Arlett, Tim Bearder, Elizabeth Gillespie, George Levy and Axel Macdonald

51 Declarations of interest

None.

52 Urgent business and chair's announcements

The Chair provided general housekeeping advice. The Chair provided details of the events he had attended since the last meeting of Council.

53 Public participation

No members of the public had registered to address Council.

54 Treasury Management Mid-Year Monitoring Report 2022/23

Council considered Cabinet's recommendations, made at its meeting on 2 February 2023, on the treasury management performance in the first six months of 2022/23.

Councillor Barker, Cabinet member for finance, reported that income from cash investments was likely to be above budget by the financial year end due to increases in interest rates that were unexpected when the 2022/23 budget was set. The report set out

performance against benchmarks for the first six months of the financial year. There had been no borrowing during the first half of the year and borrowing was unlikely for the remainder of the year also.

Both the Joint Audit and Governance Committee, at its meeting on 31 January, and Cabinet, at its meeting on 3 February 2023, were content that the treasury management activities had been carried out in accordance with the treasury management strategy and policy.

RESOLVED: to

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

55 Treasury Management and Investment Strategy 2023/24

Council considered the head of finance's report on a draft treasury management and investment strategy for 2023/24 which set out Cabinet's recommendations, made at its meeting on 2 February 2023. The Joint Audit and Governance Committee, at its meeting on 31 January, 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.

Councillor Barker, the Cabinet member for finance, introduced the report and Cabinet recommendations. He highlighted that the proposed strategy for 2023/24 included the following changes:

- 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

Both Cabinet and the Joint Audit and Governance Committee had supported the strategy together with approving the prudential indicators and limits and approving the annual investment strategy and lending criteria.

Some councillors expressed concern that, in their view, the strategy did not take sufficient account of environmental, social and governance (ESG) issues with continued investments in arms, tobacco, oil and certain financial institutions. They expressed the view that more weight should be given to ESG issues which support the council's values and aims.

RESOLVED:

1. approve the treasury management strategy 2023/24 set out in appendix A to the head of finance's report to Council on 16 February 2023;
2. approve the prudential indicators and limits for 2023/24 to 2025/26 as set out in, appendix A to the report;
3. approve the annual investment strategy 2023/24 set out in appendix A to the report, and the lending criteria detailed in table 6.

56 Capital Strategy 2023/24 to 2032/33

Council considered Cabinet's recommendation, made at its meeting on 2 February 2023, on the council's capital strategy for 2023/24 to 2032/33.

Cabinet had 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.

Councillor Barker, Cabinet member for finance, reported that it was a requirement for the council to review its capital strategy annually and that it provided the parameters within which capital expenditure and investment decisions would be made once the supporting requirements were in place. He reported that no changes were proposed to the strategy

In response to a question regarding the potential risk of investing in renewable energy schemes (as experienced by other local authorities), the Cabinet member responded that it would be necessary to undertake due diligence and an analysis of the risks associated with such an investment.

RESOLVED: to

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

57 Revenue Budget 2023/24 and Capital Programme to 2027/28

The chair referred to regulations that require councils to record the names of those councillors voting in favour, against or abstaining from any vote on the budget, including amendments, and the council tax. In accordance with the regulations, he would call for a named vote on each of these matters at this meeting.

Council noted the report of the chief finance officer on the robustness of the budget estimates and the adequacy of the reserves.

Council considered Cabinet's recommendations, made at its meeting held on 2 February 2023, on the revenue budget for 2023/24 and the capital programme to 2027/28.

Councillor Barker, Cabinet member for finance, presented Cabinet's proposals for the revenue budget and capital programme. He moved and Councillor Rouane, Leader of the council, seconded a motion to approve Cabinet's recommendations as follows:

To

1. 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;
2. 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;

3. 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;
4. set the council's prudential limits as listed in appendix E to the report;
5. approve the medium-term financial plan to 2027/28, as set out in appendix F to the report;
6. allocate £500,000 to fund the Communities Capital and Revenue grant scheme; and
7. ask officers to review the Medium-Term Financial Strategy at the end of the current spending review period.

In introducing the budget, the Cabinet member noted that it included £0.5 million of discretionary spending and used only £0.7 million from reserves. In producing a balanced budget both officers and members had worked hard to review costs and achieve savings. 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 - provision for which was included in the budget. 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.

A number of councillors spoke against the budget proposals. They opposed the capital costs for the building of a new council headquarters at the Didcot Gateway site. Alternative council owned accommodation was available, notably Abbey House in Abingdon, which could be repurposed reducing carbon costs and allow the site in Didcot to be made available for alternative uses including social housing. The increase in council tax would impact on residents at a time of rising costs.

However, the majority of councillors supported the budget proposals. It was a balanced budget with minimal draw from reserves and proposed no cuts to services. It retained provision for community grants. Others welcomed the continued funding to support the climate action plan work and recruitment of officers to support this work. A number welcomed the investment in new leisure centre facilities, support for the provision of affordable housing via the Local Authority Housing Fund (a new project introduced by the government to provide capital funding, which was matched in the budget to provide homes to meet local need) and the continued discretionary funding of the community hub which had provided support to the residents through the Covid-19 pandemic and during the cost-of-living crisis and also supported refugees and host families in the district.

In accordance with regulations requiring councils to record the names of those councillors voting in favour, against or abstaining from any vote on the budget the chair called for a recorded vote which was carried with the voting being as follows:

For	Against	Abstain
Councillors	Councillors	Councillors
Pieter-Paul Barker	Anna Badcock	
Robin Bennett	David Bartholomew	
Sam Casey-Rerhaye	Lorraine Hillier	
Sue Cooper	Lyn Lloyd	
Peter Dragonetti	Jane Murphy	
Maggie Filipova-Rivers	Caroline Newton	
Stefan Gawrysiak	Ian Snowdon	
Kate Gregory	Alan Thompson	
Victoria Haval	Andrea Warren	
Kellie Hinton	Ian White	
Alexandrine Kantor		
Mocky Khan		
Andrea Powell		
Leigh Rawlins		
Jo Robb		
Sue Roberts		
David Rouane		
Anne-Marie Simpson		
David Turner		
Celia Wilson		
20	10	0

RESOLVED: to

1. 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;
2. 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;
3. 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;
4. set the council’s prudential limits as listed in appendix E to the report;
5. approve the medium-term financial plan to 2027/28, as set out in appendix F to the report;
6. allocate £500,000 to fund the Communities Capital and Revenue grant scheme; and
7. ask officers to review the Medium-Term Financial Strategy at the end of the current spending review period.

58 Council Tax 2023/24

Council considered the report of the head of finance on the setting of the Council Tax for the 2023/24 financial year.

In accordance with regulations requiring councils to record the names of those councillors voting in favour, against or abstaining from any vote on the council tax the chair called for a recorded vote which was carried with the voting being as follows:

For	Against	Abstain
Councillors	Councillors	Councillors
Anna Badcock		
Pieter-Paul Barker		
David Bartholomew		
Robin Bennett		
Sam Casey-Rerhaye		
Sue Cooper		
Peter Dragonetti		
Maggie Filipova-Rivers		
Stefan Gawrysiak		

For	Against	Abstain
Kate Gregory		
Victoria Haval		
Lorraine Hillier		
Kellie Hinton		
Alexandrine Kantor		
Mocky Khan		
Lynn Lloyd		
Jane Murphy		
Caroline Newton		
Andrea Powell		
Leigh Rawlins		
Jo Robb		
Sue Roberts		
David Rouane		
Anne-Marie Simpson		
Ian Snowdon		
Alan Thompson		
David Turner		
Andrea Warren		
Ian White		
Celia Wilson		
30	0	0

RESOLVED:

1. To note that at its meeting on 8 December 2022 the council calculated the council tax base 2023/24:
 - (a) for the whole council area as **61,349.5** [Item T in the formula in Section 31B of the Local Government Finance Act 1992, as amended (the “Act”)]; and
 - (b) for dwellings in those parts of its area to which a parish precept relates as in column 1 of appendix 1.
2. That the council tax requirement for the council’s own purposes for 2023/24 (excluding parish precepts) is £8,665,003
3. That the following amounts be calculated for the year 2023/24 in accordance with Sections 31 to 36 of the Act:
 - (a) £87,755,386 being the aggregate of the amounts which the council estimates for the items set out in Section 31A(2) of the Act taking into account all precepts issued to it by parish councils.
 - (b) £72,428,526 being the aggregate of the amounts which the council estimates for the items set out in Section 31A(3) of the Act.
 - (c) £15,326,860 being the amount by which the aggregate at (3)(a) above exceeds the aggregate at (3)(b) above, calculated by the council, in accordance with Section 31A(4) of the Act as its council tax requirement for the year. (Item R in the formula in Section 31B of the Act).
 - (d) £249.83 being the amount at (3)(c) above (Item R), all divided by Item T (1(a) above), calculated by the council, in accordance with Section 31B of the Act, as the basic amount of its council tax for the year (including parish precepts).
 - (e) £6,661,857 being the aggregate amount of all special items referred to in Section 34(1) of the Act, as set out in column 2 of appendix 1.
 - (f) £141.24 being the amount at (3)(d) above less the result given by dividing the amount at (3)(e) above by Item T (1(a) above), calculated by the council, in accordance with Section 34(2) of the Act, as the basic amount of its council tax for the year for dwellings in those parts of its area to which no parish precept relates.
4. To note that for the year 2023/24 Oxfordshire County Council has stated the following amounts in precepts issued to the council, in accordance with Section 40 of the Local Government Finance Act 1992, for each of the categories of dwellings shown below:

Band A	£1,156.02
Band B	£1,348.69
Band C	£1,541.36
Band D	£1,734.03
Band E	£2,119.37
Band F	£2,504.71
Band G	£2,890.05
Band H	£3,468.06

5. To note that for the year 2023/24 the Police and Crime Commissioner for Thames Valley has stated the following amounts in precepts issued to the council, in accordance with Section 40 of the Local Government Finance Act 1992, for each of the categories of dwellings shown below:

Band A	£170.85
Band B	£199.33
Band C	£227.80
Band D	£256.28
Band E	£313.23
Band F	£370.18
Band G	£427.13
Band H	£512.56

6. That the council, in accordance with Sections 30 and 36 of the Local Government Finance Act 1992, hereby sets the aggregate amounts shown in appendix 3 as the amounts of council tax for 2023/24 for each part of its area and for each of the categories of dwellings shown in appendix 3.
7. To determine that the council's basic amount of council tax for 2023/24 is not excessive in accordance with principles approved under Section 52ZB Local Government Finance Act 1992.

59 Pay Policy Statement 2023/24

Council considered the report of the head of corporate services on the adoption of a pay policy statement to meet the requirements of the Localism Act.

RESOLVED: to approve the statement of pay policy for 2023/24 attached to the report of the head of corporate services to the Council meeting on 16 February 2023.

The meeting closed at 7:45pm

Chair

Date

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