

Cherwell District Council

Budget Planning Committee

Minutes of a meeting of the Budget Planning Committee held as a Virtual meeting, on 9 March 2021 at 6.30 pm

Present:

Councillor Nicholas Mawer (Chairman)
Councillor Carmen Griffiths (Vice-Chairman)
Councillor Nathan Bignell
Councillor Phil Chapman
Councillor Conrad Copeland
Councillor David Hughes
Councillor Andrew McHugh
Councillor Barry Richards
Councillor Douglas Webb
Councillor Fraser Webster
Councillor Lucinda Wing
Councillor Sean Woodcock

Officers:

Lorna Baxter, Director of Finance & Section 151 Officer
Michael Furness, Assistant Director Finance
Emma Faulkner, Democratic and Elections Officer
Natasha Clark, Governance and Elections Manager

48 **Declarations of Interest**

There were no declarations of interest.

49 **Minutes**

The minutes of the meeting of the Committee held on 19 January 2021 were confirmed as a correct record, to be signed by the Chairman in due course.

50 **Chairman's Announcements**

The Chairman made one announcement:

Following feedback being submitted to the Chairman regarding the budget setting process as a whole, the Director of Finance and Assistant Director of Finance had been requested to review the role of the Budget Planning Committee, with a view to identifying any areas of improvement to ensure that the Committee add value to the process and are fully engaged.

The Director of Finance confirmed that a lessons learnt item would be added to the work programme for the 2021/22 Municipal Year.

51 **Urgent Business**

There were no items of urgent business.

52 **Monthly Finance Monitoring Report - Quarter 3 2020/21**

The Committee considered a report from the Director of Finance that summarised the Council's forecast revenue and capital outturn position for 2020/21 as at December 2020.

The report detailed a forecast overspend of £0.4 million. This was anticipated as a result of an increase in net costs relating to Covid amounting to £3.7 million, and an underspend in business as usual costs amounting to £3.3 million.

In response to questions from the Chairman regarding the percentage of business rates collected, the Assistant Director of Finance clarified that the Council would not face any form of penalty for not collecting the business rates in the correct year, and confirmed that measures to collect all business rates owed continued in to the new financial year.

With regard to the Discretionary Grants scheme available to businesses affected by Covid, the Assistant Director of Finance explained that the Government had made an amount of money available and the Council had developed relevant policies regarding the criteria for qualifying for a grant. Businesses that met the criteria could apply for the grant, and once the Government money had run out the grants would end. The Assistant Director of Finance confirmed that it was possible to have money left over from the scheme, if some businesses decided not to apply for a grant.

In response to questions regarding capital bids 40006, Community Centre refurbishments, and 40007, Solar photovoltaics at sports centres, the Assistant Director of Finance confirmed that he had spoken to both budget holders and updated information on the bids would be included in the next performance report.

Resolved

(1) That the report be noted.

53 **New Homes Bonus Consultation 2021**

The Committee considered a report from the Director of Finance that gave an overview of a Government consultation on the future of New Homes Bonus,

and outlined the areas that the Council's response to the consultation would cover.

The Director of Finance explained that New Homes Bonus (NHB) had been a stable and reliable source in income for the Council in previous years, with payments being made over a four year period. In two tier areas such as Oxfordshire the NHB was split between County and District Councils, with Districts receiving 80%.

The government had indicated that so called legacy payments would not form part of the revised NHB scheme, which could impact on the stability of local government finance.

In response to questions from the Committee the Director of Finance explained that a general reference regarding the need for sufficient funding for local government was included every time a consultation response was submitted to Government, and similar comments would be included in this response.

With regard to whether modern methods of construction should be considered when awarding grant allocations, the Committee agreed that outcomes should be prioritised over process, such as new homes being built to as high an ecological or 'green' standard as possible.

Resolved

- (1) That the Government's consultation on the New Homes Bonus be noted.
- (2) That, subject to the inclusion of points regarding:
 - i. the long-term funding strategy for Local Government; and
 - ii. a request for outcomes to be prioritised over process;

the following principles be endorsed to form the basis of the Council's response to the consultation;

- New Homes Bonus is made as stable and certain as possible potentially by paying grant based on an average of the previous three years growth
- New Homes Bonus is paid in a way so that it offers a material incentive and can have a material impact on the services councils can provide – and so maintain the 80:20 split between Districts and Counties
- In order to make the grant provide a realistic incentive to all, support the hybrid option of low growth areas receiving grant based exceeding the lower of the two thresholds of exceeding historic growth and exceeding the current absolute threshold of 0.4% growth before grant is awarded.
- Reward councils with higher payments where a local plan is in place and housing growth is approved in line with the strategic plan for the area

- Continuing to reward councils that are able to bring long-term empty properties back into use
- Continuing to pay a premium for affordable homes that have been developed

54 **Review of Committee Work Plan**

The Assistant Director – Finance provided a verbal update regarding the Committee work plan for the first meeting of the 2021/2022 Municipal Year.

It was anticipated that the following items would be considered at the next meeting of the Committee on 8 June 2021:

- Performance, Finance and Risk Monitoring for Quarter Four
- Review of the 21/22 Budget Process and improvements

Resolved

(1) That the verbal update be noted.

The meeting ended at 7.24 pm

Chairman:

Date: