

Cherwell District Council

Budget Planning Committee

Minutes of a meeting of the Budget Planning Committee held at Bodicote House, Bodicote, Banbury, Oxon OX15 4AA, on 23 January 2024 at 6.30 pm

Present:

Councillor Patrick Clarke (Chairman)
Councillor Douglas Webb (Vice-Chairman)
Councillor Tom Beckett
Councillor Becky Clarke MBE
Councillor Donna Ford
Councillor David Hingley
Councillor Matt Hodgson
Councillor Simon Lytton
Councillor Adam Nell
Councillor Dorothy Walker
Councillor Barry Wood
Councillor Sean Woodcock

Officers:

Joanne Kaye, Head of Finance and Deputy Section 151 Officer
Leanne Lock, Strategic Business Partner - Business Partnering & Controls
Natasha Clark, Governance and Elections Manager
Matt Swinford, Democratic and Elections Officer

36 **Declarations of Interest**

There were no declarations of interest.

37 **Minutes**

The minutes of the meeting held on 5 December 2023 were agreed as a correct record and signed by the Chairman.

38 **Chairman's Announcements**

There were no Chairman's announcements.

39 **Urgent Business**

There were no items of urgent business.

40 **Capital and Investment Strategy 2024-25**

The Assistant Director of Finance and Section 151 Officer submitted a report for the Committee to consider the draft Capital and Investment Strategy for 2024/25. The Strategy must be approved by Full Council annually and must satisfy the requirements of government legislation and CIPFA guidance.

The Portfolio Holder for Finance introduced the report and advised the Committee that the Capital Strategy demonstrated how the council took capital expenditure decisions in line with service objectives and properly took account of stewardship, value for money, prudence, sustainability and affordability.

The Portfolio Holder for Finance advised that there had been a change in the strategy to the Council's minimum revenue provision which was an amount that had to be set aside by Council's in respect of any capital borrowing that it had previously incurred each year. The Council had changed from a straight-line basis to an annuity basis.

The Portfolio Holder for Finance explained that the Investment strategy related to non-treasury management investments. Investments covered by this strategy include loans to third parties, purchased of shares (in subsidiaries, businesses etc) and property.

Following questions from the Committee querying if the change in the minimum revenue provision was in line with other local authorities, the Head of Finance advised that there were four recognised methods for minimum revenue and the one chosen was the most appropriate for the Council to use.

Following a question asking why higher value investments like Castle Quay were mis-classified and had been re-classified in the report, the Portfolio Holder for Finance advised that officers would provide a written response to the Committee.

In response to a question from the Committee regarding the Council's investment in banks and if they were investing in oil and gas, the Portfolio Holder for Finance advised that in stewarding investments, the Council was required to get best value for the tax-payer which had a strong effect on what the Council could invest in. The Portfolio Holder for Finance advised that officers would provide a written response to the Committee following the meeting.

Resolved

- (1) That the draft Capital and Investment Strategy for 2024/25 be recommended to Executive.

41 **Reserves Review**

The Assistant Director of Finance submitted a report to update Budget Planning Committee (BPC) on the Review of Reserves that had taken place in preparation of the budget for 2024/25 and the Medium-Term Financial Strategy (MTFS) 2024/25 – 2028/29.

The Portfolio Holder for Finance advised the Committee that the review proposed that the Council retain its current minimum level of general reserves of £6.129m however advised that if this reserve was to be used then it would need to be replenished.

In response to a question from the Committee asking how the general reserve would the reserve be replenished if used, the Portfolio Holder for Finance advised that it would be difficult however the Council policy was to hold prudent reserves so business would continue if this were to happen.

Resolved

- (1) That the outcome of the review of reserves and the forecast over the MTFS period be noted
- (2) That, having given due consideration, Executive be advised that the Budget Planning Committee supports the draft reserve allocations.

42

Monthly Finance Performance Report

The Assistant Director of Finance submitted a report that summarised the Council's forecast revenue and capital outturn for 2023/2024 as at 30 November 2023.

The Portfolio Holder for Finance explained that the Council's forecast outturn position for 2023/24 was an overspend of £0.259m.

In relation to the capital budget, the Portfolio Holder for Finance advised that there was a forecast in-year underspend of £12.439m of which £12.435m was to be reprofiled into future years. The Portfolio Holder of Finance explained this was primarily due to factors outside of the council's control, for example, in relation to the waste and recycling vehicle replacement programme, there was a national delay in vehicle supply and delivery. The programme had therefore been reviewed and the capital budget reprofiled accordingly.

Following a question on why there was an overspend on gate fees for waste and recycling, the Portfolio Holder for Finance advised that the CDC was required to pay the market price which fluctuated. Officers would provide a written response regarding the overspend.

Resolved

- (1) That the contents of the report be noted.

Review of Committee Work Plan

The Strategic Business Partner - Business Partnering & Controls gave an update on the Committee work plan.

The Strategic Business Partner - Business Partnering & Controls advised that the Committee would consider the Finance Monitoring Report – Quarter three – December 2023 and a work programme update at their March meeting.

Resolved

- (1) That the update on the Committee Work Plan be noted.

The meeting ended at 7.36 pm

Chairman:

Date: