

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 10 December 2024 at 6.30 pm

Present:

Councillor Edward Fraser Reeves (Chairman)
Councillor Matt Hodgson (Vice-Chairman)
Councillor Tom Beckett (also, Portfolio Holder for Greener Communities)
Councillor Andrew Crichton
Councillor Frank Ideh
Councillor Rob Pattenden (also, Portfolio Holder for Healthy Communities)
Councillor David Rogers
Councillor Les Sibley
Councillor Dom Vaitkus
Councillor Barry Wood

Apologies for absence:

Councillor Gordon Blakeway
Councillor Rob Parkinson also, Portfolio Holder for Safer Communities)

Also Present:

Councillor Lesley McLean, Deputy Leader and Portfolio Holder for Finance, Regeneration and Property
Councillor Chris Brant, Portfolio Holder for Corporate Services

Also Present Virtually:

Councillor John Broad
Councillor Kieron Mallon
Councillor Dr Chukwudi Okeke
Councillor Amanda Watkins

Officers:

Michael Furness, Assistant Director Finance & S151 Officer
Shiraz Sheikh, Assistant Director Law & Governance and Monitoring Officer
Nicola Riley, Assistant Director Housing and Wellbeing
Leanne Lock, Strategic Business Partner - Business Partnering & Controls
Matt Swinford, Democratic and Elections Officer

Officers Attending Virtually:

Joanne Kaye, Head of Finance and Deputy Section 151 Officer
Gordon Stewart, Chief Executive
Ian Boll, Corporate Director Communities
Stephen Hinds, Corporate Director Resources and Transformation
Claire Cox, Assistant Director Human Resources
David Spilsbury, Head of Digital and Innovation
Mona Walsh, Assistant Director - Property
Shona Ware, Assistant Director Customer Focus
Paul Seckington, Head of Development Management

24 **Declarations of Interest**

There were no declarations of interest.

25 **Minutes**

The minutes of the meeting held on 29 October 2024 were agreed as a correct record and signed by the Chairman.

26 **Chairman's Announcements**

There were no Chairman's announcements.

27 **Urgent Business**

There were no items of urgent business.

28 **Monthly Performance Report**

The Assistant Director of Finance (Section 151 Officer) submitted a report to report to the Committee the council's financial positions at the end of the financial year 2024-2025.

In introducing the report, the Portfolio Holder for Finance, Property and Regeneration advised the Committee that the Council's outturn position for 2024/25 was currently an overspend of £0.248m. The forecasted overspend was due to variations across Legal, Democratic and Elections and Procurement, Planning and Development, Property and Environmental. The Portfolio Holder for Finance, Property and Regeneration advised that the Corporate Leadership Team had agreed that a budget oversight group would meet with service managers each month to agree in year mitigation plans and further strengthen budget management and forecasting.

In response to a question from the Committee regarding the costs of planning appeals that the Council may incur as a result of losing a planning appeal and occurring costs from the appellant, the Portfolio Holder for Finance, Property and Regeneration advised that the Planning Committee made decisions on applications within its terms of reference at committee meetings, however officers would work with Planning Committee members and give training so decisions made at Planning Committee were less likely to incur costs at appeals.

Resolved

- (1) That the report be noted.

29

Budget Proposals 2025/26 - 2029/30

The Assistant Director of Finance (S151 Officer) submitted a report that set out the capital bid, investments, efficiencies and income changes for Cherwell District Council for the period 2025/26 to 2029/30 and proposed Fees & Charges schedule for 2025/26.

The Portfolio Holder for Finance, Property & Regeneration introduced the report and advised that the Council had identified that there was a budget gap in future years and recognised that funding would be significantly reduced. This was primarily due to the anticipated business rates reset, changes to new homes bonus grant and the fall out of one-off funding that had been provided in recent years. The Council was anticipating that the business rates reset and fall of funding will not take place until at least 2026/27.

The Portfolio Holder for Finance, Property & Regeneration advised that the Council had identified where investment was required across council services to meet external challenges like the impact of the cost-of-living crisis on homelessness and temporary accommodation.

The Assistant Director of Finance presented an update on the council's Medium Term Financial Strategy (MTFS). The Committee was advised that the main change to the MTFS that was set in February 2024 was a change to the Business Rates reset from Government which was not expected to take place in 2026/27 and would be phased in over a 3 year period. It had been assumed in February 2024 that the reset would take place in 2025/26.

The Assistant Director of Finance advised the Committee of the draft budget proposal risks and highlighted that it was expected that core funding would be allocated as it was in 2024/25 so the major grants would be distributed on the same basis. However, the Government's Finance Policy Statement advised that there would be a minimum increase of 0% for any local authority as part of their core spending power of which was a tweak made after the Council's Budget consultation was launched. It was expected more details would be issued with the draft local government finance statement, expected to be published on 19 December 2024.

In response to a question from the Committee in relation to the assumption of inflation being at 2%, the Assistant Director of Finance advised that it was a forecast however inflation has come down to around 2% and this was the Government's long-term target for inflation.

In response to Members' questions regarding the drop in the Council's spending budget shown in the latest position in the MTFS from £28.111mil in 2025/26 to £16.650mil in 2029/30, the Portfolio Holder for Finance, Property & Regeneration advised that the Council was currently undertaking a transformation programme and other projects with officers to ensure that the Council could meet the budget for that year. The Portfolio Holder for Finance, Property & Regeneration also advised that the Council was waiting for definite figures from Government and dates for changes, for example the business rates reset which may have an effect on the budget at a different time than currently expected.

Following a question from the Committee regarding the changes to National Insurance, the Assistant Director of Finance advised the £650k figure set out related to CDC staff costs.

Following a question from the Committee regarding a proposed 5% increase from Government in core funding for rural areas, the Assistant Director of Finance advised that the Government policy statement that mentioned the proposed increase was published after the Council's draft budget had been published. The Council was waiting for the draft local government finance statement that was expected to be published on 19 December 2024.

In response to a question as to why no revenue was projected from long term empty properties and second homes council tax, the Assistant Director of Finance advised that the proposal for the long term empty property premium would be introduced in April 2025. The additional income would be ongoing there would be no further income in future years. In relation to the second homes premium, legislation stated that the policy could not be implemented immediately. Consultation on the proposal was underway so the premium could be implemented a year later, in April 2026.

Executive Portfolio Holders, Corporate Directors and Assistant Directors gave an overview of the pressures, proposed savings and capital bids by service area within each directorate and answered questions from the Committee.

In response to a question from the Committee regarding the investment request from Housing for a £250k fund for temporary accommodation due to the rise in demand for temporary accommodation, the Assistant Director for Wellbeing and Housing confirmed that it was considered the amount should be sufficient.

Following a question on the increase in the subscription for the collection of garden waste, the Portfolio Holder for Finance, Property & Regeneration advised the Committee that this was a non-statutory function that the Council carried out and that other factors had been considered when putting forward the increase. The Corporate Director of Communities added that

Environmental Services were reporting a circa £200k overspend due to pressures in staffing budgets and recycling gate fees.

In response to a question from the Committee regarding the 20% increase in planning fees, the Head of Development Management advised that whilst the department had already been receiving the increased planning fees, the amount received had been below what had been expected. Whilst large applications were to be expected before the end of the financial year, the Head of Development Management confirmed that the increase in fees did not cover the full cost of the planning department.

Following a question from the Committee regarding the proposed reduction in weekday overtime rates from time and a half to standard pay and the possible consequences that may have on staff, the Assistant Director of Human Resources advised that departments with staff working high levels of overtime during the week were seeking more efficient ways to work.

Resolved

- (1) That, having given due consideration, Executive be advised that the Budget Planning Committee have no feedback, comments or recommendations in relation to capital bids, investments, efficiencies and income changes and fees and charges for inclusion as part of the 2025/26 budget proposal.
- (2) That the Budget Proposals 2025/2026 - 2029/30 report be noted.

30

Review of Committee Work Plan

The Committee considered it's work plan and had no queries or additional items for the Committee Work Plan.

Resolved

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

The meeting ended at 8.09 pm

Chairman:

Date: