



Extract from the draft Minutes of a meeting of the Overview and Scrutiny Committee held on Tuesday, 1 February 2022.

OS.125 Medium Term Financial Strategy and Budget 2022/23

The Deputy Chief Executive introduced the item to the Committee and explained that the report has been updated from the version considered by Cabinet in October 2021. Updates included the outcome of the annual calculation of the Council Taxbase, the Provisional Local Government settlement and other budget updates.

The Deputy Chief Executive explained that the business rate estimates were completed at the end of January, and the forecast income to the Council had not changed. The impact of all of the changes detailed in the report had resulted in a revised budget surplus of around £31,000.

The Deputy Chief Executive explained that it is proposed that the £1 million Community Municipal Investment will be issued in stages with the decision on the detail of the final terms of the investment delegated to the Deputy Chief Executive in consultation with the Deputy Leader and Cabinet Member for Finance.

The Committee wished to know the structure of the investment and how the investments would be issued.

The Deputy Chief Executive confirmed that Abundance, who will be managing the issue of the investments on behalf of the Council, is FCA regulated and that the investments would be issued for a 5 year term. It is proposed to offer the £1 million investment in several stages to ensure that enough capital is raised at the right time and that the projects being funded can be delivered. The capital projects fall within the Prudential Code and Department for Levelling Up, Housing and Communities regulations.

The Committee questioned the investment in electric vehicle charging infrastructure and asked whether this would be a profitable investment in the long-term.

The Deputy Chief Executive explained that the Community Municipal Investment return for investors would be higher than the interest paid on bank accounts. However, for Cotswold District Council, issuing the investments supported the priority of tackling the climate change challenge.

The Committee noted the progress with the employee pay deal and how any increase to the pay offer could affect costs to the Council for its directly employed officers, the Publica contract sum and the Ubico contract sum as employees in each of these entities are entitled to the same pay deal. The Committee requested further information, as a written reply, on the financial impact of each tenth of a percent increase in the pay deal.

The Deputy Chief Executive agreed that an update would be circulated to the Committee.

The Committee asked for clarification on funding from the New Homes Bonus and the assumptions used for Government funding in the Medium Term Financial Strategy for future years.

The Deputy Chief Executive referred to page 15 of the report which set out the financial challenges the Council is facing in the next 4 years, the assumptions of the replacement for the New Homes Bonus and the impact on the Fairer Funding Review.

The Chair noted the reference to bus parking in Bourton-on-the-Water and the savings outlined on page 12 under paragraph 2.35. The Chair asked for clarification about how this might impact parking arrangements in the future.

The Deputy Leader responded as the Cabinet member responsible for parking. The response outlined how, in his view, it was not helpful to continue with subsidies of around £22,000 for this type of parking for commercial purposes.

The Committee noted that the outlook for local government finance is uncertain and the need to find solutions to shortfalls in revenue in the long-term.

The Committee raised the increase of car-parking charges and the removal of car parking incentives such as the 'Free Parking after 3pm' scheme, as potential uncertainties. The Deputy Chief Executive and the Deputy Leader and Cabinet Member for Finance highlighted how this was being monitored and that the view of local businesses would be heard.

The Chair requested that for future documents more detail is provided for spending against investment in Priorities. This request was for clarification and more context of the title of spending items, and the amounts.

The Deputy Chief Executive noted the Chair's request and agreed to ensure that there is a better context behind proposals in future documents.

RESOLVED: That the Committee has considered:

- a) The Budget proposals for 2022/23;
- b) The Medium Term Financial Strategy; and
- c) Any amendments to be proposed to the Cabinet and Council.