SODC ward councillor's report

Shiplake – 13th March 2023

Covid-19

The reliability of data on Covid cases is now much reduced following the end of test and trace. However national figures have shown falls in cases – contrary to what might be expected for this time of year.

At 4th March 2023, **reported** cases in SODC were at a weekly rate per 100k of population of **44** (it peaked at 1,504 on 6th January 2022) – a very low level - albeit that reporting may be somewhat incomplete.

Separately, there has been significant levels of flu causing some references to a "twindemic" in terms of absences and pressures on the NHS. (Such pressures are also, of course, complicated now by pay disputes.)

SODC Budget

Annual revenue budget and MTFP

The draft budget provides for a Band D precept increase of £5 per annum – the standard figure assumed by government in their financial settlement.

The deficit for the 2023/24 year is budgeted at £(0.6)m – a mere **fifth** of the level we inherited for the 2019-20 year – despite inflation and other challenges. Efficiencies and prudent adjustments have enabled progress after many pre-2019 years of neglect and poor decisions – including botched outsourcing.

As noted previously, a host of poor past decisions have eroded SODC's reserves by many, many millions of pounds and built an ongoing annual deficit that was set to grow to the point that usable revenue reserves would have been exhausted. It was also the case that the Crowmarsh fire of January 2015 created new capital and revenue pressures – without a sufficiently swift response.

Since 2019 a series of steps have been taken to seek to improve matters and to restore a philosophy plus an action programme towards sound finance. What went before was clearly not sustainable and we have spent the last 4 years clearing up that mess.

In 2019/20 the budget was for a deficit of £(3.2)m in the year and the forecast for 2023/24 was for a deficit of £(6.1)m. (With 2024 then forecast to close with General revenue reserves of only £4.0m (less than a year's worth) and an empty capital receipts reserve (forcing routine capital renewal to fall against the inadequate revenue reserve). This was not a good situation.

(SODC did of course hold other ring-fenced funds for example such as earmarked developer funds for CIL/s106 projects etc).

By contrast the 2023/24 budget provides for a deficit of £(0.6)m and a revenue reserve of £28.8m. This is very much better than the previous administration left behind!

Despite pressures on all service areas from rising costs, there are no cuts to key services in this budget. Indeed we have proposed to continue to provide funding for the Community Hub (together with Vale of White Horse council).

The core funding increase from Government, known as the local government settlement, came in at 5.3% versus inflation of over 10%. However, thankfully the efficiency work done last year, and continuing now, is yielding real benefits that have allowed our improvement to continue; controlling costs and finding opportunities for working smarter.

Unfortunately, because it has one of the lowest (last year it was the 8th lowest) Band D Council Tax charge for a Shire District in England (despite being in the expensive South East) SODC incurs more cost than income for extra dwellings (and associated population). In the very short-term this effect is temporarily offset by "New Homes Bonus" (NHB) payment from government – something which is overtly subject to a government review. Thus this Council Tax effect increases the council's net costs over time; together with the propensity for government to impose ever more statutory obligations and associated costs on the council!

This year, the 2023-24 budget papers forecast growing deficits, based on cautious assumptions that inflation will take its toll, that central government funding will fall over time and that interest rates will fall and reduce future investment and treasury incomes in the years ahead. Accordingly the deficit is prudentially forecast to rise - possibly up to £(8.5)m for 2026-27, closing that year with £7.0m of General revenue reserves and also £2.4m of capital receipts reserve. However, this forecast does not take into account actions planned to effect transformation of the councils IT systems and processes which are expected to yield significant efficiencies and financial benefits through savings in the future.

The budget includes appropriate increases in charges and fees and curtailment of expenditures. Much of the benefits come from the sound decisions that have been made. These include the costs-saving of a JLP (Joint Local Plan with Vale), correcting some crazy outsourcing problems, moving out of the hugely expensive Milton Park office and investing in assets that save costs.

The budget and capital programme provides an outline envelope of funding to address SODC's office problem after the Crowmarsh fire and thus reduce the deficit effect from the use of the temporary and highly expensive Milton Park offices. This is part of a key regeneration project for Didcot, right opposite the railway station. The interim Abbey House office has only a tiny amount of spare space for SODC (it is mostly occupied by OCC officers who work in the field in the SODC and Vale of White Horse areas (e.g. re Highways, Education and Social Care).

Using savings, the budget also provides for extending the priority project funding, that supports the council's corporate plan priorities, at £500k for an additional two years. This includes the Community Hub, community well-being, activity grants and climate/biodiversity action such as planting trees.

The government have further deferred a promised "Fair Funding Framework" whereby Local Government can plan ahead for their finances with less uncertainty. There are risks that reviews of funding may cut the levels of central government grant and NHB to councils like SODC in favour of "levelling up" and deprivation. If so they would cause difficulties for the council. However many other councils would also fall into even more extreme difficulty in such a scenario.

Clearly SODC continues to run a deficit in the draft budget – but currently a much reduced one. There is plenty more to do in the future but there is also a clear direction of travel towards a return to sound finance.

Capital programme

As regards the capital programme effort has gone into putting to work developer funds held from earmarked s106 and CIL funds. In the past these lay idle for too long and despite the delays of Covid, these projects are now being delivered - and funded for future delivery. This includes a new Leisure centre in NE Didcot which is appropriate given the vast growth of development in Didcot. Unfortunately it has been necessary to provide for £1.5m deal with the end point of the Conservatives "5Cs" outsourcing project that has caused so much grief to the council.

On a better note funding is being put behind our Housing Delivery Plan. This includes £4.6m to match funding offered from Central Government, to get people fleeing conflict out of hotels and temporary accommodation. This will address a problem now and increase the housing stock available to the council for the future.

The budget and capital programme was approved by full council on 16th February.

Housing Mix – Census 2021 data

Results from the early release of univariate data from the census 2021 show some shocking facts in South Oxfordshire.

They show that of the increase and change in housing stock between 2011 and 2021 fully 46% of the change is made up of 4+ Bedroom homes.

We do not yet have the multivariate reports which will come later in the Spring. They will breakdown changes in market and social housing. However by using the early release of tenure data it is now clear that of the change in market housing the 4+ bedroom mix was so great that the mix of 1-3 bedroom homes – which was supposed per the 2014 SHMA to be 76% was actually less than half that. Some estimates have to be made at this stage because hybrid (shared ownership) social units get included with market under-mortgage data in the initial census release.

In important part this problem has been caused by a large volume of extensions and Permitted Developments that have reduced the stock of 1-3 bedroom homes and increased the stock of 4+ bedroom homes. That is a bit like cutting the lower rungs from the housing “ladder” and moving then up – making them inaccessible for many first-time buyers etc.

The only thing that can be done is to minimise the number of new-build 4+ bedroom homes – both on allocated sites and infill. Clearly the lack of supply of 1-3 bedroom homes locally is likely to have pushed up market prices and rents. Social rents are set by reference to a set % of market rents. The other effect is to make access to more modest housing difficult for the local young and less affluent. Instead in effect excess supply of 4+ bedroom units within the housing stock draws in discretionary demand from outside the district; responding to marketing.

AONB extension

The due to illness at our contractor, the next meeting is deferred from 15th March to a date in w/c 17th April 2023.

Enforcement

The enforcement team have now reduced the backlog to more normal levels. Officers are insistent that more reporting – say of anticipated updates – cannot be made public as the linked address would identify individuals and be contrary to GDPR. The triage system to focus on the most important cases is to continue with review now in November 2023. The substance of the system is agreed, but the weighting and scoring of case-factors may be tweaked.

Poplar Eyot and the White House

Retrospective application P22/S4211/HH remains open. I have made my views on the matter very clear.

Leigh Rawlins
District Councillor