

# **Supplementary Papers**

## **Council**

held in The Ridgeway, The Beacon, Portway, Wantage, OX12 9BY  
on Wednesday, 13 February 2019 at 7.00 pm

Open to the public including the press

68. Revenue Budget 2019/20 and Capital Programme to 2023/24 - written response to question

Mr A Crawford

**Councillor Roger Cox**  
Leader of the Council  
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22 February 2019

Dear Mr Crawford,

I write in response to the verbal question you posed to me at full council on Wednesday 13 February 2019.

When the council set its budget in February 2018, it presented a balanced Medium-Term Financial Plan with rising balances in the later years. That budget reflected the New Homes Bonus (NHB) the council was projected to earn under the government's current NHB funding scheme.

On 24 July 2018 the Government announced in its 'The 2019/20 Local Government Settlement Technical Consultation' under the heading NHB 2020onwards that quote: 'It is the Government's intention to explore how to incentivise housing growth most effectively, for example by using the Housing Delivery Test results to reward delivery for incentivising plans that meet or exceed local housing need.'

Therefore, the council has been placed in a position where it can no longer rely on NHB income over and above that already earned. Nevertheless, it is incorrect to say that our projection is that the council needs to draw down heavily on its reserves in future years as a result of financial mismanagement, rather it is as a result of the removal of a significant funding stream.

Furthermore, the council's swift recognition of the changing system and its prompt action following the announcement to pause schemes in the capital programme, pending further information on the funding stream to replace NHB, in fact demonstrated sound financial management.

Kind regards,

Roger Cox