


URGENT BUSINESS AND SUPPLEMENTARY INFORMATION
Council
26 February 2024

Agenda Item Number	Page	Title	Officer Responsible	Reason Not Included with Original Agenda
10.	(Pages 3 - 44)	Budget Setting for 2024/25 and the Medium-Term Financial Strategy up to 2028/29 Consolidated budget report, appendices and resolutions	Assistant Director Finance & S151 Officer	Consolidated budget report, appendices and resolutions

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This report is public	
Budget Setting for 2024/25 and the Medium-Term Financial Strategy up to 2028/29 – including Progressive Oxfordshire Group amendments.	
Committee	Council
Date of Committee	26 February 2024
Portfolio Holder presenting the report	Councillor Adam Nell Executive Member for Finance
Date Portfolio Holder agreed report	7 February 2024
Report of	Assistant Director of Finance (S151)

Purpose of report

To consider and approve the Budget Setting for 2024/25 and MTFS 2028/29 as per the recommendations. **[This is a consolidated report to include the Progressive Oxfordshire Group budget amendments tabled at the meeting and subsequently approved by Council.]**

1. Recommendations

The Council resolves to:

- 1.1 Have regard to the statutory report of the Chief Finance Officer (Section 25 report) at Appendix 3 in approving recommendations 1.2 – 1.9.
- 1.2 Approve the proposed Fees and Charges schedule for 2024/25 (Appendix 7) and statutory notices be placed where required.
- 1.3 Consider and note the Equality Impact Assessments of the Budget (Appendix 8 and 8b)
- 1.4 In relation to the Business Plan (Section 4.1) to approve:
 - 1.4.1 The Business Plan set out in Appendix 1.
- 1.5 In relation to the Revenue Budget Strategy (Section 4.3) and Medium-Term Financial Strategy (MTFS) (Section 4.6) to approve:
 - 1.5.1 The net revenue budget for the financial year commencing on 1 April 2024, as set out in Table 4.3.1, and further analysed in the Budget Book provided at Appendix 12.
 - 1.5.2 The MTFS and Revenue Budget 2024/25 (Sections 4.3 and 4.6 respectively), including the Savings Proposals and Pressures included at Appendices 4 and 5 respectively.
- 1.6 In relation to Council Tax to approve:

- 1.6.1 An increase in the Basic Amount of Council Tax for Cherwell District Council for the financial year beginning on 1 April 2024 of £5, resulting in a Band D charge of £153.50 per annum.
- 1.7 In relation to the Capital Programme and related strategies (Section 4.4) to approve:
 - 1.7.1 The Capital Bids and Capital Programme at Appendix 17 and 18 respectively.
 - 1.7.2 The Capital and Investment Strategy 2024/25 (Appendix 19), including the Minimum Revenue Provision (MRP) Policy, and the revised 2023/24 MRP Policy (Appendix 20).
 - 1.7.3 The Treasury Management Strategy, including the Prudential Indicators, and Affordable Borrowing Limit for 2024/25 (Appendix 21).
- 1.8 In relation to reserves (Section 4.5) to approve:
 - 1.8.1 A minimum level of General Balances of £6.1m as supported by Appendix 15.
 - 1.8.2 The Reserves Policy (Appendix 14).
 - 1.8.3 The medium-term reserves plan described in Appendix 16.
- 1.9 In relation to the Pay Policy Statement approve:
 - 1.9.1 The Pay Policy Statement, as required by the Localism Act 2010, detailed in Appendix 9.

2. Executive Summary

- 2.1 This report is the culmination of the Budget and Business Planning process for 2024/25 to 2028/29 and sets out the Executive's proposed Business Plan, Annual Delivery Plan, and related revenue budget for 2024/25, medium term financial strategy to 2028/29, capital programme to 2028/29 and all supporting policies, strategies, and information to recommend to Council.
- 2.2 The Council adopts a forward looking and anticipatory approach to its financial management, with the Peer Review acknowledging the Council is in a "strong position" regards its 2024/25 budget in the September 2023 Progress Review. The Council plans for, and continues to succeed in, encouraging and facilitating economic growth across the district. This success flows through to the Council's finances, reflected in the level of income received from business rates and the New Homes Bonus grant.
- 2.3 The Council has proactively monitored both the economic situation and Government announcements over the past 12 months and devised and implemented a budget and business planning strategy that has delivered within the constraints identified, consulting on a proposed balanced budget in November 2023. The Council was able to identify the risk of interest rate rises at an early stage, locking in low interest rates for all of its planned borrowing requirements, meaning only new borrowing requirements will need to be taken at higher rates.

- 2.4 The proposed net budget for the council is £27.0m, which is a decrease of £1.2m from 2023/24. The council plans to fund £0.6m of budget pressures and will deliver £1.7m of savings proposals and operational efficiencies as part of the 2024/25 budget. A Band D Council Tax of £153.50 is proposed for the year which is an increase of £5 compared to 2023/24. The Capital Programme for the period 2024/25 – 2028/29 is proposed to be £40.4m.

Implications & Impact Assessments

Implications	Commentary
Finance	<p>The financial implications are set out in this report. The Council has a statutory duty to set a balanced budget and could be subject to intervention of the Secretary of State if it failed to do so.</p> <p>Members should be aware that Section 106 of the 1992 Local Government Finance Act applies to decisions made in accordance with this report. Accordingly, any member who is two months in arrears with Council Tax must declare the fact and may speak but not vote on any decision which involves budget setting, extending, or agreeing contracts or incurring expenditure not provided for in the agreed budget for a given year and could affect calculations on the level of Council Tax.</p> <p>Michael Furness, Assistant Director of Finance 12 February 2024</p>
Legal	<p>The Council is legally required to set a balanced budget each year together with a requirement to produce a Revenue Budget under the various Local Government Finance Acts. The legal framework for which is set out in the main body of this report. Officers consider the recommendations will achieve this if approved by full Council.</p> <p>Section 65 of the Local Government Finance Act 1992 requires that the Council must consult persons or bodies appearing to it to be representative of persons subject to non-domestic rates in its area about the Council's proposals for expenditure (including capital expenditure) in the financial year. The Council must do this each year and do so before the budget decision making meeting (makes it calculations for the council tax requirement) in relation to the financial year.</p> <p>The statutory consultation outlined above has taken place alongside a more general consultation with the wider public on the draft budget and budget priorities. The savings proposals have been consulted upon as appropriate, and further consultations may be required prior to implementing certain proposals.</p> <p>Members must have regard to the s25 report of the s151 officer as to the robustness of the estimates made for the purposes of the calculations and the adequacy of the proposed financial reserves.</p>

	<p>The Public Sector Equality Duty S149 (1) requires a Local Authority in exercise of its functions to have due regard to the need to:</p> <ul style="list-style-type: none"> (a) Eliminate discrimination, harassment, victimisation, and any other conduct that is prohibited by or under this Act. (b) Advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it. (c) Foster good relations between persons who share a relevant protected characteristic and persons who do not share it. <p>Decision makers must keep the above requirements in mind when making decisions.</p> <p>Shahin Ismail, Interim Head of Legal Services, 14 February 2024</p>		
Risk Management	<p>This report and its appendices present a balanced budget proposal, which mitigates the risk of not being compliant with the Local Government Finance Acts. The inherent risk around the Council's Financial Resilience is managed and monitored monthly by the Corporate Leadership Team, and the Executive Committee, through the Leadership Risk Register.</p> <p>Celia Prado-Teeling, Performance & Insight Team Leader, 14 February 2024</p>		
Impact Assessments	Positive	Neutral	<p>Commentary</p>
Equality Impact		x	<p>An initial analysis of all proposals was completed to review the impact of savings and determine where mitigations would be required. An overarching impact assessment (Appendix 8) was carried out considering any individual Equalities Impact Assessments plus the combined impact of proposals for the budget.</p> <p>After assessing the proposed savings, we have determined that none of the proposals will have an impact on residents within the protected characteristics, however, the proposal of "Charging for replacement bins and caddies" could potentially impact a group within the additional characteristics.</p> <p>This proposal could have an impact on those with a lower income, as per our internal procedures an Equalities Impact Assessment has been completed as part of the proposal to establish mitigating actions (Appendix 8b).</p> <p>Celia Prado-Teeling, Performance & Insight Team Leader, 14 February 2024</p>

A Are there any aspects of the proposed decision, including how it is delivered or accessed, that could impact on inequality?		x		
B Will the proposed decision have an impact upon the lives of people with protected characteristics, including employees and service users?		x		
Climate & Environmental Impact				Climate and Environmental implications are included in section 4.7 of this report.
ICT & Digital Impact				A budget of £0.350m has been included in the 2024/25 capital programme to support the Council's digital futures programme.
Data Impact				N/A
Procurement & subsidy				N/A
Council Priorities	All			
Human Resources	Human Resources have been involved in the budget setting process and confirm that relevant policies and procedures have and continue to be followed. Claire Cox, Assistant Director of Human Resources, 13 February 2024			
Property	Property have been involved in the budget setting process and confirm that it is coordinating the property projects identified in the report. Mona Walsh, Assistant Director Property, 13 February 2024			
Consultation & Engagement	See Appendix 10			

Supporting Information

3. Background

- 3.1 This report is the culmination of the Budget and Business Planning process for 2024/25 to 2028/29 and sets out the Executive's proposed Business Plan, Annual Delivery Plan, and related revenue budget for 2024/25, medium term financial strategy to 2028/29, capital programme to 2028/29 and all supporting policies, strategies, and information to recommend to Council.

4. Details

4.1 Business Plan

- 4.1.1 The Council's Business Plan (Appendix 1) sets out its overarching strategic priorities:

- **Housing that meets your needs**
- **Supporting on environmental sustainability**
- **An enterprising economy with strong and vibrant local centres**
- **Healthy, resilient, and engaged communities**

- 4.1.2 These priorities are underpinned by an Annual Delivery Plan, which sets out the specific priorities and objectives for the year ahead. The Annual Delivery Plan informs the development of the annual budget and operational Service Plans for delivering council services. The Service Plans will set out the activities that each service will undertake to deliver against the annual delivery priorities. Ultimately, these activities will be reflected in the individual objectives of employees providing a clear 'golden thread' through the organisation for the delivery of the council's priorities.

4.2 Chief Finance Officer's Statutory Report

- 4.2.1 Under Section 25 of the Local Government Act 2003, the Chief Finance Officer is required to report on the robustness of the estimates made in determining the council tax requirement and on the adequacy of the proposed financial reserves. This assessment is set out in Appendix 3 of the report. Council is required to have due regard to this report in making their decisions on the budget.

4.3 Revenue Budget Strategy

Forecast Financial Outturn 2023/24

- 4.3.1 The Budget Planning Committee and the Executive regularly review the forecast outturn as part of the Performance, Risk and Finance report. The financial year 2023/24 has been a challenging year in continuing to deal with the ongoing impact of the Cost-of-Living Crisis whilst continuing to deliver council services.
- 4.3.2 The forecast outturn position as at 31 December 2023 is a balanced position after forecasting a number of transfers to reserves. The council anticipates that it will remain in a balanced position at the year end and so the 2023/24 outturn should not impact on the council's reserves position. There are a number of savings proposals from 2023/24 which have not been fully delivered. Where this has been identified and there is an anticipated impact in future years, this has been taken into account within the budget proposals for 2024/25.
- 4.3.3 Managers have considered their current operational and financial performance when developing their future budget requirements and where necessary included growth pressures or proposed budget reductions as part of the budget setting process. These are described later in this report. The budget requirements and the changes requested by managers have been scrutinised by senior managers over a number of individual sessions allowing for challenge and consideration across the range of council budgets. This helps to ensure the proposals align with the council's objectives.

Net Cost of Services for 2024/25

- 4.3.4 Having reviewed the impact of prior years' financial information, the next step in setting a budget is to consider the "Net Cost of Services" which includes the costs and income streams directly attributable to service delivery and commercial activities. Table 4.3.1 summarises the draft budget for 2024/25 by directorate.

Table 4.3.1: Net Cost of Services

Directorate	Net budget 2024/25 £m
Communities	9.034
Resources	4.314
Chief Executive	5.367
Service Sub-total	18.715
Corporate Costs	4.293
Policy Contingency	3.979
Net Cost of Services	26.987

- 4.3.5 The largest proportion of the expenditure budget, excluding benefits payments, is spent on staffing (33 percent of gross expenditure).

- 4.3.6 Service income streams that are assumed within the net cost of services include fees and charges (e.g. planning fee income, income from car parks, licences etc.), service specific grants and rental income from all council-owned properties. For information on categories of Income and Expenditure, please see Appendix 6 for a summary by type of expenditure and Appendix 12 for more detail at a Directorate level.
- 4.3.7 A thorough review of service levels and budgets has taken place and savings identified at Appendix 4 that will allow the Council to operate within the level of resources that it anticipates will be available to it in 2024/25. Full monitoring of the savings programme will take place throughout 2024/25.

Budget Proposals (Pressures, and Savings)

Directorate Budget Pressures

- 4.3.8 The Council has identified new budget pressures of £0.814 m for 2024/25 and a further £0.016m of savings non-delivery. Budget Pressures funded on a one-off basis in 2023/24 have fallen by (£0.222m) resulting in an overall increase in budget pressures of £0.608m. The full schedule of existing and new pressures can be seen at Appendix 5. Table 4.3.2 summarises the Pressures which have been included within the Net Cost of Services.

Table 4.3.2: Pressures

Directorate	2024/25 £m	2025/26 £m	2026/27 £m	2027/28 £m	2028/29 £m	Ongoing Impact £m
Communities	0.482	(0.163)	0.172	(0.093)	0.001	0.399
Resources	0.287	(0.063)	0.000	0.000	0.000	0.224
Chief Executive	(0.161)	(0.066)	0.000	0.000	0.000	(0.227)
Total New Pressures	0.608	(0.292)	0.172	(0.093)	0.001	0.396
Prior Year Pressures	(0.222)	0.013	0.171	0.001	0.000	(0.037)
Savings Non-delivery	0.016	0.001	0.001	0.001	0.001	0.020
New Pressures	0.814	(0.306)	0.000	(0.095)	0.000	0.413
Total Pressures	0.608	(0.292)	0.172	(0.093)	0.001	0.396

Savings Proposals

4.3.9 In total, savings of £1.710m are proposed for 2024/25, of which £0.286m were previously planned and £0.203m are new savings proposals. As part of the council's commitment to fulfil its best value duty by delivering value for money, and through a process of continuous improvement and service transformation, operational efficiencies of £1.221m have been identified for 2024/25. These do not have an impact on service delivery or impact Cherwell residents and so were not included in the public consultation. In December 2023, the council consulted on £0.300m new savings proposals. After receiving consultation responses and considering the level of resources available to it following the Local Government Finance Settlement, the council amended the savings proposals below. The full schedule of savings can be seen at Appendix 4.

- Remove savings proposal SWAST243 (£0.075m)
- Amend savings proposal SWAST241 – net nil impact on budget & MTFS
- Reduce savings proposal SPCON242 by £0.022m

4.3.10 The council invited residents and local businesses to give their views on its budget saving proposals for 2024/25 between 24 November 2023 and 24 December 2023. This opportunity was widely promoted through a multifaceted communications campaign. During the consultation period 202 respondents took the time to give us their views (165 more than last year). The council is grateful to everyone that took the time to learn more about its budget proposals and particularly those that provided their views on them. After reviewing the savings proposals and considering consultation responses no changes are proposed to the savings proposals.

4.3.11 Table 4.3.3 provides a breakdown of how the total savings of £1.710m for 2024/25 are allocated across the Directorates.

Table 4.3.3: Total Efficiencies and Savings Proposals

Directorate	2024/25 £m	2025/26 £m	2026/27 £m	2027/28 £m	2028/29 £m	Ongoing Impact £m
Communities	(1.044)	0.173	(0.002)	(0.002)	(0.002)	(0.877)
Resources	(0.400)	(0.160)	(0.137)	(0.101)	(0.100)	(0.898)
Chief Executive	(0.266)	(0.055)	(0.065)	(0.010)	0.010	(0.386)
Total Savings Proposals	(1.710)	(0.042)	(0.204)	(0.113)	(0.092)	(2.161)
Prior Year Savings	(0.286)	(0.226)	(0.203)	(0.112)	(0.091)	(0.918)
New Efficiency Savings	(1.221)	0.184	(0.001)	(0.001)	(0.001)	(1.040)
New Savings	(0.203)	0.000	0.000	0.000	0.000	(0.203)
Total Efficiency and Savings Proposals	(1.710)	(0.042)	(0.204)	(0.113)	(0.092)	(2.161)

- 4.3.12 All of the pressures and savings proposals are included in the proposed budget for 2024/25 which would allow a balanced and legal budget to be set.

Corporate Updates

Inflation

- 4.3.13 The council has provided for inflation on pay, contracts, and fees and charges within the budget. It assumes that there will be 5 percent pay awards in the two years to 2025/26. In the remaining three years of the MTFS period pay awards are assumed to increase at 2.5 percent annually. Contract inflation had been provided for at 6 percent in 2024/25 in the February 2023 MTFS with ongoing provision in future years at 2 percent. Fees and charges have been reviewed and increased by around 10% for 2024/25 (where the fee is set by the council) to reflect cost recovery and are then assumed to increase by 2 percent annually. A schedule of proposed fees and charges is set out at Appendix 7.

Castle Quay

- 4.3.14 Castle Quay development was part of a long-term wider Banbury regeneration project approved by the Executive on 4 December 2017. The Castle Quay development forecasts income generation across the MTFS period. The latest MTFS forecast takes into consideration:
- The current outturn forecasts for 2023/24
 - The post pandemic economic climate
- 4.3.15 As a result, the 2024/25 budget remains in line with the 2023/24 MTFS. This is a prudent assumption as the Council does not want to include forecasts about new lease agreements being put in place prior to them being agreed; they can be difficult to accurately estimate both when they will be put in place and the value of the rental income that will be agreed.

- 4.3.16 Despite the prudent assumptions around Castle Quay and the finances, the Council does have exciting new plans around the development of Castle Quay. The Council has agreed plans to move its main administrative base from Bodicote and into Castle Quay. It is envisaged that this move will bring significant benefits to the Council, Castle Quay, and Banbury Town Centre itself including:
- Anticipated reduction in annual running costs of the main administrative headquarters
 - Creation of a modern work environment
 - A central location improves access for staff and residents
 - Increased footfall from staff and visitors throughout Castle Quay and Banbury town centre, helping to encourage other businesses to locate in Banbury town centre and Castle Quay.
- 4.3.17 Additionally, the Council continues to be in discussions with a number of organisations around letting vacant spaces within Castle Quay at commercial rates. These potential tenants would help to further the Council's vision to use Castle Quay as a mixed-use facility to help with the ongoing regeneration of Banbury town centre, leading to additional footfall within Banbury.

Executive matters

- 4.3.18 Executive matters includes non-service costs including borrowing costs, interest receivable, contributions to and from reserves and a Policy Contingency budget. The Executive Matters budget also includes non-ringfenced general grants.
- 4.3.19 The impact of the cost-of-living crisis has continued to have a significant impact on the finances and services of the council in 2023/24. As it is unclear what the impacts of the economy will be in 2024/25 the council has continued with a Policy Contingency in 2024/25 of £1.1m linked to market risk. This contingency is to protect the council in case it suffers losses of income or increases to contract costs compared to the normal budget position.
- 4.3.20 In addition, the council has set aside an inflation contingency and a general contingency. Table 4.3.4 shows the provisions that have been made in the Policy Contingency budget:

Table 4.3.4: Contingencies

Policy Contingency	2024/25 £m
Inflation Contingency	2.172
Market Risk	1.100
General Contingency	0.707
Total	3.979

4.3.21 Table 4.3.5 below shows the movement from the approved 2023/24 budget to the draft budget for 2024/25.

Table 4.3.5: Budget Movement from 2023/24 to 2024/25

Directorate	2023/24 Budget	Pressures	Savings Proposals	Capital Impact	Corporate Changes	Use of Reserves	Grants	Inflation	2024/25 Budget	Change %
	£m	£m	£m	£m	£m	£m	£m	£m	£m	
Chief Executive	5.647	(0.161)	(0.266)	0.010	(0.001)	(0.066)	0.000	0.204	5.367	-5%
Communities	9.931	0.482	(1.044)	(0.065)	(0.205)	(0.189)	0.000	0.124	9.034	-9%
Resources	4.669*	0.287	(0.400)	0.000	(0.167)	(0.090)	0.000	0.015	4.314	-8%
Exec Matters	3.695	0.000	0.000	0.178	0.452	0.462	(0.494)	0.000	4.293	+16%
Policy Contingency	4.341	0.000	0.000	(0.072)	(1.554)	0.000	0.000	1.264	3.979	-8%
2024/25 Budget	28.283*	0.608	(1.710)	0.051	(1.475)	0.117	(0.494)	1.607	26.987	-5%
% Increase		+2.1%	-6.0%	+0.2%	-5.2%	+0.4%	-1.7%	+5.7%	-4.6%	

*Adjusted by £0.110m of grant which is now rolled up in Revenue Support Grant which had been budgeted as income to the service. This has the effect of increasing the net budget requirement but is matched by a corresponding increase to Funding, maintaining a balanced position.

4.3.22 Corporate Changes reflect policy changes which have already been approved by the Executive, such as increasing the fees for Garden Waste which will result in savings in 2024/25. As decisions have already been taken these did not need to be consulted on.

Council Financing

4.3.23 In addition to the fees and charges income streams and grant funding recorded in the Net Cost of Services, the council funds the balance of its activities from the following sources:

Business Rates Retention

4.3.24 Under the business rates retention scheme, 50 percent of the business rates collected is retained locally and shared between the council (40 percent) as the billing authority, and Oxfordshire County Council (10 percent) as the major precepting authority, the remaining 50 percent goes to central government.

4.3.25 The council, as the billing authority, is required to notify the Secretary of State and major precepting authorities the forecast amount of business rates collectable during the year before the beginning of a financial year.

4.3.26 The council sets its business rates income budget based on the following:

- The Government deducts a tariff on business rates collected by the council as a way to nationally redistribute business rates collected based on need.

- A levy is also deducted by the Government on growth in business rates above the baseline set in 2013/14 determined by the Government.
- The council has entered a pooling arrangement with the other councils in Oxfordshire to ensure that the majority of this growth is retained within the county. The council is able to retain an element of this “pooling benefit”.
- The council must also take account of the estimated surplus/deficit on its business rates income in 2023/24. This compares the level of business rates expected to be collected in 2023/24 with the estimate it made when setting the budget for 2023/24.
- Section 31 Grants are paid to compensate the council for government changes to the business rates policy which has resulted in the council generating lower business rates income than it otherwise would have done.

4.3.27 The resources retained by the council from business rates are summarised in Table 4.3.6.

Table 4.3.6: Resources retained from business rates related income

Business Rates Breakdown	2024/25 £m	2025/26 £m	2026/27 £m	2027/28 £m	2028/29 £m
Business Rates	(45.458)	0.631	(7.539)	(2.688)	(2.914)
Business Rates Deductions	40.835	5.694	1.512	1.766	1.922
Business Rates Pooling Gain	(1.800)	1.800	0.000	0.000	0.000
Business Rates Collection Fund (Surplus) / Deficit	(0.350)	0.350	0.000	0.000	0.000
S31 grants	(9.193)	2.171	5.332	(0.030)	(0.034)
Business Rates Reset – Adjustment for 3-year transition period	0.000	(7.199)	3.599	3.599	0.000
Grand Total	(15.966)	3.447	2.904	2.647	(1.026)

Movements from 2025/26 onwards are annual incremental changes from the previous year

4.3.28 Any variance between the actual business rates income billed and accounted for compared to the NNDR1 estimate at the beginning of the year is managed through the Collection Fund.

4.3.29 It is estimated that there will be a Collection Fund surplus on business rates of (£0.350m) which has been taken account of in setting the business rates income budget which is summarised in Table 4.3.7 below.

Table 4.3.7: Business Rates (Surplus)/Deficit Calculation

Business Rates (Surplus)/Deficit	2024/25 £m
2022/23 deficit	1.408
2023/24 (surplus)	(3.578)
Contribution to Business Rates Equalisation Reserve	1.819
Business Rates (Surplus)/Deficit	(0.350)

Other Grants

Grants supporting the Net Cost of Services:

- 4.3.30 New Homes Bonus (NHB): The council expects to receive £1.4m in 2024/25 comprising a payment for 2023/24, but all legacy payments from the scheme are complete. It is not known how the Government intends to replace this regime; a consultation on the future of NHB is expected, but it is not yet clear when this will be issued. With the Business Rates reset expected to be delayed until 2025/26, this payment is currently forecast to drop out in 2025/26.
- 4.3.31 Revenue Support Grant (RSG): Due to the roll forward of funding, the council expects to receive £0.3m in 2024/25 which has increased in line with inflation compared to last year. RSG is then also expected to be zero beginning in 2025/26.

Grant Funding within the Net Cost of Services:

- 4.3.32 The Government announced that they would continue the Funding Guarantee Grant for 2024/25 to ensure that the council did not suffer a reduction in the allocations of funding received from Government. The council will receive £3.5m from this grant.
- 4.3.33 The council also receives ringfenced grants for specific purposes. These are allocated directly to the Directorates to be spent in line with the grant conditions. A breakdown of all government grant income assumed within the budget is at Appendix 13.

Council Tax

- 4.3.34 The council tax requirement of the council for 2024/25 is £9.061m and the tax base has been set at 59,027.2. A £5 increase to the rate of council Tax has been assumed: from £148.50 to £153.50. This is the maximum increase the council can propose, without the need to hold a referendum.
- 4.3.35 The council has considered the amount of council tax that it anticipates it will collect in 2023/24 compared to the estimate it made when setting the 2023/24 budget. The council expects there to be a surplus to be taken into account of (£0.257m).

Table 4.3.8: Breakdown of Council Tax Income

	£m
Council Tax (Surplus)/Deficit	(0.257)
Council Tax Requirement	(9.061)
Council Tax Income	(9.318)

- 4.3.36 The budget for 2024/25 therefore is balanced by these sources of funding as demonstrated in Table 4.3.9.

Table 4.3.9: Financing of Net Cost of Services 2024/25

Full Budget	£m
Net Cost of Services	26.987
Financed by:	
Revenue Support Grant	(0.328)
Council Tax	(9.318)
Business Rates	(15.966)
New Homes Bonus	(1.375)
Balance	0.000

4.4 **Capital and Investment Strategy**

- 4.4.1 The Capital and Investment Strategy is included at Appendix 19 and reflects the requirements of the Prudential Code including for the S151 to report explicitly on the deliverability, affordability and risks associated with the Strategy.
- 4.4.2 The Capital and Investment Strategy aims to set a clear framework for capital decision making alongside the council's Business Plan, vision, and priorities. The Capital Strategy is closely aligned with the council's service plans, asset review and regeneration plans. It also includes the council's Minimum Revenue Provision (MRP) Policy.
- 4.4.3 A review of the Minimum Revenue Provision policy has been completed in 2023/24, and as a result the policy for 2024/25 changes the method used for calculation of MRP. The Council has been using a straight-line approach where MRP is charged in equal instalments over the useful life of the asset. The new method would instead charge on an annuity approach, which aims to profile the MRP charge in a way that the present value of all future payments is equal. This approach distributes the charge more fairly over the charging period by considering the time value of money. For the full details of the new approach and the reasons the Council is changing approach please see the MRP policy at Annex A of the Capital and Investment Strategy in Appendix 19.
- 4.4.4 It is proposed that the MRP policy for 2023/24, which was agreed in February 2023, also be amended to reflect the revised method (Appendix 20).
- 4.4.5 Within the Investment strategy upper limits are set on the loans and share capital with subsidiaries that the council can hold. Since the strategies were scrutinised by the Account, Audit & Risk and Budget Planning committees, the limit on share capital has been increased by £10m to allow for a potential increase in the equity investment in Crown House, subject to the approval of a business case.

Capital Programme

- 4.4.6 The capital programme sets out a plan for expenditure between 2024/25 and 2028/29. It forms an integral part of the council's core activity and is an important part of the MTFS.
- 4.4.7 Capital expenditure can be funded from Revenue, Capital Receipts, Capital Grants, Internal or External Borrowing. External Borrowing is used to manage

the cashflow requirements of the council and, whilst it is used to finance the capital programme, it is not linked to individual projects. Details of the council's expected borrowing for 2024/25 are included in the Treasury Management suite of strategies which are scrutinised by the Accounts, Audit and Risk Committee (AARC) and included in Appendix 21. These were reviewed in draft form and were recommended to the Executive at the AARC meeting on 17 January 2024.

- 4.4.8 Table 4.4.1 below details the new capital expenditure proposed for 2024/25 (detailed proposals can be found in Appendix 17). Where these result in a revenue cost or saving, these have been adjusted for in the Net Cost of Services. A list of all projects in the full capital programme (£24.3m in 2024/25, including £5.7m of forecast reprofiling from 2023/24) is set out in Appendix 18. The financial implications of these are incorporated into the MTFS.

Table 4.4.1 – Capital Bids 2024/25 through to 2028/29

Directorate	2024/25 Total	2025/26 £m	2026/27 £m	2027/28 £m	2028/29 £m	Total Project Cost £m	External Funding £m	Balance to be funded by borrowing £m
Chief Executive	2.280	0.000	0.000	0.000	0.000	2.280	(2.248)	0.032
Communities	0.175	0.125	0.125	0.125	0.125	0.675	0.000	0.675
Resources	0.430	0.000	0.000	0.000	0.000	0.430	0.000	0.430
Total Capital Programme	2.885	0.125	0.125	0.125	0.125	3.385	(2.248)	1.137

- 4.4.9 Since 2015/16, the council has incurred significant capital expenditure that has been temporarily financed by internal borrowing (cash received in advance of expenditure) and external borrowing (debt). Borrowing is seen as a temporary source of finance. The extent to which the council has needed to borrow is reflected in the Capital Financing Requirement (CFR) which is a direct measure of the amount of capital outlaid but not financed by grants, capital receipts or revenue resources.

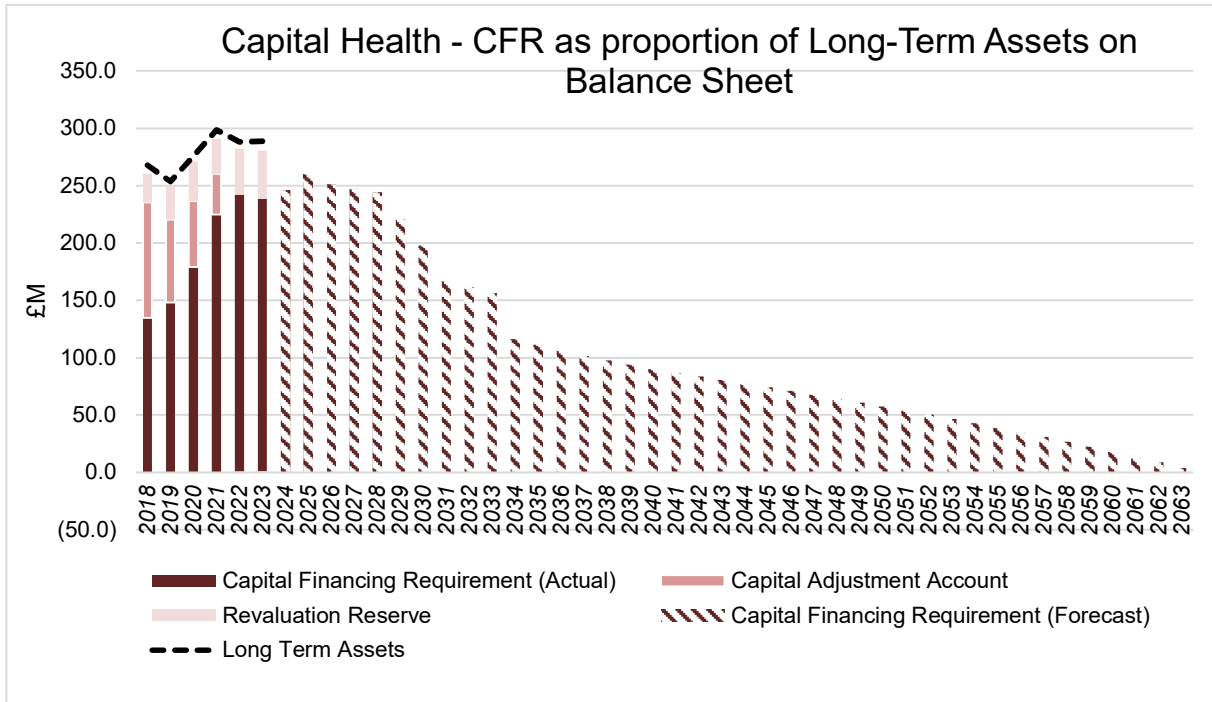
- 4.4.10 To get an indication of the council's overall capital health, it is useful to examine the ratio of the CFR to the council's total capital asset value and the extent to which the value of these assets could clear the debt through asset disposals, if this became necessary. Capital asset values and the CFR are shown in Table 4.4.2

Table 4.4.2 – Capital Health Overall in £ millions

Capital Health (£m)	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23
Capital Financing Requirement	134.9	148.2	179.2	224.8	242.1	238.6
Long-Term Assets <i>(as per statement of accounts)</i>	267.8	253.6	275.8	298.6	288.2	288.8
CFR to Long-Term Asset Ratio	50%	58%	65%	75%	84%	83%

- 4.4.11 As of 31st March 2023, the council's CFR amounted to 83 percent of the value of its total capital worth. Figure 4.4.3 shows how this has changed since the council began borrowing to fund its capital programme and a forecast of how the CFR reduces to 2064.
- 4.4.12 It is important to recognise that Local Government capital investments are a long-term commitment and the extent to which future revenue budgets and taxpayers contribute to the financing of the investments depend on the useful lives of the assets invested in.

Figure 4.4.3 – Capital Health



- 4.4.13 The Council's capital assets are comprised of fixed assets, such as property, and financial assets, such as loan and share capital. Fixed assets and long-term financial assets are less liquid than treasury management investments, as loans and share capital have contractual arrangements and agreed repayment profiles in place, whilst property is utilised in the delivery of corporate priorities. It is important that the council continues to monitor the repayment profiles of loans and valuation of its property assets to ensure that the council can cover its debt obligations through asset sales if required to do so (e.g., in the unlikely event that PWLB refinancing of loans becomes unavailable).
- 4.4.14 The council primarily holds its capital assets to deliver service objectives, such as economic regeneration and local housing, alongside generating income to support the revenue budget. With national trends in operational and investment property showing a decline in book value, it is important to continue to monitor the CFR to long-term asset ratio to consider appropriate next steps if the council's need to borrow (CFR) exceeds the total value of its capital assets. Table 4.4.2 demonstrates that as at 2022/23 the overall value of the council's assets exceeds the capital financing requirement of the council.

- 4.4.15 Actions the council is taking to reduce the CFR include the setting aside of prudent levels of revenue resources (MRP) to repay existing borrowing and using capital grants and receipts to finance new projects wherever possible, keeping future borrowing requirements to a minimum. Based on current forecasts, the CFR is expected to reduce by 30% by 2031 and be cleared by 2064 assuming no further additions to the programme are made. This is mainly due to the effects of MRP in reducing the Council's need to borrow, and principal repayment of capital loans and share capital investments by the Council's subsidiary company Graven Hill.
- 4.4.16 Where borrowing for capital has been deemed necessary to deliver against service objectives or, for example to comply with health and safety regulations, financing costs (revenue expenditure) are incurred by the council. These can be medium to long-term in nature, depending on the useful lives of the assets purchased. Projects financed by borrowing incur a Minimum Revenue Provision (MRP) charge to the revenue account which is made in line with the council's MRP policy and with due regard to government guidance. The council also incurs interest on the borrowing it has taken.
- 4.4.17 Prudential Indicators are set each year to evaluate the affordability of the capital programme and assist the council in consideration of whether the levels of debt taken to support its capital ambitions are also prudent and sustainable. More details on this can be found in the Council's Capital Strategy and Treasury Management Strategy appended to this budget report.
- 4.4.18 A summary of these indicators is provided in table 4.4.4 below. It is important the council continues to monitor these indicators such that it can identify when its capital plans may become unsustainable, e.g., because of unaffordable rises in the cost of borrowing or a loss of service investment income.

Table 4.4.4 – Prudential Indicators Summary

Prudential Indicator	2022/23	2023/24	2024/25	2025/26	2026/27
	Actual	Forecast	Forecast	Forecast	Forecast
Capital Financing Requirement	£238.6m	£246.1m	£254.0m	£248.7m	£246.4m
Annual Minimum Revenue Provision	£4.9m	£3.7m	£5.5m	£4.7m	£4.9m
Financing Costs as a proportion of the Net Expenditure Budget (A)	37%	27%	38%	45%	54%
Service Investment Income as a proportion of the Net Revenue Stream (B)	40%	36%	39%	60%	70%
Affordability Ratio (A-B)	-3%	-9%	-1%	-15%	-16%

- 4.4.19 The final ratio, the Affordability Ratio, indicates the extent that the taxpayer will be impacted by the revenue cost of capital as a proportion of the Council's core funding. While the financing costs are significant, the council generates income within its services to support them. Budgeted interest and MRP represents 38 percent of the £26.9m net council Funding for 2024/25. When the council's total budgeted income, i.e., income generated from service activities and income from local taxation (excluding benefits payments) of £60.8m is compared to budgeted

Interest Payable and MRP on borrowing for capital purposes of £10.0m, the result is 17 percent. This demonstrates that the funding of interest payable and MRP is not entirely from Council Tax.

4.5 Reserves

- 4.5.1 Reserves are held to ensure the council can manage and mitigate current and future risk and spending plans. The council has carried out a review of its reserves requirements as part of the Budget and Business Planning Process and continues to follow its reserves policy attached at Appendix 14. This has enabled the council to hold larger, more strategic reserves, rather than smaller earmarked reserves and allows the council to use its reserves in a more flexible manner. The council will regularly review its level of reserves to ensure they remain adequate and appropriate and will continue to be monitored throughout 2024/25.
- 4.5.2 Table 4.5.1 below shows a summary of the forecast reserves position for 2024/25 to 2028/29. The final outturn position for 2023/24 will be reported to the Executive in June 2024 and the Accounts, Audit and Risk Committee in May 2024, as part of the council's Statement of Accounts. Appendix 16 provides a breakdown of the proposed use of reserves for 2024/25 and an estimate of how reserves are currently expected to be used to 2028/29.

Table 4.5.1 – Forecast Use of Reserves

Reserve Category	Forecast Balance 1 April 2024 £m	2024/25 £m	2025/26 £m	2026/27 £m	2027/28 £m	2028/29 £m	Expected Balance 1 April 2029 £m
General Balances	(6.150)	0.000	0.000	0.000	0.000	0.000	(6.150)
Earmarked Reserves	(26.681)	(0.776)	(0.674)	(1.176)	(1.226)	(1.226)	(31.759)
Revenue Grants	(2.297)	0.898	0.007	0.007	0.007	0.007	(1.371)
Sub-total Revenue Reserves	(35.128)	0.122	(0.667)	(1.169)	(1.219)	(1.219)	(39.280)
Capital Reserves	(7.389)	3.250	0.000	0.000	0.000	0.000	(4.139)
TOTAL RESERVES	(42.516)	3.372	(0.667)	(1.169)	(1.219)	(1.219)	(43.419)

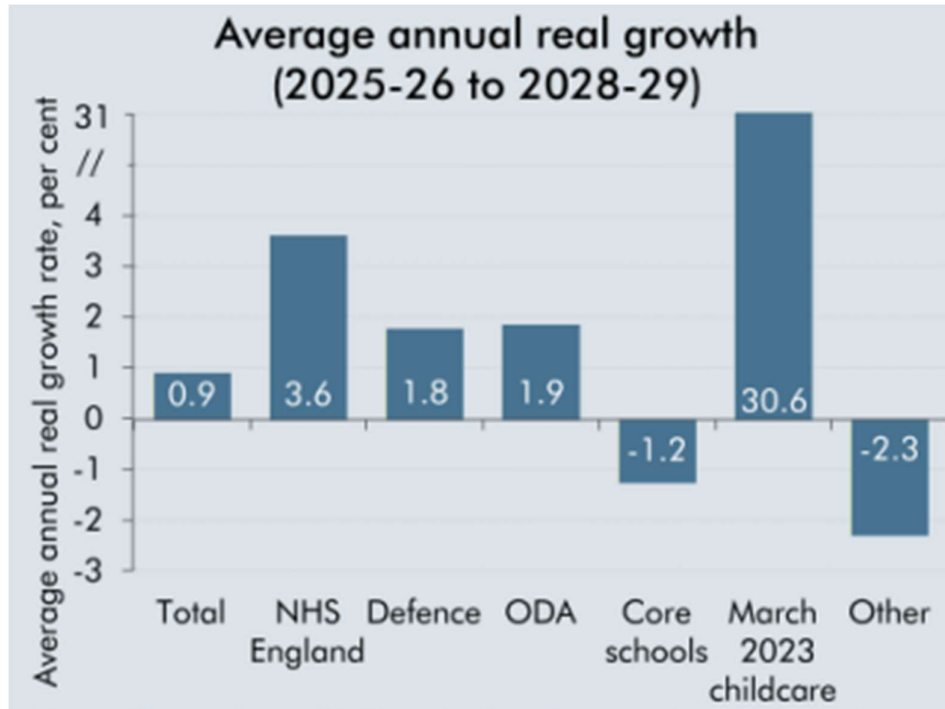
- 4.5.3 A risk assessment has been carried out on the level of general balances that the council holds which is detailed in Appendix 15. This sets out that the council should hold general balances of at least £6.129m.
- 4.5.4 It is the duty of the Section 151 Officer to ensure that the council retains reserves at a level which provides the council with financial resilience both in setting the budget for 2024/25 but also looking into the medium term and the MTFS. Reserves can be used for one-off expenditure but should not be used to finance ongoing council activities.

4.6 Medium Term Financial Strategy

Funding Reforms

- 4.6.1 The council expects that local government funding reforms will be implemented in the next Parliament as announced in the Local Government Finance Policy Statement on 5 December 2023. The final year of the 2021 Spending Review is 2024/25 so the Council is expecting a new Spending Review to be prepared in 2024 to indicate sector-wide spending levels in future years and in particular 2025/26.
- 4.6.2 As part of funding reforms, a reset of the Business Rates baseline is expected. This would impact the council significantly as the council has been consistently collecting income above the baseline and retaining 40 percent of that growth under the current retention scheme. The council is assuming a full reset (whereby all growth above the baseline is redistributed nationally) is introduced in 2025/26, but phased over a period of three years, which will significantly reduce the level of resource available to the council over that period. There are alternative options for how a reset could be implemented, e.g. partial or rolling, so the planning assumption is for a “realistic worst case” scenario.
- 4.6.3 Government funding of local authorities is based on an assessment of need. This assessment of need has not been fundamentally reviewed since 2013/14. The Government is expected to simplify the way need is determined and to make the formula more objective and transparent. However, until a consultation on proposed new arrangements is published by the Government there is no way to accurately forecast the impact. Therefore, the council has assumed the impact of its implementation is neutral within the MTFS and has been considered as part of the risk assessment of reserves.
- 4.6.4 In addition to funding reforms, the Office for Budget Responsibility’s analysis of the Autumn Statement has highlighted that whilst plans for total Government spending are expected to increase in the next spending review period, that it is likely that funding for sectors such as local government (assumed to be within “other”) will reduce in real terms as demonstrated by the chart below.

Chart 4.6.1 – Analysis of Autumn Statement



Source: Office for Budget Responsibility, Economic and fiscal outlook, November 2023

MTFS Funding Gap

- 4.6.5 The MTFS, as presented in Table 4.6.1 below, represents the scenario where the business rates reset is introduced in 2025/26, but the impact is phased over three years rather than the entire impact be felt in 2025/26. The Council has reviewed previous consultations on business rates resets and believes this to be an appropriate “realistic worst case” planning assumption. Previous consultations have stated that the Government is not in favour of “cliff edge” reductions in funding. Additionally, informal conversations have indicated that the Government continues not to favour “cliff edge” reductions in funding. Planning on this basis is both prudent and sensible, without being overly optimistic, and ensures that the council can respond to any changes coming forward and remain financially sustainable.
- 4.6.6 Previously the Government has consulted on “rolling resets” as its preferred approach. This could result in one year’s growth being taken centrally, but resources available to the Council being replaced by a future year’s growth. Whilst this is a model that the Council can continue to lobby the Government on introducing but is not certain enough for it to be the main planning assumption of the Council.
- 4.6.7 It is important to note that 2024/25 reflects a balanced budget but it should be acknowledged that there are both planned contributions to and uses of one-off funds from some earmarked reserves. The net use of reserves in 2024/25 is shown above in Table 4.5.1 (£3.4m including use of capital reserves). A full schedule of the use of reserves can be found in Appendix 16. For 2025/26 an ongoing funding gap has been identified, which increases through to 2027/28, and the council has established a strategy that will shape how it looks to review

opportunities to reduce this gap and balance the budget in 2025/26 and future years.

4.6.8 Table 4.6.1 below sets out the council's future funding estimates. There remains much uncertainty regarding this position over the medium term with the expected funding reforms. However, estimates are based on the most recent information available from the Government which forecasts the effects of these changes to be in the equivalent to a 41 percent reduction in net funding. This is a result of:

- The assumption that the business rates baseline is reset in 2025/26, phased over three years, and growth at 1 percent thereafter (the council has grown business rates significantly in recent years and this baseline reset results in the council losing the benefit of this retained growth)
- the phasing out of New Homes Bonus, with a one-off payment in relation to growth in 2023/24 payable in 2024/25; the Government has previously said it will consult on a replacement NHB scheme, but it is unclear what the financial benefit will be for the council at this stage. Therefore, to be prudent the Council is not assuming any resources in future years from NHB.
- Time limited grants announced by the Government for the 2024/25 financial year of Services Grant and Funding Guarantee Grant will not be received in 2025/26 or beyond. This is the prudent assumption as no commitment has been made to these (or similar/replacement) funding streams continuing in the future.
- the cessation of core Revenue Support Grant (RSG), Council Tax increases of £5 per annum with on average 1.2 percent annual growth of the Council Tax base from 2024/25.
- Other than in relation to the business rates reset, no assumptions have been made that the council will receive any transitional finance support.
- Taken together, the fallout of New Homes Bonus and Time Limited grant funding identified above is assumed to approximate the annual 2.3% real terms reduction in funding that will be required on average by non-protected services as well as any implications from the Fair Funding Review.

4.6.9 The MTFs indicates that, with all of the assumptions around national funding changes, Cherwell will have a gap between its net budget requirement and its funding as shown in Table 4.6.1 below. This is further analysed by gross and net budget by directorate in Appendix 11. It should be noted that other than the high-level analysis of funding in Chart 4.6.1 there is no other information available from Government announcements to give an indication of funding levels for 2025/26 and beyond. Therefore, the future resource levels in the MTFs are best estimates but have been developed within significant levels of uncertainty.

4.6.10 Table 4.6.1 below also does not attempt to forecast the outcome of any future spending reviews for local government as these will be based on political priorities at the time. The council, along with our peers across all tiers of local government, will need to provide evidence and arguments about the totality of funding for the council services. The council has always taken an active role in these reviews and will continue to do so both on an individual council basis but also through our professional bodies and professional peer groups including the District Council Network (DCN), the Local Government Association (LGA) and SDCT (Society of District Council Treasurers).

Table 4.6.1: MTFS 2023/24 – 2027/28 (year on year change)

MTFS Movements	2024/25	2025/26	2026/27	2027/28	2028/29
	£m	£m	£m	£m	£m
Base budget b/f	28.284	0.000	0.000	0.000	0.000
Service Pressures	0.608	(0.292)	0.172	(0.093)	0.001
Service Savings	(1.710)	(0.042)	(0.204)	(0.113)	(0.092)
Capital Impact	0.051	0.097	0.035	0.118	0.116
Corporate changes	(1.475)	(3.188)	0.778	0.469	0.066
Inflation	1.607	1.226	0.541	0.560	0.525
Use of reserves	0.117	0.749	0.472	0.050	0.000
Additional government grants	(0.494)	3.487	0.000	0.000	0.000
Net Budget Requirement	26.987	2.037	1.794	0.991	0.616
Revenue Support Grant	(0.328)	0.328	0.000	0.000	0.000
Council Tax	(9.318)	(0.149)	(0.404)	(0.440)	(0.452)
Business Rates	(15.966)	3.447	2.904	2.647	(1.026)
New Homes Bonus	(1.375)	1.375	0.000	0.000	0.000
Total Income	(26.987)	5.001	2.500	2.207	(1.478)
Funding Gap / (Surplus)	0.000	7.038	4.294	3.198	(0.862)

How the MTFS gap is planned to be addressed

4.6.11 The council has developed a strategy to meet the challenges highlighted in the MTFS if funding reductions are implemented as described in paragraph 3.5.8. Whilst the council will develop plans for scenarios that include a full business rates reset phased over three years, it will continue to lobby the Government for a rolling reset to be introduced. It will put forward the case that council's such as Cherwell that have embrace the Government's Business Rates Retention reward scheme should not be disadvantaged following its success in delivering business growth and associated benefits to service delivery. Implementation of savings plans developed will not take place until it is clear that the savings must be achieved. Approaches the council will adopt to identify savings will include:

Prioritisation

4.6.12 Services will be broken down into specific work units which have been mapped to the strategic priority they most apply to (support services will be identified separately as support). Therefore, we can map how much the council spends of its revenue budget on each priority. Similarly in setting the 2024/25 budget, all capital schemes are being mapped to the priority that they link most closely to. The budget and Business Plan will then be developed in conjunction to maximise the ability to deliver the priorities of each council within the level of resources available to it.

- 4.6.13 Services will be prioritised according to the level of contribution each has to the delivery of the priorities of the Council. Those services that have the highest level of contribution will be transformed initially to identify what level of savings can be generated without impacting significantly on service levels. Transformational savings identified in the higher priority services will then be able to minimise the service reductions that will be required in the services that contribute less to the delivery of the priorities of the Council. The intention of the Transformation Programme is to maximise the number of services that the Council is able to provide to our residents and businesses.
- 4.6.14 As the Council transforms and understand the future size and shape that it will become, the support services will also need to be assessed so that they are “right sized” for the functions the Council provides.

Transformation

- 4.6.15 Cherwell has developed a Transformation Strategy, which is summarised below, to help the council redesign its services to deliver them in a more efficient way within the resources available to the council. The vision of the Transformation Strategy is:

“To be the best version of ourselves possible – modern, agile, lean, financially future proof and providing the services that matter most and add the most value in delivering better outcomes for our communities.”

- 4.6.16 The objectives of transformation have been identified as:
- To embed the foundations necessary to create a sustainable future for the council and its communities.
 - To protect the services that can significantly improve the health and wellbeing of our communities and support our most vulnerable residents.
 - To unlock the potential of our services to become the best versions of themselves possible and to make the best use of the resources and technology available to them.
 - To create the capacity needed to continue delivering our future aspirations and better outcomes for our communities through removing inefficiencies and providing value for money services.
 - To empower and inspire our staff to lead their service transformations as people will own what they create.
- 4.6.17 Transformation will be applied across all services of the council. This will ensure that in the future they are provided in a joined-up way that maximises the delivery of the council’s priorities within the resources available to the council.

Strategic cross-cutting themes

- 4.6.18 Overlaid on the priority-based budgeting is the council’s approach to the Strategic Cross-Cutting Themes (Transformation Programme). Strategic Cross-Cutting Themes allow the council to review its approaches thematically across its services rather than always considering service delivery on a silo basis. This view of the expenditure of the council helps identify organisational transformational opportunities which might not present themselves so readily via a service-based budget approach. This analysis helps to shape the thinking for

the future design of our council, one that is affordable within the future funding envelope as set out in the MTFS.

- 4.6.19 Where Strategic Cross-Cutting Themes are able to identify transformational approaches to delivery, this will generate efficiency savings to the council that will allow it to invest in a larger proportion of its priority services. The identification of these opportunities shapes the Transformation Programme for the organisation.
- 4.6.20 The strategic cross cutting themes that the council will operate its transformation programme within are:
- Staffing – to ensure that our workforce have the skills and capabilities to deliver the services to our communities.
 - Property Assets – considering the best way to deliver services and when it is effective to use property assets – this will link to the council’s Asset Management Strategy.
 - Finance – ensure services are maximising income generation, are economically viable and delivering value for money.
 - Customers and Inclusion – ensure that services are designed around the needs and preferences of the customers we serve, with an aim of making self-service the preferred choice.
 - Partnerships – work in partnership that deliver advantages to all and align with the council’s strategic objectives and priorities.
 - Digital – prioritise automation of repetitive tasks and make services accessible to all.
 - Climate Action – focus on reducing waste, reusing resources where possible and always looking for ways to reduce carbon emissions.

Savings Targets

- 4.6.21 If it is looking unlikely that all of the savings required will be identified, then services may be issued with a target number of savings to deliver from their budget which they have control over. So, for example where there are budgets which hold corporate costs in a service area, a savings target should not be applied to this.

Financial Resilience Assessment

- 4.6.22 CIPFA’s Financial Resilience Index is designed to support and improve discussions surrounding local authority financial resilience. It shows a council’s performance against a range of measures associated with financial risk, including the level of earmarked reserves and general balances. The Index is a comparative tool to be used to support good financial management and generate a common understanding of the financial position within authorities.
- 4.6.23 The index considers both the value of general balances and earmarked reserves compared to councils’ net revenue budget. While earmarked reserves are held for specific purposes, they can be called upon to meet unexpected costs or provide short term funding to enable long term recovery plans to be put in place.
- 4.6.24 The publication of the Financial Resilience Index based on 2022/23 outturn data was shared with Chief Finance Officers in December 2023. This will be considered as part of the Chief Financial Officer’s Section 25 statement for

Council on the adequacy of the proposed financial reserves and the robustness of the estimates for the purposes of the council tax calculations at Appendix 3.

4.7 Climate Action

- 4.7.1 In 2019, the council declared a climate emergency and committed to prioritising climate action in decision making. More recently, a climate action plan was approved that sets out what CDC needs to do to become a carbon net zero council by 2030, as well as to support the borough to reduce its emissions.
- 4.7.2 In developing budget proposals, services were asked to assess how their plans affected the council's ability to reduce its emissions from buildings, fleet, staff travel, purchased products and services (including construction) and to enable emission reductions at a district-wide level.
- 4.7.3 All of the proposals put forward were deemed by services to not impact the council's ability to meet our climate action.
- 4.7.4 The proposal to increase parking charges could reduce district-wide carbon emissions by encouraging drivers to walk, cycle or use public transport. Additional solar panels are proposed for council buildings to reduce our energy consumption.

5. Alternative Options and Reasons for Rejection

- 5.1 It is a legal requirement to set a balanced budget and the recommendations as outlined set out a way to achieve this. The following alternative option has been identified and rejected for the reasons set out below.

Option 1:

To reject the current proposals and make alternative recommendations. Members will not be aware of the medium-term financial forecast or implications of alternatives if they choose to take this option.

6. Conclusion and Reasons for Recommendations

- 6.1 This report provides information around the various building blocks that make up the proposed budget for 2024/25 and beyond, allowing members to consider and scrutinise the elements of the budget and provide advice and guidance to council to help further shape both budget setting for 2024/25 and the MTFS up to 2028/29.

Decision Information

Key Decision	N/A
Subject to Call in	N/A
If not, why not subject to call in	N/A
Ward(s) Affected	All

Document Information

Appendices	
Appendix 1	Business Plan
Appendix 2	Annual Delivery Plan
Appendix 3	Chief Finance Officer's Section 25 Report
Appendix 4	Savings Proposals
Appendix 5	Revenue Pressures
Appendix 6	Budget Summary
Appendix 7	Fees and Charges Schedule
Appendix 8	Overarching Equality Impact Assessment
Appendix 8b	Equality Impact Assessment – Environmental Services Bin Charges
Appendix 9	Pay Policy Statement
Appendix 10	Consultation Report
Appendix 11	Gross Service Budget, Income, Net Budget, and Future Years MTFS Changes by Directorate
Appendix 12	Budget Book
Appendix 13	Government Grants
Appendix 14	Reserves Policy
Appendix 15	Reserves Assessment
Appendix 16	Forecast Use of Reserves
Appendix 17	Capital Bids
Appendix 18	Capital Programme
Appendix 19	Capital and Investment Strategy
Appendix 20	Revised 2023/24 Minimum Revenue Provision Policy
Appendix 21	Treasury Management Strategy
Background Papers	None

Reference Papers	Executive Report 5 February 2024: Budget Setting for 2024/25 and the Medium-Term Financial Strategy up to 2028/29
Report Author	Joanne Kaye, Head of Finance
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Agenda Item 10: Budget Setting for 2024/25 and the Medium-Term Financial Strategy up to 2028/29 - RESOLUTIONS

Agenda Item No.	Agenda Item	Decision
10	<p>Budget Setting for 2024/25 and the Medium-Term Financial Strategy up to 2028/29</p> <p>Report of the Assistant Director of Finance (S151)</p> <p>Recommendations</p> <p>The Council resolves to:</p> <p>1.1 Have regard to the statutory report of the Chief Finance Officer (Section 25 report) at Appendix 3 in approving recommendations 1.2 – 1.9.</p> <p>1.2 Approve the proposed Fees and Charges schedule for 2024/25 (Appendix 7) and statutory notices be placed where required.</p> <p>1.3 Consider and note the Equality Impact Assessments of the Budget (Appendix 8 and 8b)</p> <p>1.4 In relation to the Business Plan (Section 4.1) to approve:</p> <p>1.4.1 The Business Plan set out in Appendix 1.</p> <p>1.5 In relation to the Revenue Budget Strategy (Section 4.3) and Medium-Term Financial Strategy (MTFS) (Section 4.6) to approve:</p>	<p>Resolved</p> <p>(1) That, having due regard, the statutory report of the Chief Finance Officer and the comments of the Chief Finance Officer in respect of the proposed amendments, be noted.</p> <p>(2) That, subject to the following amendments with authority delegated to the Section 151 Officer to update the budget papers to reflect the amendments, the proposed Fees and Charges schedule for 2024/25 be approved and it be noted that statutory notices would be placed where required.</p> <ul style="list-style-type: none">● That the 2024/25 increase in bulky waste charges be removed and the 2023/24 levels be retained and a new premium charge for faster service be introduced● That the charge for replacement bins be removed● That the 2024/25 increase in the NOA, Cooper School and Stratfield Brake fees and charges be removed and the fees be retained at 2023/24 levels at a cost of £0.012m. <p>(3) That, having given due consideration, the Equality</p>

Agenda Item No.	Agenda Item	Decision
	<p>1.5.1 The net revenue budget for the financial year commencing on 1 April 2024, as set out in Table 4.3.1, and further analysed in the Budget Book provided at Appendix 12.</p> <p>1.5.2 The MTFs and Revenue Budget 2024/25 (Sections 4.3 and 4.6 respectively), including the Savings Proposals and Pressures included at Appendices 4 and 5 respectively.</p> <p>1.6 In relation to Council Tax to approve:</p> <p>1.6.1 An increase in the Basic Amount of Council Tax for Cherwell District Council for the financial year beginning on 1 April 2024 of £5, resulting in a Band D charge of £153.50 per annum.</p> <p>1.7 In relation to the Capital Programme and related strategies (Section 4.4) to approve:</p> <p>1.7.1 The Capital Bids and Capital Programme at Appendix 17 and 18 respectively.</p> <p>1.7.2 The Capital and Investment Strategy 2024/25 (Appendix 19), including the Minimum Revenue Provision (MRP) Policy, and the revised 2023/24 MRP Policy (Appendix 20).</p> <p>1.7.3 The Treasury Management Strategy, including the</p>	<p>Impact Assessments of the Budget be noted.</p> <p>(4) That the Business Plan (annex to the Minutes as set out in the Minute Book) be approved.</p> <p>(5) That the net revenue budget, for the financial year commencing on 1 April 2024, at Table 2.2 of the Budget Amendment report which incorporated budget movements to fund the amendments to the budget, with authority delegated to the Section 151 Officer to amend other tables within the budget accordingly, be approved:</p> <p>(6) That, subject to the following amendments with authority delegated to the Section 151 Officer to update the budget papers to reflect the amendments, the Medium Term Financial Strategy and Revenue Budget 2024/25 including the Savings Proposals and Pressures be approved.</p> <ul style="list-style-type: none"> • That savings proposal reference SWAST243 (£0.075m) be removed to reflect resolution (2) to not introduce a charge for replacement bins. • That savings proposal SWAST241 be amended by introducing alternative charges for bulky waste (as set out in resolution (2)) in 2024/25 and it be noted this has a net nil impact on the budget and MTFs. • That savings proposal SPCON242 be reduced by £0.022m in 2024/25 in order to keep Pioneer Square public conveniences open.

Agenda Item No.	Agenda Item	Decision
	<p style="text-align: center;">Prudential Indicators, and Affordable Borrowing Limit for 2024/25 (Appendix 21).</p> <p>1.8 In relation to reserves (Section 4.5) to approve:</p> <p>1.8.1 A minimum level of General Balances of £6.1m as supported by Appendix 15.</p> <p>1.8.2 The Reserves Policy (Appendix 14).</p> <p>1.8.3 The medium-term reserves plan described in Appendix 16.</p> <p>1.9 In relation to the Pay Policy Statement approve:</p> <p>1.9.1 The Pay Policy Statement, as required by the Localism Act 2010, detailed in Appendix 9.</p>	<ul style="list-style-type: none"> • That a new pressure of £0.020m for an additional cleaning contract for the public conveniences at Pioneer Square be agreed. • That the general contingency budget be reduced by £0.129m to fund the agreed amendments to the proposed budget. <p>(7) That an increase in the Basic Amount of Council Tax for Cherwell District Council for the financial year beginning on 1 April 2024 of £5, resulting in a Band D charge of £153.50 per annum be agreed.</p> <p>(8) That the Capital Bids and Capital Programme (annexes to the Minutes as set out in the Minute Book) be approved.</p> <p>(9) That the Capital and Investment Strategy 2024/25 (Appendix 19), including the Minimum Revenue Provision (MRP) Policy, and the revised 2023/24 MRP Policy (Appendix 20).</p> <p>(10) That the Treasury Management Strategy, including the Prudential Indicators, and Affordable Borrowing Limit for 2024/25 (annex to the Minutes as set out in the Minute Book) be approved.</p> <p>(11) That a minimum level of General Balances of £6.1m be approved.</p> <p>(12) That the medium-term reserves plan (annex to the Minutes as set out in the Minute Book) be approved.</p> <p>(13) That the Pay Policy Statement,</p>

Agenda Item No.	Agenda Item	Decision
		as required by the Localism Act 2010 (annex to the Minutes as set out in the Minute Book) be approved.

Appendix 4 - Savings Proposals 2024/25

Figures are shown as an incremental, year on year change to the budget

Chief Executive										
Reference	Existing, New or Efficiency	Service	Title	Description	2024/25 (£m)	2025/26 (£m)	2026/27 (£m)	2027/28 (£m)	2028/29 (£m)	Total MTF5 (£m)
SHUMR233	Existing	Human Resources	Back office efficiencies in HR	Full year impact of reviewing our back-office HR processes in 2023/24.	(0.050)	-	-	-	-	(0.050)
SPERF231	Existing	Performance	Performance System Contract	Our performance system contract needs to be renewed every other year	0.010	(0.010)	0.010	(0.010)	0.010	0.010
SMUSE221	Existing	Banbury Museum	Reduction in Banbury Museum grant	Reduce the grant funding to the Banbury Museum Trust - delayed by 1 year to 2025/26	(0.012)	(0.025)	(0.050)	-	-	(0.087)
SMUSE231	Existing	Banbury Museum	Gradual reduction in support to Banbury Museum	We are proposing a gradual reduction in the funding we give to Banbury Museum - delayed by 1 year to 2025/26	(0.013)	(0.020)	(0.025)	-	-	(0.058)
SAFFH232	Existing	Affordable Housing	Bringing Rent Collection in house	Savings by collecting the rent from council properties ourselves, instead of through a housing association.	(0.015)	-	-	-	-	(0.015)
SHOSD241	New	Housing Standards	Housing Standards additional income	To better reflect the service we provide, and changes in the housing market, increase the license fees for Houses in Multiple Occupation by 10%	(0.002)	-	-	-	-	(0.002)
SAFFH241	Efficiency Savings	Housing Assets	Bringing aspcts of responsive repairs in house	The existing small repairs service within the Grants Team, which completes private works as part of the Home Improvement Agency, is going to be used to carry out some minor repairs within the small housing stock portfolio of the Council. These are currently all contracted out to outside suppliers.	(0.007)	-	-	-	-	(0.007)
SHIA241	Efficiency Savings	Home Improvement Agency	Changing the administration process for Discretionary Grants	Changing the administration process for Discretionary Grants	(0.062)	-	-	-	-	(0.062)
SHIA242	Efficiency Savings	Home Improvement Agency	Reducing consultancy budget	The grants team use specialist outside consultants for complex works, such as architects for house extensions. The nature of works completed by the team and the surveying skills within the team has meant a reduction in reliance on consultancy.	(0.012)	-	-	-	-	(0.012)
SHIA243	Efficiency Savings	Home Improvement Agency	Increased grant contribution from Oxfordshire County Council for the Home Improvement Agency	Oxfordshire County Council have agreed to pay a grant contribution to Cherwell DC for the delivery of this service. A inflationary increase was not factored in, which is part of the contract terms	(0.009)	-	-	-	-	(0.009)
SHOAD241	Efficiency Savings	Housing Advice	Reduction in cost of Housing Advice contract	The amount in budget was set on a year one contract cost, this cost is not reflective of the ongoing years costs within the contract. The year one cost was higher than the remaining years. The budget can be profiled accordingly	(0.015)	-	-	-	-	(0.015)
SLEIS241	Efficiency Savings	Contracts and Community Sp	Insure our Leisure Centres through a group insurance policy	Make use of the contractors group insurance on all sites in the contract rather than procuring independently for each Leisure Centre	(0.060)	-	-	-	-	(0.060)
SPERF241	Efficiency Savings	Customer Focus	Non renewal of Performance System	As part of the transformation programme is possible that we would not renew our current performance system, which is due to be renew next year (two-year contract until Nov 2024). This proposal will depend on the proof of concept currently being undertaken as part of the digital transformation programme.	(0.009)	-	-	-	-	(0.009)
SWAST249	Efficiency Savings	Waste & Recycling	Further development of digitalisation of key service areas	Increasing level of services available online to residents to reduce quantity of offline administration required.	(0.010)	-	-	-	-	(0.010)
Total					(0.266)	(0.099)	(0.085)	(0.010)	0.010	(0.386)

Appendix 4 - Savings Proposals 2024/25

Figures are shown as an incremental, year on year change to the budget

Communities							2024/25	2025/26	2026/27	2027/28	2028/29	Total MTF5
Reference	Existing, New or Efficiency	Service	Title	Description	(£m)	(£m)	(£m)	(£m)	(£m)	(£m)		
SAV2145	Existing	Waste & Recycling	Garden Waste Service	Continued impact of introduction of the food waste collection service giving residents the opportunity to recycle their food waste on a weekly basis. This will reduce the amount of residual waste and increase CDC's recycling rate. Residents will still be able to subscribe to our current well used garden waste collection service, which will incur a charge.	(0.077)	-	-	-	-	(0.077)		
SBCON221	Existing	Building Control	Building Control fees	Increase Building Control fees	(0.001)	(0.001)	(0.001)	(0.001)	(0.001)	(0.005)		
SBCR231	Existing	Bicester Regeneration	Gradual reduction in grant to Bicester Vision	We currently contribute £15k towards the work on Bicester Vision, which is the only contribution we make to organisations leading similar projects across the district. By tapering this contribution off over three years as a saving we can ensure we are treating these organisations equally and provide resilience for Bicester Vision to adapt its funding streams.	(0.010)	(0.005)	-	-	-	(0.015)		
SECON233	Existing	Economic Growth	Cutting grant to Experience Oxfordshire	Continuation of phased reduction of grant to Experience Oxfordshire.	(0.006)	(0.005)	-	-	-	(0.011)		
SCLEA242	New	Street Cleansing	Street Cleansing Service	Changing the working pattern of our street cleansing service to ensure we maintain high standards but reduce operational costs.	(0.070)	-	-	-	-	(0.070)		
SCSAF241	New	Community Safety	Reducing CCTV coverage to reduce costs with the maintenance and monitoring of the CCTV network.	Reducing expenditure on CCTV across Cherwell District by reducing number of cameras, monitoring and maintenance costs.	(0.030)	-	-	-	-	(0.030)		
SPCON242	New	Public Conveniences	Public Conveniences	Only retain and maintain CDC owned public conveniences that are fully accessible. This would mean keeping the Changing Places facilities in Bicester, Banbury and Kidlington and closing the public conveniences at Banbury Bus Station that do not meet these standards.	(0.021)	-	-	-	-	(0.021)		
SSECN241	New	Environmental Services	Street Scene	Providing playground inspections internally	(0.025)	-	-	-	-	(0.025)		
SVEHM241	New	Vehicle Maintenance	Vehicle Maintenance	Generate additional income from inspecting Taxis by widening the MOT offer	(0.010)	-	-	-	-	(0.010)		
SWAST241	New	Waste & Recycling	Bulky Waste Service	To introduce a premium charge for collecting bulky waste.	(0.010)	-	-	-	-	(0.010)		
SWAST248	New	Waste & Recycling	Waste Collection Service	Ensuring those currently receiving weekly waste collections have the appropriate containers to move to fortnightly collections and in line with the rest of the district. This would reduce our operational costs, improve overall efficiency, and also encourage households to reduce the amount of waste they produce.	(0.035)	-	-	-	-	-0.035		
SADGE241	Efficiency Savings	Growth & Economy	Recharge staff time to projects	A proportion of staff time will be recharged, for the relevant financial year, to externally funded projects.	(0.017)	0.017	-	-	-	-		
SCLEA241	Efficiency Savings	Street Cleansing	Street Cleansing and Street Scene alignment	Bring the two teams under one manager.	(0.040)	-	-	-	-	(0.040)		
SCLEA244	Efficiency Savings	Street Cleansing	Removal of Banksman role at Banbury Bus Station	Removal of need for Banksman role at Banbury Bus Station by encouraging bus companies to use mirrors and in built cameras and increased signage.	(0.026)	-	-	-	-	(0.026)		
SDMAN242	Efficiency Savings	Development Management	National agreed increase in planning fees	National agreed increase in planning fees	(0.300)	(0.001)	(0.001)	(0.001)	(0.001)	(0.304)		
SDMAN243	Efficiency Savings	Development Management	Removal of vacant Technical Support Officer post from establishment	Removal of vacant Technical Support Officer post from the establishment as no longer needed	(0.021)	-	-	-	-	(0.021)		
SSAFE241	Efficiency Savings	Public Safety	Regulatory Services and Community Safety Restructure post-decoupling from Oxfordshire County Council	A new management structure for the department following the end of the shared working arrangements with Oxfordshire County Council.	(0.038)	-	-	-	-	(0.038)		
SECON241	Efficiency Savings	Economic Growth	One Year delay of Economic Prosperity Strategy	The proposal is to delay the Economic Prosperity Strategy for one year.	(0.042)	0.041	-	-	-	-0.001		
SECON242	Efficiency Savings	Economic Growth	Officer time recharged to projects	Selected and proportionate recharging of revenue costs to one off grants (Bicester Garden Town Capacity fund and UKSPF)	(0.127)	0.127	-	-	-	-		
SWAST242	Efficiency Savings	Waste & Recycling	Rebalancing Food Waste Rounds	To direct deliver more food waste from the Banbury area to the processing plant at Cassington rather than utilising the transfer station in Banbury.	(0.028)	-	-	-	-	(0.028)		
SWAST244	Efficiency Savings	Waste & Recycling	Contracts & Inflation	Generating savings as contracts are renewed	(0.050)	-	-	-	-	(0.050)		
SWAST246	Efficiency Savings	Waste & Recycling	Increasing Marketing & Promotion on side of Waste Collection collection vehicles	Utilising the panels on the side of our Waste Collection Vehicles for advertising for third parties.	(0.010)	-	-	-	-	(0.010)		
SWAST247	Efficiency Savings	Waste & Recycling	Development of inhouse pool of staff to reduce reliance on agency staff	Increase the number of staff on the establishment to reduce the need for agency staff	(0.035)	-	-	-	-	(0.035)		
SWAST249	Efficiency Savings	Waste & Recycling	Further development of digitalisation of key service areas	Increasing level of services available online to residents to reduce quantity of offline administration required.	(0.015)	-	-	-	-	(0.015)		
Total					(1.044)	0.173	(0.002)	(0.002)	(0.002)	(0.877)		

Appendix 4 - Savings Proposals 2024/25

Figures are shown as an incremental, year on year change to the budget

Resources										
Reference	Existing, New or Efficiency		Title	Description	2024/25 (£m)	2025/26 (£m)	2026/27 (£m)	2027/28 (£m)	2028/29 (£m)	Total MTF5 (£m)
SAV025 & SCARP222	Existing	Car Parking	Car park fees	Increase annual car parking charge of no more than 10p per hour	(0.145)	(0.100)	(0.100)	(0.100)	(0.100)	(0.545)
SELEC221	Existing	Elections	Parish Election Charges	Review of recharges to Parishes for CDC running Parish Elections	(0.001)	-	(0.002)	(0.001)		(0.004)
SFCOS231	Existing	Finance	Ensure services funded through external grants reflect the costs of support services required	Through adopting a new approach to allocating any grants we receive towards services we can deliver savings on existing and future grants by ensuring they take into account all the costs of providing the services	(0.040)	(0.080)	-	-		(0.120)
SINVP221	Existing	Property	Commercial Rents	Change in rental income from commercial council properties through contractual lease reviews	0.074	0.020	(0.035)	-		0.059
SFSUP241	Efficiency Savings	Finance - Corporate Support	Staff Budget Realignment	Realignment in staffing budgets following a review	(0.008)	-	-	-		(0.008)
SFREV241	Efficiency Savings	Finance - Revenues & Benefits	Increase overall court costs for Council Tax recovery action	We will increase the overall court costs incurred by the customer for the issuing of Council Tax Summons and Liability Orders	(0.161)	-	-	-		(0.161)
SFREV242	Efficiency Savings	Finance - Revenues & Benefits	Vacant Inspections Officer post deleted from establishment	Removing a vacant inspection officer post from the structure	(0.033)	-	-	-		(0.033)
SFREV247	Efficiency Savings	Finance - Revenues & Benefits	Increase overall court costs for Non-Domestic Rates recovery action	We will increase the overall court costs incurred by the business for the issue of Non Domestic Rates summons and Liability Orders.	(0.016)	-	-	-		(0.016)
SITBS241	Efficiency Savings	IT - Business Systems , Support & Infrastructure	Operational Efficiencies	By leveraging automation and enhancing vendor support, we can deliver revenue savings associated with back-end IT operations.	(0.070)	-	-	-		(0.070)
Total					(0.400)	(0.160)	(0.137)	(0.101)	(0.100)	(0.898)
Total Existing Savings					(0.286)	(0.220)	(0.203)	(0.112)	(0.091)	(0.912)
Total New Savings					(0.203)	-	-	-	-	(0.203)
Total Efficiency Savings					(1.221)	0.184	(0.001)	(0.001)	(0.001)	(1.040)
Total Savings					(1.730)	(0.042)	(0.204)	(0.113)	(0.092)	(2.151)

Chief Executive											
Reference	Existing, Savings Non-Delivery, or New	Service	Title	Description	2024/25 (£m)	2025/26 (£m)	2026/27 (£m)	2027/28 (£m)	2028/29 (£m)	Total MTFS (£m)	
PCOMM221	Existing	Community Engagement	Community engagement business system	Change in contract value for community engagement business system	(0.001)	-	-	-	-	(0.001)	
PPERF221	Existing	Performance	Performance Management System	Funding for the council's performance management business system	0.010	-	-	-	-	0.010	
PAFFH231	Existing	Affordable Housing	Repairs and Maintenance	Inflation costs mean we need a further £15k for essential repairs and maintenance	0.015	-	-	-	-	0.015	
PAFFH232 & PAFFH242	Existing/New	Affordable Housing	Change in income	Revised profile of income due to the building being vacant whilst roof is repaired	(0.200)	(0.066)	-	-	-	(0.266)	
SAFFH232	Savings Non-Delivery	Affordable Housing	Bringing Rent Collection in house	Savings by collecting the rent from council properties ourselves, instead of through a housing association.	0.015	-	-	-	-	0.015	
				Total	(0.161)	(0.066)	-	-	-	(0.227)	

Communities										
Reference	Existing, Savings Non-Delivery, or New	Service	Title	Description	2024/25 (£m)	2025/26 (£m)	2026/27 (£m)	2027/28 (£m)	2028/29 (£m)	Total MTFS (£m)
PEMPL231	Existing	Emergency Planning	Inflationary costs in relation to the Council's Emergency Planning responsibilities	Cherwell District Council is supported by Oxfordshire County Council to prepare for and respond to emergency incidents that may arise in the district. Cherwell District Council pays for this support through a service level agreement with the County Council which includes provision for the rise in staffing costs	0.001	0.001	0.001	0.001	-	0.004
PWAST231	Existing	Waste & Recycling	Additional crew and vehicle for growth of the district	Housing growth in the district is rising rapidly, which means a new waste crew is required approximately every 3 years. As this is entirely dependent on the level of housing growth we cannot predict exactly when this need will arise. We anticipate needing an additional crew in 2026/27 and we have identified an additional vehicle through the vehicle replacement programme.	-	-	0.170	-	-	0.170
SBCON221	Savings Non-Delivery	Building Control	Building Control fees	Increase Building Control fees	0.001	0.001	0.001	0.001	0.001	0.005
PENVT241	New	Env Strategies	Climate Change	Increasing the resources needed to support the delivery of the Council's Climate Change Agenda	0.045	-	-	-	-	0.045
PDMAN241	New	Development Management	Statutory requirement	Recruiting an additional ecologist to support new statutory requirements . To be offset initially by use of Development Mangement Casework reserve for 3 years (see Appendix 16).	0.080	-	-	-	-	0.080
PPPOL231	New	Planning Policy	Local Plan	Increasing the budget to reflect the true costs of Local Plan Examinations - to be offset by use of other reserves (see Appendix 16).	0.200	(0.125)	-	-	-	0.075
PPCON232	New	Public Conveniences	Public Conveniences	Additional cleaning contract to keep Pioneer Square public conveniences fully accessible.	0.020	-	-	-	-	0.020
MOTION	New	Planning Policy	Kidlington & Yarnton Vision 2050	To develop a holistic strategy for Kidlington's Infrastructure	0.115	(0.020)	-	(0.095)	-	0.000
MOTION	New	Environmental Strategies	Solar Energy Strategy	To commission a robust, research-based strategy for solar electricity production in Cherwell, in order to achieve the optimum balance of power generation by solar farms, by roof panels on new commercial and residential developments, and, crucially, their retrofitting on existing public, business and domestic buildings.	0.020	(0.020)	-	-	-	0.000
				Total	0.482	(0.163)	0.172	(0.093)	0.001	0.399

Resources										
Reference	Existing, Savings Non-Delivery, or New	Service	Title	Description	2024/25 (£m)	2025/26 (£m)	2026/27 (£m)	2027/28 (£m)	2028/29 (£m)	Total MTFS (£m)
SAV2193	Existing	Property	Commercial Rent	Forecast change in rental incomes for Council owned properties	0.205	0.012	-	-	-	0.217
PFREV221	Existing	Finance - Revs & Bens	Housing Benefit Subsidy costs	Fallout of Housing Benefit Subsidy costs to the Council	(0.200)	-	-	-	-	(0.200)
PCARP231	Existing	Car Parks	Adjusting the Car Parks income budget from 2023/24	Car Parking income dropped significantly during the covid pandemic and has not returned to pre pandemic levels due to changes in work patterns, reduced retail offers in town centres and the current cost of living crisis. It is not anticipated that car parking income will return to previous levels and therefore the income target must be adjusted.	0.045	-	-	-	-	0.045
PDEMO233	Existing	Legal	Legal Team structure	Cost of establishing our own legal team following the decoupling with Oxfordshire County Council	(0.031)	-	-	-	-	(0.031)
PDEMO241	New	Democratic	Member Development	An annual Member induction programme is essential to support newly elected councillors following the district elections which are held every three years out of four. It is also essential that all councillors complete mandatory training in line with the Member Development Framework and Constituion.	0.003	-	-	-	-	0.003
PELEC241	New	Elections	Implementation of the Elections Act 2022	The Elections Act introduces significant changes to the UK electoral systems. These changes are underpinned by statutory instruments with different changes scheduled for different times	0.040	-	-	-	-	0.040
PELEC242	New	Elections	Local Elections	Meeting the increased cost of running local elections in light of supplier cost increases and ensuring compliance with legislative changes	0.070	-	-	-	-	0.070
PLEGL241	New	Legal	Case Management System	Case Management System for additional users and to comply with IT policy	0.017	-	-	-	-	0.017
PLEGL242	New	Legal	Legal Publications	Access to electronic books and publications as a result of increase in the establishment. Needed for lawyers to carry out their duties.	0.007	-	-	-	-	0.007
PITBS241	New	IT - Business Systems , Support & Infrastructure	Increased Cyber Security	Additional email security, and cyber awareness training to help prevent cyber attacks via email threats such as phishing.	0.014	-	-	-	-	0.014
PITBS242	New	IT - Business Systems , Support & Infrastructure	Increased disaster recover measure	Move back ups and archives to an alternative cloud based solution. This reduces the immediate need to increase online storage for older files, which can be achieved and retrieved as needed.	0.008	-	-	-	-	0.008
PITBS243	New	IT - Business Systems , Support & Infrastructure	Automatic patching of more systems	This new service will allow us to automatically schedule updates to a wider selection of systems and application, reducing the time taken and inturn the threat window (how long between threat indentified and patch applied)	0.010	-	-	-	-	0.010
PPROC241	New	Procurement	Procurement System	Licensing costs for the Council's procurement portal	0.009	-	-	-	-	0.009
PPREV241	New	Property	Asset Management Plan Condition Surveys	As part of the creation of the Council's property asset management plan condition surveys of all of the corporate and commercial property stock. To be offset by use of property reserve.	0.090	(0.075)	-	-	-	0.015
					0.287	(0.063)	-	-	-	0.224

Figures are shown as an incremental, year on year change to the budget

				Total Existing Pressures	(0.222)	0.013	0.171	0.001	-	(0.037)
				Total Savings Non-Delivery	0.016	0.001	0.001	0.001	0.001	0.020
				Total New Pressures	0.814	(0.306)	-	(0.095)	-	0.413
				Total Pressures	0.608	(0.292)	0.172	(0.093)	0.001	0.396

Appendix 6 - Budget Summary

Directorate	Expenditure										Income										Net Expenditure
	Employee Costs	Premises Related Expenditure	Transport Related Expenditure	Supplies and Services	Third Party Payments	Transfer Payments	Capital Charges	Capital Financing	Contribution to Reserves	Total Expenditure	Customer and Client Receipts	Fees and Charges	Rental Income	Government Grant Income	Other Grants and Reimbursements	Interest Income	Recharges to Other Accounts	Use of Reserves	Income total		
	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	
Chief Executive	7.172	1.398	0.024	3.004	0.518	-	-	-	-	12.116	(0.044)	(1.066)	(1.628)	(1.391)	(1.670)	-	-	(0.950)	(6.749)	5.367	
Communities	13.461	1.661	1.956	2.040	2.180	-	-	-	-	21.298	(0.943)	(6.265)	(0.113)	(0.829)	(2.353)	-	(0.885)	(0.876)	(12.264)	9.034	
Resources	6.941	4.637	0.125	1.683	1.396	25.000	-	-	0.025	39.807	(0.033)	(3.372)	(6.371)	(25.235)	(0.381)	-	-	(0.100)	(35.493)	4.314	
Services Sub-total	27.574	7.696	2.105	6.728	4.094	25.000	-	-	0.025	73.221	(1.020)	(10.703)	(8.112)	(27.455)	(4.405)	-	(0.885)	(1.926)	(54.505)	18.715	
Corporate Costs	1.953	-	-	-	0.328	-	5.447	5.280	-	13.007	-	-	-	(3.487)	-	(5.187)	0.462	(0.502)	(8.714)	4.293	
Policy Contingency	-	-	-	-	3.979	-	-	-	-	3.979	-	-	-	-	-	-	-	-	-	3.979	
Net Cost of Services	29.527	7.696	2.105	6.728	8.401	25.000	5.447	5.280	0.025	90.207	(1.020)	(10.703)	(8.112)	(30.942)	(4.405)	(5.187)	(0.423)	(2.428)	(63.220)	26.987	

Gross Budget, Income, Net Budget and Future Years MTFs Changes by Directorate

Appendix 11

	Gross Expenditure	Gross Income	Total	Net Change to	Net Change to	Net Change to	Net Change to	Net Budget at end of Period
Directorate	2024/25	2024/25	2024/25	2025/26	2026/27	2027/28	2028/29	
	£m	£m	£m	£m	£m	£m	£m	£m
Chief Executive	12.116	(6.749)	5.367	(0.097)	(0.098)	(0.056)	0.009	5.125
Communities	21.298	(12.264)	9.034	0.072	0.152	(0.033)	(0.015)	9.210
Resources	39.807	(35.493)	4.314	(2.369)	0.021	0.024	(0.100)	1.890
Service Sub-Total	73.221	(54.505)	18.715	(2.394)	0.075	(0.065)	(0.106)	16.225
Corporate Costs	13.007	(8.714)	4.293	3.594	1.195	0.532	0.198	9.812
Policy Contingency	3.979	0.000	3.979	0.837	0.524	0.524	0.524	6.388
Cost of Services	90.207	(63.220)	26.987	2.037	1.794	0.991	0.616	32.425
Council Tax	0.000	(9.318)	(9.318)	(0.149)	(0.404)	(0.440)	(0.452)	(10.763)
Business Rates	40.855	(56.821)	(15.966)	3.447	2.904	2.647	(1.026)	(7.994)
New Homes Bonus	0.000	(1.375)	(1.375)	1.375	0.000	0.000	0.000	0.000
Revenue Support Grant	0.000	(0.328)	(0.328)	0.328	0.000	0.000	0.000	0.001
Funding Sub-total	40.855	(67.842)	(26.987)	5.001	2.500	2.207	(1.478)	(18.756)
Total	131.062	(131.062)	0.000	7.038	4.294	3.198	(0.862)	13.669

Appendix 12 - Budget Book

Directorate	Service	Division	Gross		Net Expenditure /
			Expenditure	Gross Income	(Income)
			£m	£m	£m
Chief Executive	Customer Focus	Contact Centre Services	1.343	-	1.343
		Land Charges	0.110	(0.244)	(0.134)
		Insight & Corporate Progs	1.039	(0.573)	0.466
		Strategy	0.363	-	0.363
		Assistant Director	0.109	-	0.109
		Communications & Media	0.371	-	0.371
		Customer Focus Total	3.335	(0.816)	2.518
	HR & OD	HR OD & Payroll	0.779	-	0.779
		HR & OD Total	0.779	-	0.779
	Wellbeing & Housing	Communities	1.209	(0.118)	1.091
		AD Wellbeing and Housing	0.110	-	0.110
		Strategic Housing	1.013	(0.815)	0.198
		Healthy Place Shaping	0.196	(0.010)	0.186
		Leisure	0.472	(0.198)	0.274
		Sport	1.804	(1.522)	0.281
		Housing Needs	1.217	(0.231)	0.987
		Affordable Rents	0.178	(1.293)	(1.115)
		Private Sector Housing	0.628	(0.432)	0.196
		Shared Ownership	0.276	(0.416)	(0.140)
		Refugee Resettlement	0.898	(0.898)	-
		Wellbeing & Housing Total	8.001	(5.932)	2.069
		Chief Executive Total	12.116	(6.749)	5.367
Communities	Environmental	Environment and Waste	0.304	-	0.304
		Landscaping	2.271	(1.187)	1.085
		Street Cleansing	1.773	(0.459)	1.314
		Vehicle Maintenance and MOTs	1.261	(1.255)	0.006
		Waste and Recycling	7.042	(4.086)	2.956
		Environmental Total	12.652	(6.987)	5.665
	Growth & Economy	AD Econ Regen	0.095	-	0.095
		Bicester Regen Programme	0.663	(0.625)	0.038
		Economic Dev	1.061	(0.829)	0.232
		Banbury Regeneration	0.160	(0.125)	0.035
		Kidlington Masterplan	0.115	-	0.115
		Growth and Economy Total	2.094	(1.579)	0.515
	Planning & Development	Building Control	0.526	(0.456)	0.070
		Conservation	0.363	-	0.363
		Development Control	2.680	(2.523)	0.157
		Planning Policy	1.286	(0.139)	1.147
	Planning and Development Total	4.856	(3.118)	1.738	
	Regulatory	Enforcement	0.283	(0.036)	0.247
		Environment Health Licensing	1.205	(0.174)	1.031
		Licensing	0.209	(0.370)	(0.162)
Regulatory Total	1.696	(0.580)	1.116		
Communities Total	21.298	(12.264)	9.034		
Resources	Finance	Finance	2.449	(0.150)	2.300
		Fraud Team	0.068	-	0.068
		Revenue and Benefits	26.980	(26.308)	0.672
		Finance Total	29.497	(26.458)	3.039
	Legal & Democratic	Civic Ceremonies	0.003	-	0.003
		Democratic	0.714	-	0.714
		Elections	0.340	(0.007)	0.333
		Legal	1.223	(0.075)	1.148
	Legal and Democratic Total	2.280	(0.082)	2.198	
	ICT	Information Technology	0.510	-	0.510
		Information Technology - Spatial	0.160	-	0.160
		Information Technology - Infrastructure and PM	0.935	(0.095)	0.840
		ICT Total	1.605	(0.095)	1.510
	Property	Property	3.417	(4.491)	(1.074)
		Castle Quay Development	3.009	(4.367)	(1.358)
Property Total		6.426	(8.858)	(2.432)	
Resources Total	39.807	(35.493)	4.314		
Services Sub-total	73.221	(54.505)	18.715		
Corporate Costs	Corporate Costs	Corporate Costs	13.007	(8.714)	4.293
		Corporate Costs Total	13.007	(8.714)	4.293
	Corporate Costs Total	13.007	(8.714)	4.293	
Policy Contingency	Policy Contingency	Policy Contingency	3.979	-	3.979
		Policy Contingency Total	3.979	-	3.979
	Policy Contingency Total	3.979	-	3.979	
Net Cost of Services	90.207	(63.220)	26.987		