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Cherwell

DISTRICT COUNCIL
NORTH OXFORDSHIRE

Committee: Budget Planning Committee

Date: Tuesday 26 October 2021

Time: 6.30 pm

Venue: Bodicote House, Bodicote, Banbury, Oxon OX15 4AA

Membership

Councillor Nicholas Mawer (Chairman)

Councillor Phil Chapman
Councillor John Donaldson
Councillor Shaida Hussain
Councillor Douglas Webb
Councillor Lucinda Wing

Councillor Carmen Griffiths (Vice-Chairman)

Councillor Conrad Copeland
Councillor David Hughes
Councillor Andrew McHugh
Councillor Fraser Webster
Councillor Sean Woodcock

AGENDA

1. **Apologies for Absence and Notification of Substitute Members**

2. **Declarations of Interest**

Members are asked to declare any interest and the nature of that interest which they may have in any of the items under consideration at this meeting.

3. **Minutes** (Pages 5 - 8)

To confirm as a correct record the minutes of the meeting held on 14 September 2021.

4. **Chairman's Announcements**

To receive communications from the Chairman.

5. **Urgent Business**

The Chairman to advise whether they have agreed to any item of urgent business being admitted to the agenda.

6. Performance, Finance and Risk Monitoring Report

The report and appendices for this item are to follow as they are currently being reviewed and finalised

7. Financial Management Code - Self Assessment Update (Pages 9 - 16)

Report of Director of Finance

Purpose of report

To update the Committee on the Council's self-assessment against the requirements of CIPFA's Financial Management Code.

Recommendations

The meeting is recommended:

- 1.1 to note the Council's self-assessment against the requirements of CIPFA's Financial Management Code.

8. Review of Committee Work Plan (Pages 17 - 18)

To review the Committee Work Plan.

9. Exclusion of Press and Public

The following report(s) contain exempt information as defined in the following paragraph(s) of Part 1, Schedule 12A of Local Government Act 1972.

3 – Information relating to the financial or business affairs of any particular person (including the authority holding that information).

Members are reminded that whilst the following item(s) have been marked as exempt, it is for the meeting to decide whether or not to consider each of them in private or in public. In making the decision, members should balance the interests of individuals or the Council itself in having access to the information. In considering their discretion members should also be mindful of the advice of Council Officers.

Should Members decide not to make a decision in public, they are recommended to resolve as follows:

“That under Section 100A of the Local Government Act 1972, the public and press be excluded from the meeting for the following item(s) of business on the grounds that, if the public and press were present, it would be likely that exempt information falling under the provisions of Schedule 12A, Part I, Paragraph 3 would be disclosed to them, and that in all the circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information.”

10. **Castle Quay update**

Verbal update on the Castle Quay development from the Corporate Director-Commercial Development, Assets and Investment and the Property and Investment Consultant.

Councillors are requested to collect any post from their pigeon hole in the Members Room at the end of the meeting.

Information about this Meeting

Apologies for Absence

Apologies for absence should be notified to democracy@cherwell-dc.gov.uk or 01295 221591 prior to the start of the meeting.

Declarations of Interest

Members are asked to declare interests at item 2 on the agenda or if arriving after the start of the meeting, at the start of the relevant agenda item.

Local Government and Finance Act 1992 – Budget Setting, Contracts & Supplementary Estimates

Members are reminded that 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.

Evacuation Procedure

When the continuous alarm sounds you must evacuate the building by the nearest available fire exit. Members and visitors should proceed to the car park as directed by Democratic Services staff and await further instructions.

Access to Meetings

If you have any special requirements (such as a large print version of these papers or special access facilities) please contact the officer named below, giving as much notice as possible before the meeting.

Watching Meetings

Please note that Council meetings are currently taking place in person (not virtually) with social distancing at the meeting. Meetings will continue to be webcast and individuals who wish to view meetings are strongly encouraged to watch the webcast to minimise the risk of COVID-19 infection.

Places to watch meetings in person are very limited due to social distancing requirements. If you wish to attend the meeting in person, you must contact the Democratic and Elections Team democracy@cherwell-dc.gov.uk who will advise if your request can be accommodated and of the detailed COVID-19 safety requirements for all attendees.

Please note that in line with Government guidance, all meeting attendees are strongly encouraged to take a lateral flow test in advance of the meeting.

Mobile Phones

Please ensure that any device is switched to silent operation or switched off.

Queries Regarding this Agenda

Please contact Lesley Farrell, Democratic and Elections democracy@cherwell-dc.gov.uk,
01295 221591

Yvonne Rees**Chief Executive**

Published on Monday 18 October 2021

Cherwell District Council

Budget Planning Committee

Minutes of a meeting of the Budget Planning Committee held at Bodicote House, Bodicote, Banbury, Oxon OX15 4AA, on 14 September 2021 at 6.30 pm

Present:

Councillor Nicholas Mawer (Chairman)

Councillor Phil Chapman
Councillor John Donaldson
Councillor David Hughes
Councillor Shaida Hussain
Councillor Andrew McHugh
Councillor Douglas Webb
Councillor Fraser Webster
Councillor Sean Woodcock

Substitute Members:

Councillor Maurice Billington (In place of Councillor Carmen Griffiths)
Councillor Sandy Dallimore (In place of Councillor Lucinda Wing)

Apologies for absence:

Councillor Carmen Griffiths
Councillor Conrad Copeland
Councillor Lucinda Wing

Officers:

Anita Bradley, Director Law and Governance & Monitoring Officer
Michael Furness, Assistant Director Finance
Natasha Clark, Governance and Elections Manager

9 **Declarations of Interest**

There were no declarations of interest.

10 **Minutes**

The Minutes of the meeting of the Committee held on 13 July 2021 were agreed as a correct record and signed by the Chairman.

11 **Chairman's Announcements**

There were no Chairman's announcements.

12 **Urgent Business**

There were no items of urgent business.

13 **Monthly Performance, Finance and Risk Monitoring Report**

The Assistant Director Finance presented the report of the Director of Finance which summarise Cherwell District Council's forecast revenue and capital outturn position for 2021/22 as at July 2021 to give the Committee the opportunity to consider the financial aspects of the report.

In considering the report, Members referred to the layout of the capital expenditure information and requested officers review and improve the layout for future reports to include profiling, more detail on longer term projects and track change updates to enable the Committee to easily see where there have been changes, better understand the process and when the capital funds will be spent.

In response to Members' queries regarding aged debt and at what stage debts would be written off, the Assistant Director Finance explained that each debt needed to be considered on a case by case basis in line with the council's financial procedure rules. A breakdown of values would be provided to the Committee.

In response to Members' comments regarding planned savings not being achieved and the impact on future budgets, the Assistant Director Finance confirmed that there would be an impact and this was under review by the senior management team. The Assistant Director Finance clarified the distinction between capital and revenue budgets and explained that capital savings did not translate to revenue savings. An update on the Medium Term Financial Strategy would be submitted to the October Executive meeting.

In the course of discussion, Members referred to the Castle Quay overspend and requested that additional information be provided on the plans to address this in light of potential financial implications on the council.

Resolved

- (1) That the contents of the report be noted.
- (2) That officers be requested to review and improve the presentation of and information provided on capital expenditure in future monitoring reports.

Review of Committee Work Plan

The Committee considered it's work plan.

The Chairman referred to the comments made under the previous item regarding Castle Quay and the financial impact on the Council. Members requested that officers provide an update to the next meeting of the Committee.

In response to Members' comments regarding a future item on the financial benefits and savings of homeworking, the Assistant Director of Finance advised that the revised 2020/2021 budget in August 2020 had picked up benefits for that financial year and homeworking savings assumptions had been included as part of the 2021/2022 budget setting. The Assistant Director of Finance undertook to provide an update on specific savings proposals to a future meeting of the Committee.

Resolved

- (1) That, subject to the addition of "Financial Impact of Castle Quay on the Council" to the October meeting and "Financial Benefits and Savings of Homeworking" to a future meeting, the Committee work plan be noted.

The meeting ended at 7.37 pm

Chairman:

Date:

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Cherwell District Council

Budget Planning Committee

26 October 2021

Financial Management Code – Self Assessment Update

Report of Director of Finance

This report is public

Purpose of report

To update the Committee on the Council's self-assessment against the requirements of CIPFA's Financial Management Code.

1.0 Recommendations

The meeting is recommended:

- 1.1 to note the Council's self-assessment against the requirements of CIPFA's Financial Management Code.

2.0 Introduction

- 2.1 The Financial Management (FM) Code was introduced by the Chartered Institute of Public Finance and Accountancy in 2019 in the context of increasing concerns about the financial resilience and sustainability of local government. The FM Code clarifies how Chief Finance Officers should satisfy their responsibility for good financial administration as required in Section 151 of the Local Government Act 1972. Local Authorities were able to prepare for the introduction of the FM Code in 2020/21 with full compliance expected in 2021/22.

3.0 Report Details

- 3.1 As part of setting the Council's budget each year the Section 151 Officer must prepare a Section 25 Statement to consider the robustness of the budget and the Council's finances. The February 2021 assessment included an assessment of how prepared the Council was for the adoption of the FM Code; the conclusion was that the Council was in a good position to comply with compliance against all areas of the FM Code except one identified as "green"; the one area that required improvement was to routinely monitor balance sheet items that pose a threat to financial sustainability, which was identified as "amber".

- 3.2 Since February 2021, the Council has introduced changes to its budget monitoring to consider balance sheet items. Reserves are now monitored on a monthly basis and all changes to the planned use of/contribution to reserves are now reported to the Executive and, where appropriate, approval sought for changes to the plan in line with the approval requirements within the Council's Reserves Policy.
- 3.3 Budget monitoring reports now also include, aged debt reports each quarter. These help the Council to get a better understanding of whether it is collecting the income that it has raised. As this develops, an understanding of how the profile of aged debt has changed will also be provided.
- 3.4 The Council now considers that it complies with all aspects of the FM Code. However, despite this, the Council will always drive continuous improvement and look for ways to improve. Some of these are identified in the Council's self-assessment at Appendix 1.

4.0 Conclusion and Reasons for Recommendations

- 4.1 The Council now considers that it complies with all aspects of the FM Code.

5.0 Consultation

None required.

6.0 Alternative Options and Reasons for Rejection

- 6.1 There are no alternative options.

7.0 Implications

Financial and Resource Implications

- 7.1 There are no financial implications arising directly from this report.

Comments checked by:

Michael Furness, Assistant Director of Finance, 01295 221845,
michael.furness@cherwell-dc.gov.uk

Legal Implications

- 7.2 There are no legal implications arising directly from this report.

Comments checked by:

Richard Hawtin, Team Leader – Non-contentious Business
richard.hawtin@cherwell-dc.gov.uk 01295 221695

Risk Implications

7.3 There are no risk implications arising directly from this report.

Comments checked by:

Louise Tustian, Head of Insight and Corporate Programmes

louise.tustian@cherwell-dc.gov.uk 01295 221786

Equalities and Inclusion Implications

7.4 There are no equalities implications arising directly from this report.

Comments checked by:

Emily Schofield, Acting Head of Strategy, 07881 311707, emily.schofield@cherwell-dc.gov.uk

Sustainability Implications

7.5 There are no sustainability issues arising directly from this report.

Comments checked by:

Sarah Gilbert, Climate Action Team Leader, sarah.gilbert@cherwell-dc.gov.uk

8.0 Decision Information

Key Decision **N/A**

Financial Threshold Met: **N/A**

Community Impact Threshold Met: **N/A**

Wards Affected

All

Links to Corporate Plan and Policy Framework

All

Lead Councillor

N/A

Document Information

Appendix number and title

- Appendix 1 – FM Code Self Assessment

Background papers

None

Report Author and contact details

Michael Furness, Assistant Director of Finance, 01295 221845,
michael.furness@cherwell-dc.gov.uk

Appendix 2 – Summary Financial Management Code Assessment

Ref	CIPFA Financial Management Standards	Current Status	Further Work	Status
1.	Responsibilities of the CFO and Leadership Team			
A	The leadership team is able to demonstrate that the services provided by the authority provide value for money	All services reviewed to ensure being delivered efficiently and appropriate savings identified. All tenders consider VfM by considering the quality of service and not just price.	Develop a statement of how proposals in Executive Reports will deliver value for money where appropriate	G
B	The authority complies with the CIPFA “Statement of the Role of the CFO in Local Government”	The CFO is qualified accountant with significant experience working as an active member of the leadership team. The CFO is a member of CEDR (Chief Executive Direct Reports) and has an influential role with members of the Cabinet, Audit & Governance Committee and lead opposition members.	Set out clear statement of roles and responsibilities of CFO, CEDR and the Exec.	G
	Governance and Financial Management Style			
Page 13	The Leadership Team demonstrates in its actions and behaviours responsibility for governance and internal control	The Corporate Governance and Assurance Group (CGAG) exists to ensure good governance and internal control, including driving the production of the Annual Governance Statement (AGS) and Action Plan through the completion of Professional Lead Statements and engagement with Corporate Directors.	CGAG to continue to establish itself and enhance its workload including driving consistency across the partnership between the County Council and CDC.	G
D	The authority applies the CIPFA/SOLACE “Delivering Good Governance in Local Government: Framework (2016)”	Annual Governance Statement includes audit opinion on effectiveness of internal control environment and systems of internal control.	Continue to enhance and develop the AGS through CGAG.	G
E	The Financial Management style of the authority supports financial sustainability	The Council has adopted a Business Partnering model that supports managers to deliver financially sustainable services by providing strategic advice and support. This is underpinned by a Corporate Function that manages the strategic financing issues and	Continue to develop the skills of managers to ensure that they have access to performance and financial information that enables them to deliver services that are financially sustainable.	G

Ref	CIPFA Financial Management Standards	Current Status	Further Work	Status
		provides the budget setting and accounting framework for the organisation.		
3. Long to Medium-Term Financial Management				
F	The authority has carried out a credible and transparent financial resilience assessment	A Financial Resilience assessment is included within the Budget Documents. The assessment is consistent with the Medium-Term Financial Strategy (MTFS) assumptions.		G
G	The authority understands its prospects for financial sustainability in the longer term and has reported this clearly to members	MTFS far more transparent than in previous years clearly outlining the financial challenges facing CDC in the Budget and Business Planning Process 2021/22 – 2025/26 Report	Continue to update CEDR and the Executive throughout year and within Budget/MTFS documents	G
H	The authority complies with the CIPFA “Prudential Code for Capital Finance in Local Authorities”	Capital Strategy is produced. Quarterly Treasury Management monitoring considered at the Accounts, Audit and Risk Committee.	Develop a profiled five-year capital programme. Provide quarterly TM and Prudential Indicator updates as part of monitoring reports.	G
	The authority has a rolling multi-year medium-term financial plan consistent with sustainable service plans	CDC has an Integrated Business Planning and Budget Process with a five-year MTFS.	Ensure services aware of future savings plans committed to and savings are implemented.	G
4. The Annual Budget				
J	The authority complies with its statutory obligations in respect of the budget setting process	The Council produces its annual balanced budget and supporting documentation.		G
K	The budget report includes a statement by the CFO on the robustness of the estimates and a statement on the adequacy of the proposed financial reserves	S25 report accompanies the suite of Budget documents. Enhanced by including an assessment of readiness for implementing the FM Code		G
5. Stakeholder Engagement and Business Plans				
L	The authority has engaged where appropriate with key stakeholders in developing its long-term financial strategy, medium-term financial plan and annual budget	Significant consultation on the budget proposals as well as ensuring carry out the statutory business rate payers’ consultation.	Continue with corporate and directorate consultation where appropriate.	G
M	The authority uses an appropriate documented options appraisal methodology to demonstrate the value for money of its decisions	A business case is required for all capital schemes which sets out alternative options, the reasons for discounting them and benefits	Agree consistent business case templates from outline through to full across the partnership between	G

Ref	CIPFA Financial Management Standards	Current Status	Further Work	Status
		of progressing with the scheme. All tenders consider VfM by considering the quality of service and not just price – the appraisal process is documented.	the County Council and CDC for both revenue and capital schemes.	
6. Monitoring Financial Performance				
N	The Leadership Team takes action using reports enabling it to identify and correct emerging risks to its budget strategy and financial sustainability	The monthly Performance, Risk and Financial Monitoring Report to Executive enables CEDR and Executive to respond to emerging risks – the effectiveness was evidenced during 2020/21 as the Council agreed an in-year budget to respond to the financial impact of COVID-19.	The Capital Programme monitoring element requires enhancement to: <ul style="list-style-type: none"> • better reflect performance and the delivery of outcomes linked to the completion of capital schemes. • Explain differences in in-year slippage and total cost variances 	G
Page 15	The Leadership Team monitors the elements of its balance sheet that pose a significant risk to financial sustainability	Reserves and balances are monitored monthly and changes in budgeted use require appropriate approvals before they can be assumed. Debtor monitoring takes place quarterly identifying aged debt of Council debt.	Review aged debt to consider the collectability of this.	G
7. External Financial Reporting				
P	The CFO has personal and statutory responsibility for ensuring that the statement of accounts produced by the local authority complies with the reporting requirements of the “Code of Practice on Local Authority Accounting in the United Kingdom”	The annual accounts are produced in compliance with the CIPFA Code.		G
Q	The presentation of the final outturn figures and variations from budget allows the leadership team to make strategic financial decisions	CEDR and Executive consider outturn report and year end variances enabling strategic financial decisions to be made as necessary.		G

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Budget Planning Committee Forward Plan

Date	Agenda Items
9 December 2021	2022/2023 Budget Proposals – Revenue and Capital

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