

Cherwell District Council

Council

24 February 2020

<p>Budget Setting for 2020/21 and the Medium Term Financial Strategy 2020/24</p>

Report of Executive Director – Finance (Interim)

This report is public

Purpose of report

This report provides information on the Council's Medium-Term Financial Strategy (MTFS) for 2020/24 along with more detailed information on setting the Council's budget for 2020/21.

1.0 Recommendations

- 1.1 To consider and approve the Business Plan set out in Appendix 1.
- 1.2 To note the Risk Register contained at Appendix 2.
- 1.3 To consider and approve an increase in the level of Council Tax for Cherwell District Council of £5 for 2020/21 on a Band D property.
- 1.4 To consider and approve the MTFS, Revenue Budget 2020/21 and Capital Programme, including the growth and savings proposals included at Appendix 8.
- 1.5 To consider and approve a minimum level of General Fund reserves of £2m.
- 1.6 To consider and approve that authority be delegated to the Chief Finance Officer, in consultation with the Lead Member for Finance & Governance, and where appropriate the relevant Director and Lead Member to:
 - Transfer monies to/from earmarked reserves should that become necessary during the financial year.
 - Update prudential Indicators in both the Prudential Indicators Report and Treasury Management Strategy Report to Council, for any budget changes that impact on these.
- 1.7 To consider the proposed Fees & Charges schedule as set out in Appendix 7.
- 1.8 To consider and approve the Treasury Management Strategy, including the Prudential Indicators, Minimum Revenue Provision (MRP) Policy and Affordable Borrowing Limit for 2020/21 (Appendix 6).

- 1.9 To note the contents of the Section 25 report from the Chief Finance Officer in relation to the robustness of estimates and adequacy of reserves.
- 1.10 To consider and approve the appended statement of pay policy for 2020/21 as required by the Localism Act and detailed in Appendix 9.
- 1.11 To note the equality impact assessment for 2020/21 detailed in Appendix 10.

2.0 Introduction

- 2.1 The Council has the responsibility of considering the feedback from those committees who scrutinise elements of the budget and recommending a budget, and all associated strategies, by the end of February 2020. Drafts of the budget have been considered by Executive on 3 February 2020; Budget Planning Committee on 6 January 2020; Treasury and Investment Strategies have been considered by the Accounts, Audit and Risk Committee on 20 November 2019 and 22 January 2020; the council tax base was considered by Executive on 5 January 2020. Therefore, the purpose of this report is to present the Business Plan and MTFS for approval, including the context within which Local Government is currently operating.
- 2.2 Councils have for a number of years, in line with good practice, sought to set a budget for the forthcoming year as well as prepare a MTFS, typically over the succeeding four-year period. This also forms part of the value for money judgement from our External Auditors, assessing whether as a Council we consider longer term financial sustainability when we make decisions about how we conduct our business.
- 2.3 Recent announcements from Government have indicated that there are likely to be significant changes to the way they fund local authorities over the medium term. The latest indications are that those changes will begin to take effect from 2021/22. All the information and intelligence received indicates that this will present Cherwell District Council (CDC) with a number of substantial financial challenges over the medium term, which the Council needs to prepare for as it sets the budget for 2020/21.
- 2.4 On Thursday 6 February, the government published a one-year settlement for Local Government which can be found here

<https://www.gov.uk/government/collections/final-local-government-finance-settlement-england-2020-to-2021>
- 2.5 The impact for CDC of this one-year settlement can be summarised as follows:
 - Essentially a “roll-forward” of funding
 - Confirmation that Council Tax can be raised by 2% or £5, whichever is greater (for CDC this is £5)
 - That New Homes Bonus legacy payments from previous years allocations will be fully funded
 - That a one-year only New Homes Bonus award for 2020/21 has been allocated to CDC

- 2.6 The settlement was as expected following announcements prior to the General Election in the Chancellor's budget in September 2019 and in the Provisional Settlement announced on 20 December. We had built our financial models on the indicative information provided at that point. Nothing has changed from when the provisional settlement was announced.
- 2.7 In order to support the Council with its task of approving the budget for 2020/21 this report explains and explores the impacts of the various building blocks that make up the final budget of the Council including:
- estimated impact of the financial outturn for the Council for 2019/20
 - cost of the services that we provide
 - commercial activity and income
 - financing the Council (borrowing and investments)
 - inflationary and other price change impacts
 - budget proposals (growth, savings and invest to save)
 - capital investment proposals
 - reserves and the use of reserves to support the budget
 - national funding assumptions for future years and the medium-term funding gap
- 2.8 This report will set out the Business Plan for 2020/21 and show how each of the above elements support the development of the delivery of the plan by setting a budget for 2020/21, the longer term MTFS, and will then summarise the next steps that will allow the Council to consider, approve and set a balanced budgets over the MTFS period.

3.0 Business Planning

- 3.1 Each year the Council reviews and updates its annual business plan, setting out the priorities and high-level objectives for the year ahead as found in Appendix 1.
- 3.2 The business plan informs the development of the annual budget and the operational Service Plans for the delivery of all Council services. The Service Plans will set out the activities that each service will undertake to deliver against the priorities set out in the Business Plan. 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.
- 3.3 This year has seen a thorough review of the business plan, resulting in four new priorities:
- **Housing that meets your needs;**
 - **Leading on environmental sustainability;**
 - **An enterprising economy with strong and vibrant local centres;**
 - **Healthy, resilient and engaged communities.**

- 3.4 These new priorities build upon the Council's strong track record for delivering in these areas and reflect the view of our residents captured through the Annual Satisfaction Survey.
- 3.5 Housing that meets your needs re-emphasises this Council's commitment to making sure our residents all have the opportunity to access housing that is suitable for them, whether this is through the delivery of affordable housing, improving standards in the private rented sector, preventing homelessness, supporting the most vulnerable in our communities or through innovative housing schemes delivered by our Build! team or at Graven Hill.
- 3.6 Leading on environmental sustainability builds on the Council's commitment to be carbon neutral by 2030 in addition to focusing on the priorities of our residents including maintaining and improving our waste and recycling services which are already highly regarded by residents.
- 3.7 A strong and thriving economy has long been a priority of the Council, with a strong track record of supporting businesses and investing in our town centres which is a key priority for our residents. An enterprising economy with strong and vibrant local centres, reinforces this commitment for Cherwell to be a district where business can thrive and grow.
- 3.8 The wellbeing of our residents and communities has always been a priority for this Council. Our new healthy, resilient and engaged communities priority retains our focus on ensuring our residents and communities are as active and healthy as possible, that we continue to promote community development with existing and new communities, that our communities remain safe places to live and that we work with partners to address the causes of health inequality and deprivation.
- 3.9 The four priorities are supported by four new themes that shape and influence the work of every service across the Council:
- **Customers** - To deliver high quality, accessible and convenient services that are right first time.
 - **Healthy Places** - Working collaboratively to create sustainable, thriving communities that support good lifestyle choices.
 - **Partnerships** - Working with partners to improve the services we provide for our residents and communities.
 - **Continuous Improvement** - Making the best use of our resources and focusing on improvement, innovation and staff development to maintain and enhance services.
- 3.10 The service plans currently in development will shape the performance management framework for 2020-21 and will inform a review of the Council's Leadership Risk Register. The Council will report on progress against the business plan to Executive on a monthly basis through the Performance, Risk and Finance report.
- 3.11 The business plan has been discussed with Executive Members and was reviewed by the Overview and Scrutiny Committee on 30 January 2020, prior to Full Council.

4.0 Financial Planning to Deliver Business Plan

Financial Outturn 2019/2020

- 4.1 The Budget Planning Committee and the Executive regularly review the forecast outturn as part of the Performance, Risk and Finance report. This has shown a broadly balanced position apart from the impact of favourable financing, which has allowed an underspend in excess of £1m to be anticipated in overall terms. The impact of this underspend is shown below in the section considering reserves.
- 4.2 The overall forecast underspend derives mainly from treasury and financing returns and from commercial property and it is proposed to transfer these balances to the Business Rates Risk Reserve and the Commercial Property Risk Reserve. These reserves have been set up to help manage the risk of these two income streams by putting away surpluses in growth years to help mitigate the impact in forthcoming anticipated lean years.
- 4.3 There are a small number of service pressures that continue to be managed by service managers who continue to try to achieve a balanced budget by the year end. Managers have taken into account their current operational and financial performance when considering their future year 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 2021/22

- 4.4 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 1 summarises the draft budget for 2020/21 by directorate.

Table 1: Net Cost of Services

	Net Budget
	2020/21
	£000
Customers and Service Development	4,025
Finance	775
Law and Governance	1,283
Place and Growth	3,457
Wellbeing, Environment & Regulatory Services	12,333
Service Sub-total	21,873
Corporate Costs	3,731
Net Cost of Services	25,604

The largest proportion of the expenditure budget is spent on staffing (46%).

Income streams in this section include fees and charges (eg. planning fee income, income from car parks, licences etc.), service specific grants for which officers have applied or have been allocated from government, and rental income from all council-owned properties (including Castle Quay and Tramway Industrial Estate).

The cost of financing the purchase of commercial properties is included in the Corporate Costs section as borrowing is not attributable to individual projects, but rather is financed corporately in line with our treasury management procedures.

- 4.5 The budget from 2019/20 has been rolled forward before then being scrutinised on a line by line basis by budget holders, their Finance Business Partners, and senior managers to ensure the budget aligns to future requirements; both by reducing where there are underspends and increasing where there are current-year pressures. Inflation has been applied where appropriate, rather than across the board, to contracts and fees and charges (a schedule of fees and charges is found in Appendix 7). The rate of payroll inflation is subject to ongoing local negotiation but has been included in the budget at a rate of 2.5%. This reflects both a potential cost of living increase but also recognises progression in pay scales for employees. An employers' pension contribution increase of 1% has also been included following the outcome of the tri-annual actuarial valuation of the Oxfordshire Pension Fund. In order to keep the employer's contribution increase to 1%, there is the potential that we could make a one off payment to secure a reasonable discount. Legal and audit advice would be sought before making any pre-payment but the financial implications of that decision have been included in the budget to ensure that the Council, should it wish to make that decision, be able to do so.
- 4.6 Table 2 Below shows the movement from the approved 2019/20 budget to the draft budget for 2020/21.

Table 2: Movement from 2019/20

	Net			Net
	Budget	Inflation	Movements	Budget
	2019/20	£000	£000	2020/21
Customers and Service Development	4,770	88	(833)	4,025
Finance	1,208	47	(480)	775
Law and Governance	1,299	19	(35)	1,283
Place and Growth	3,038	127	292	3,457
Wellbeing, Environment & Regulatory Services	10,130	230	1,972	12,333
Service Sub-total	20,444	512	917	21,873
Corporate Costs	2,267	-	1,464	3,731
Net Cost of Services	22,711	512	2,381	25,604

- 4.7 Movements include both savings and pressures, such as £700,000 of contractual salary commitments, £1.3m of additional fees and charges, and £2.6m planned spend from reserves. Corporate Costs pressures, include an increase to the Minimum Revenue Provision and 50% of New Homes Bonus growth put to reserves. Also included within the 'Movements' column are Growth Bids, Savings Proposals, Spend to Save Proposals and the revenue effect of Capital bids – all of which are detailed in Appendix 8 and summarised for 2020/21 in Table 5 below.

Commercial Property

4.8 Whilst commercial property sits within the net costs of services it is worth reflecting on the part this plays in terms of the overall budget of the Council. The Council owns 177 properties that it uses for a number of functions including:

- Operational assets - services delivered or operated out of these properties as well as assets leased out for community activities
- Landholdings
- Commercial properties – income producing.

4.9 The Council in recent years has expanded its commercial property portfolio and this has been both to regenerate our District as well as to create new revenue streams to support the work of the rest of the Council as other funding sources reduce.

4.10 The Investment portfolio comprises some 24 properties in the following primary groupings:

- Retail properties (i.e Castle Quay, High Street units, etc)
- Mixed use commercial properties (i.e Franklins House, Bridge Street)
- Industrial estate (i.e Tramway Industrial Estate, Antelope Garage, Thorpe Estate)
- Local Centres (i.e Bradley Arcade, Ferriston, Orchard Way, etc)
- Leisure Centres (run by Parkwood Leisure, i.e Spice Ball, Woodgreen, Bicester Ploughly Sports Centre, Kidlington Gosford)
- Car Parks (run by APCOA)

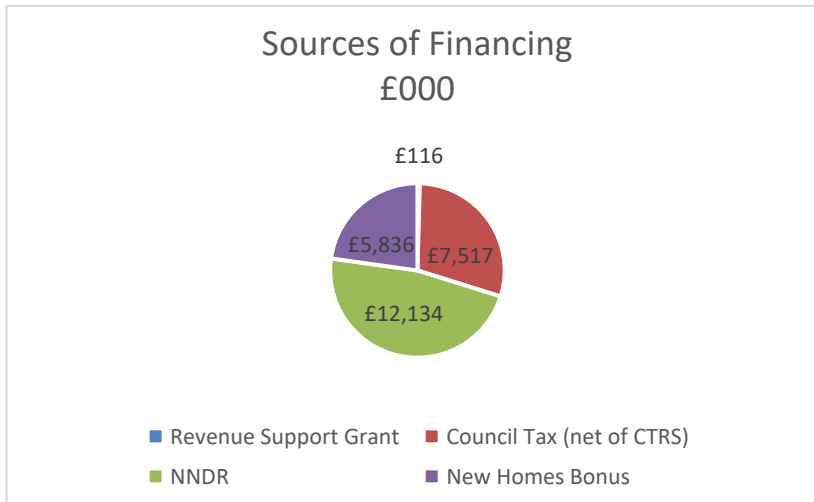
In setting the budget for 2020/21 we have considered any changes in tenancy arrangements and the budget has been set at circa £4.5m. The current value of these assets is £72m which gives a rate of return of 6.25%.

Council Financing

4.11 In addition to the income streams recorded in the Net Cost of Services, the council funds the balance of its activities from the following sources:

- Council tax: the tax base has been set at 55,559.9 and have assumed that the Council set a £5 increase on Council Tax from £128.50 to £133.50. This will be offset in 2020/21 by £175,000 payable to parishes under the CTRS scheme agreed last year. This is the final year that any payment will be made to parishes.
- National Non-Domestic Rates (NNDR): the budget is based on the value of the ratings list as at November and assumes 1% growth during the year.
- New Homes Bonus: as in previous years, 50% of the amount receivable has been used to finance the Council's activities and the remainder put to reserves for use on specific projects.
- Revenue Support Grant: following the final settlement on 6th February 2020 this remains the same as last year.

Table 3: Sources of Financing



4.12 The budget for 2020/21 therefore is balanced by these sources of funding as demonstrated below.

Table 4: Full Budget 2020/21

	Net Budget 2020/21 £000
Net Cost of Services	25,604
Financed by	
Council Tax	(7,692)
CTRS Scheme	175
Non-Domestic Rates	(12,134)
New Homes Bonus	(5,836)
Revenue Support Grant	(116)
Balance	0

Budget Proposals (Growth, Savings and Spend to Save and Capital Impact)

4.13 The table below details the proposals which have been put forward as part of the budget process and which have been included in the Net Cost of Services.

All of these proposals have been included in the overall budget model for 2020/21 which would allow a balanced and legal budget to be set. Please note that amendments to any of them will have either a positive or negative impact on the Council’s ability to set a balanced budget for 2020/21. Any alternative proposals will need to consider the impact on the overall Council budget position and how this will be funded as necessary. The following Table 5 summarises the inclusions by the Council’s previous strategic priorities; details of the proposals can be found in Appendix 8.

Table 5 : Growth, Savings, Spend to Save and Capital Impact 2020/21

	Growth	Savings	Spend to Save	Capital Impact	Total
	£000	£000	£000	£000	£000
Clean, Green and Safe	248	(30)	0	(9)	209
District of Opportunity & Growth	875	(622)	0	(1)	252
Thriving Communities & Wellbeing	1,310	(145)		7	1,172
Response to Climate Emergency	50	0	69	0	119
Operational Excellence	12	(597)	0	14	(571)
Best Council to Work for	24	0	0	0	24
Total	2,519	(1,394)	69	11	1,205

Capital Strategy

- 4.14 The draft Capital Strategy is included at Appendix 3 and reflects the latest updates to the Prudential Code and the requirement for the Chief Finance Officer to report explicitly on the deliverability, affordability and risks associated with the Capital Strategy.
- 4.15 The Capital 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 plans.
- 4.16 The recent requirement within the enhanced Capital Guidance and Prudential Code from Chartered Institute of Public Finance and Accountancy (CIPFA) further ensures that the Council's Capital Strategy is given further importance in decision making.

Capital Programme

- 4.17 The capital programme sets out a significant plan for investment in the organisation and the district. It forms an integral part of the Council's core activity and is an important part of the MTFS.
- 4.18 Capital expenditure is funded either from Revenue, Capital Receipts, Capital Grants or Internal Borrowing. External Borrowing is used to manage the cashflow requirements of the Council and is not linked to individual projects. Details of the Council's expected borrowing for 2020/21 is included in the Treasury Management suite of strategies which are scrutinised by the Accounts, Audit and Risk Committee and included in Appendix 6. These were reviewed in draft form on 20th November 2019, and were recommended to Executive at the meeting on 22nd January 2020. Executive in turn recommended them to Council at their meeting on 3 February 2020.
- 4.19 Table 6 below details the capital investments proposed for 2020/21 (more details on the proposals can be found in Appendix 4). Where these result in a revenue cost or savings, these have been adjusted for in the Net Cost of Services; therefore, as above, amending them may impact on the Council's ability to set a balanced budget.

Table 6 – Capital Bids 2020/21 through to 2024/25

	Capital Bids					Total £000
	2020/21 £000	2021/22 £000	2022/23 £000	2023/24 £000	2024/25 £000	
Clean, Green and Safe	1,051	1,021	689	1,127	1,316	5,204
District of Opportunity & Growth	137	62	12	12	12	235
Thriving Communities & Wellbeing	885	285	55			1,225
Operational Excellence	325					325
Total	2,398	1,368	756	1,139	1,328	6,989

- 4.20 A list of all the projects in the full capital programme is set out in Appendix 5. The financial implications of these are incorporated into the MTFS.

Reserves

- 4.21 Reserves are held to ensure the Council can manage and mitigate current and future risk. The Council regularly reviews its level of reserves to ensure they are adequate. They are more specifically reviewed as part of the budget setting process and as part of the year-end closure of accounts.
- 4.22 Earmarked reserves are held for specific purposes; to manage specific risks; or to smooth transactions that may happen at irregular periods or where peak activity happens over a period longer than a year. Examples of the type of activity that may require a reserve can include funding elections (where these would disproportionately impact just one year in a financial planning period), the impact of volatile income streams (such as demand led services, for example planning fees), or where funding may be awarded or received in year but expenditure happens over more than one year (such as government grants for specific pieces of work).
- 4.23 Table 7 below shows a summary of the forecast reserves position. Starting with the forecast opening balance at 1 April 2019, the movements anticipated from 2019/20, including the underspend projected from the Council's overall budget, proposed movements to and from reserves during 2020/21 results in an estimated closing balance as at 31 March 2021. The final outturn position will be reported to the Executive in June 2020 and the Accounts, Audit and Risk Committee in July 2020, as part of the Council's Outturn.

Table 7 – Reserves

	£000
Opening balance – April 2019	22,059
Projected underspend 2019/20	1,299
Anticipated use of Reserves during 2019/20	(500)
Commercial income to reserves during 2019/20	2,193
Use of Reserves to support activities 2020/21	(2,600)
Projected Closing Balance March 2021	22,451

- 4.24 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 2020/21 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.

5.0 Medium Term Financial Strategy

Proposed Changes to Local Government Funding 2021/22 and beyond

5.1 The Council has previously been advised that local government funding will be changing in 2021/22. Whilst there isn't clarity of the precise impact of these changes, there have been a number of national consultations and working groups that have been reviewing the options. The Council has been able to model the most likely scenario and therefore consider what impact this is likely to have for Cherwell from 2021/22 onwards. This also takes into account announcements and indications in the recent Queen's Speech following the General Election, which have confirmed earlier modelling around the areas of likely change in terms of the Council funding. Fundamentally it can be broken down as follows:

Fair Funding Review Consultation

5.2 The Government is intending to simplify the way local government funding works to make it more objective and transparent. The Council provided feedback to the government consultation on the assessment of needs, resources and transitional arrangements. The consistent intelligence from various local government finance experts that the Council has consulted, is that the Fair Funding Review when applied, will reduce government funding available to CDC.

Business Rates Retention Consultation

5.3 The Government has also recently consulted on proposals for setting up a reformed business rates retention system to which we are awaiting the outcome. The consultation outlines proposals to update the balance of risk and reward to better reflect the wider context for local authorities, now likely in 2021/22, mitigate volatility in income and simplify the system. It is proposed that:

- the baseline be reset – this would impact CDC significantly as we have been consistently collecting above the baseline and retaining 50% of that growth under the current retention scheme. The baseline is likely to be reset at 2018/19 levels.
- Councils (as a whole sector) would retain 75% of business rates growth above the baseline which would eventually move to 100% retention – however, with the baseline reset, this will be 75%/100% of far less until our growth above the baseline increases again.
- Resets are likely to be more frequent in future than they have previously been

MTFS Funding Gap

5.4 The MTFS as presented in the table below represents the likely scenario without the benefit of any national transition funding. Planning on this basis is both prudent and sensible and ensures that the Council can respond to any changes coming forward and remain financially sustainable. It is important to note that 2020/21 reflects a

balanced budget although this does include the planned use of one-off funds from some earmarked reserves. For future years of the MTFs a funding gap has been identified and the Council has established a strategy that will shape how we look to review opportunities to reduce this gap for future years and balance the budget in future years.

5.5 The table below also does not take account of any future spending reviews for local government as a whole where, along with our peers across all tiers of local government, we need to provide evidence and arguments about the totality of funding for our services. This year's settlement provided one year only and along with all government departments we need to be able to respond to information requests about how we spend our money and the impact this may have on users of our services. CDC have 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).

5.6 The table 8 below sets out the Council's future funding estimates. There remains much uncertainty regarding this position over the medium term with the upcoming changes proposed relating to the Fair Funding Review, Business Rates and the New Homes Bonus. However, we have based our estimates on advice from leading local government financial experts which forecasts the effects of the above changes to be in the region of a 30% reduction to our funding. This is a result of:

- the cessation of New Homes Bonus beyond legacy payments and the one-off payment in relation to growth in 2019/20 payable in 2020/21
- the business rates baseline reset at the 2018/19 level and growth at 1% thereafter (the Council has grown business rates significantly in recent years and this baseline reset results in the Council losing the benefit of this growth)
- the cessation of Revenue Support Grant, with the exception of the one-off payment in 2020/21
- Council Tax increases of £5 per annum with 1% annual growth of the Council tax base from 2020/21
- No assumptions have been made that we will receive any transitional finance support. We are aware that if this is available it is likely to be based on "Core Spending Power" which is a measure used by central government that does not include the impact from the loss of retained business rates. Given Cherwell's significant growth over and above expectations in terms of business rates, we may not receive any financial protection from this drop in income.

5.7 As in previous years the Council is utilising a proportion of New Homes Bonus to support district economic development and growth as well as supporting communities in 2020/21. However, to smooth the impact of the total drop in funding over the MTFs period, for 2021/22 and its final payment in 2022/23, the MTFs incorporates 100% of this funding stream and does not set aside this 50% of funding into reserves.

5.8 The MTFs therefore indicates that with all of the assumptions around national funding changes that Cherwell will have a gap between its net budget requirement and its funding as shown in table 8 below.

Table 8: MTFS 2020/21 – 2024/25

MTFS Position at 17/12/19	20/21 £m	21/22 £m	22/23 £m	23/24 £m	24/25 £m
Net Budget Requirement	25.6	24.0	24.6	23.7	24.4
Funding Total	- 25.6	- 16.3	- 16.6	- 16.0	- 17.2
Gap	0.0	7.7	8.0	7.7	7.2

How we Plan to Address the MTFS Gap

5.9 The Council has developed a strategy to meet the challenges highlighted in the MTFS which will include:

- Continue its partnering arrangements in the future including:
 - a alignment with Oxfordshire County Council services where this will benefit our residents and businesses and make financial sense to do so
 - b joint contracting and commissioning arrangements
 - c continuing our journey to transform the way in which we deliver with other partners
- Considering further commercialisation – e.g. Building Control, trade waste, the commercial offer around Build!
- “Growing our way” out of trouble by identifying opportunities with the right business cases
- Continuing to lobby policy makers, highlighting where we have been delivering growth and driving benefits to others

6.0 Conclusions and Reasons for Recommendations

6.1 This report provides information around the various building blocks that make up the proposed budget for 2020/21 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 2020/21 and the MTFS for 2020/24.

7.0 Consultation

7.1 The Budget Planning Committee considered the budget and MTFS in a report on 6 January 2020.

7.2 The Accounts, Audit and Risk Committee considered and recommended to full Council the Treasury Management Strategies and the associated Appendices on 22 January 2020.

7.3 The Overview and Scrutiny Committee considered the Business Plan on 30 January 2020.

7.4 The Executive considered and recommended to full Council the draft budget, MTFS and business plan at the meeting of 3 February 2020.

7.5 The draft budget was on the Council's consultation portal between 6 Jan and 4 Feb 2020. There were no questions or comments received during that time.

8.0 Alternative Options and Reasons for Rejection

8.1 This report presents the final Business Plan and MTFs as at 2020/21.

8.2 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.

9.0 Implications

Financial and Resource Implications

9.1 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.

Comments checked by:

Dominic Oakeshott, Assistant Director of Finance (Interim), 01295 227943

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Legal Implications

9.2 The Council is legally required to set a balanced budget each year. Officers consider the recommendations will achieve this if approved by full Council.

Comments checked by:

Richard Hawtin, Team Leader – Non-contentious, 01295 221695

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Risk Management

9.3 The Business Plan and MTFs are reflected in the Leadership Risk Register which is found in Appendix 2. The report also highlights the relevance of maintaining a minimum level of reserves and budget contingency to absorb the financial impact of changes and unforeseen events during the year. Any increase in risk will be escalated through to the Leadership Risk Register.

Comments checked by: Louise Tustian, Acting Assistant Director, Performance and Transformation

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Equality and Diversity

9.4 Impact assessments are carried out where relevant.

Comments checked by:
Caroline French, Business Improvement Officer, 01295 221586
Caroline.French@cherwell-dc.gov.uk

10.0 Decision Information

Wards Affected

All

Links to Corporate Plan and Policy Framework

All

Lead Councillor

Councillor Tony Ilott, Lead Member for Financial Management and Governance

Document Information

Appendix No	Title
Appendix 1	Business Plan
Appendix 2	Risk Register
Appendix 3	Capital Strategy
Appendix 4	Capital Bids
Appendix 5	Capital Programme
Appendix 6	Treasury Management Strategy
Appendix 7	Fees & Charges
Appendix 8	Growth and Savings Schedule
Appendix 9	Pay Policy
Appendix 10	Equality Impact Statement
Background Papers	
None	
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