

Cherwell District Council
Budget Planning Committee

18 August 202

Revised Budget 2020/21

Report of Director of Finance

This report is public

Purpose of report

To give Budget Planning Committee the opportunity to consider the Revised Budget 2020/21 and the proposed in-year savings proposals

1.0 Recommendations

The meeting is recommended to:

- 1.1 Provide feedback to the Executive on the 2020/21 in-year savings proposals.

2.0 Introduction

- 2.1 Cherwell District Council (CDC), along with all other Councils, has incurred significant additional costs and losses of income since the Covid-19 pandemic began. CDC has received grant funding from the Government to contribute towards additional costs. The Government has also committed to pay a proportion of lost income from fees and charges in 2020/21. However, this leaves Cherwell with an anticipated shortfall in resources as a result of Covid-19 of £3.5m.
- 2.2 CDC has undertaken an exercise to review its budget and identify where savings can be made to contribute to the additional costs it is facing. The Executive Report, attached at Appendix 1, describes savings proposals that have been identified by CDC and are proposed to be implemented in year to allow the Council to operate within its overall budget approved by Council in February 2020.

3.0 Report Details

- 3.1 In order to respond to the additional costs of Covid-19 CDC has identified a number of savings proposals that can be implemented in year to help it ensure it will continue to operate within the budget set. A summary of the financial impact is set out in Table 1.

Table 1 - Proposed Budget Reset Budget Virement						
Directorate	Covid-19 Virement £m	BAU Pressures £m	Total Savings £m	Overall Virement £m	Original Budget £m	Revised Budget £m
Place and Growth	0.650	0.176	(0.426)	0.400	3.506	3.906
Customer and OD	0.202	0.000	(0.301)	(0.099)	3.918	3.819
Adults and Housing Services	0.364	0.000	(0.272)	0.092	2.932	3.024
Public Health and Wellbeing	0.326	0.000	(0.484)	(0.158)	3.066	2.908
CDA&I	2.617	0.000	(0.694)	1.923	2.115	4.038
Communities	1.393	0.310	(0.195)	1.508	6.429	7.937
Corporate	1.163	0.000	0.000	1.163	0.000	1.163
Sub Total - Directorate	6.715	0.486	(2.372)	4.829	21.966	26.795
Executive Matters:						
Treasury	0.000	0.000	(0.472)	(0.472)		
Government Grant	(3.175)	0.000	0.000	(3.175)		
Application of Reserves	0.000	0.000	(1.182)	(1.182)		
Sub Total - Executive Matters	(3.175)	0.000	(1.654)	(4.829)	3.638	(1.191)
Total	3.540	0.486	(4.026)	0.000	25.604	25.604

- 3.2 CDC has been able to identify proposed savings within its directorates of £2.4m and Treasury Management savings of £0.5m through lower than anticipated interest costs. In addition, it is also proposed to allocate £1.2m of reserves to balance the budget.
- 3.3 This report invites the Budget Planning Committee to consider the savings proposals included in Appendix 1. Budget Planning Committee comments will then be considered by the Executive when it discusses the report on 20 August.

4.0 Conclusion and Reasons for Recommendations

- 4.1 Budget Planning Committee is asked to provide comments to the Executive on the proposed savings that have been identified. This allows Budget Planning Committee the opportunity to scrutinise the proposals and provide constructive feedback to the Executive for its consideration.

5.0 Consultation

None

6.0 Implications

Financial and Resource Implications

- 6.1 The savings proposed in Appendix 1 will allow the Council to revise its budget for 2020/21 to reflect the impacts of Covid-19 and allow greater levels of control to be placed on the budget.

Comments checked by:
Michael Furness, Assistant Director of Finance, Tel 01295 221845, Email michael.furness@cherwell-dc.gov.uk

Legal Implications

- 6.2 There are no legal implications arising from this report, although legal comment has been provided on the Executive Report, attached at Appendix 1.

Comments checked by:
Richard Hawtin, Team Leader – Non-contentious, Tel 01295 221695 Email richard.hawtin@cherwell-dc.gov.uk

7.0 Decision Information

Wards Affected

All

Lead Councillor

Cllr Tony Ilott – Lead member for Financial Management and Governance

Document Information

Appendix No	Title
1	Budget Reset 2020/21 Executive Report
Background Papers	
None	
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