

Cherwell District Council

Budget Planning Committee

29 September 2020

Budget and Business Planning Process 2021/22 – 2025/26

Report of the Director of Finance

This report is public

Purpose of report

To present the Budget and Business Planning Process 2021/22 – 2025/26 to Budget Planning Committee and for its comments to be provided to the Executive when it considers the Report on 5 October 2020.

1.0 Recommendations

The meeting is recommended to:

- 1.1 note the Budget and Business Planning Process 2021/22 – 2025/26 Executive Report attached at Appendix 1
- 1.2 to feed back comments on the Report to the Executive at its meeting on 5 October 2020.

2.0 Introduction

- 2.1 Cherwell District Council (CDC) has a legal obligation to set a balanced budget each year. This report lays out the process by which it intends to develop proposals that will deliver a balanced budget that maximises the delivery of CDC's strategic aims and priorities.

3.0 Report Details

- 3.1 The attached report at Appendix 1 sets out CDC's proposed approach to delivering a balanced budget for 2021/22. The report sets out a recap of the Medium Term Financial Strategy (MTFS) agreed at Council in February 2020, including an estimate of needing to identify £7.7m of savings in 2021/22.
- 3.2 Since the MTFS was agreed, the most significant unforeseen impact has been Covid-19 and the impact that this has had on the demand for Council services, the

ability to generate income and the levels of Council Tax and Business Rates that will be generated.

3.3 Additionally CDC is operating within an uncertain financial outlook from Government funding. CDC is awaiting the:

- Outcome of the Spending Review, expected in November 2020
- Autumn Budget, expected mid-late November 2020
- Implications of the Government's Fair Funding Review which is expected to be implemented in April 2022
- Confirmation of when local government will move to 75% business rates retention and how that system will operate

3.4 The Budget and Business Planning Process will consider the impact that savings proposals may have on the strategic priorities of:

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

3.5 This report will begin the Budget and Business Planning Process for 2021/22 – 2025/26. Further reports will be brought back to Budget Planning Committee as the Budget and Business Planning Process develops.

4.0 Conclusion and Reasons for Recommendations

4.1 CDC has a legal duty to set a balanced budget each year. This report begins the process to develop a balanced budget proposal that maximises the Council's ability to deliver the strategic priorities.

5.0 Consultation

This report is the beginning of consultation with Budget Planning Committee on the development of the 2021/22 budget and MTFS.

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 immediate resource implications associated with agreeing a budget process.

Comments checked by:

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

Legal Implications – Mandatory paragraph

- 7.2 The Council legally has to set a balanced budget each year. Ensuring there is a robust process in place will help it to achieve that.

Comments checked by:

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

richard.hawtin@cherwell-dc.gov.uk

Risk Implications - Mandatory paragraph

- 7.3 The Council faces significant risks given the scale of the financial challenge for 2021/22. Having a robust process in place to develop budget proposals and the associated Corporate Plan will help to mitigate these. This is managed through operational and leadership risk registers.

Comments checked by:

Louise Tustian, Head of Insight and Corporate Programmes, 01295 221786

louise.tustian@cherwell-dc.gov.uk

8.0 Decision Information

Key Decision

Financial Threshold Met: N/A

Community Impact Threshold Met: N/A

Wards Affected

All

Links to Corporate Plan and Policy Framework

The Budget and Business Planning Process cuts across the entire Corporate Plan and Policy Framework

Document Information

Appendix number and title

- Appendix 1 Budget and Business Planning Process 2021/22 – 2025/26 – Executive report and appendices

Background papers

None

Report Author and contact details

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