


URGENT BUSINESS AND SUPPLEMENTARY INFORMATION
Council
24 February 2025

Agenda Item Number	Page	Title	Officer Responsible	Reason Not Included with Original Agenda
7.	(Pages 3 - 10)	Budget 2025/2026 and Medium Term Financial Strategy (MTFS) Conservative Group amendment	Assistant Director Finance & S151 Officer	Amendment published in accordance with Budget Council timetable

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This report is public	
Conservative Amendment to 2025/26 Budget	
Committee	Council
Date of Committee	24 February 2025

Purpose of report

To present the amendment put forward by the Conservative Group to the budget for 2025/26 recommended by Executive to Council.

1. Recommendations

The Council resolves:

- 1.1 To insert the following new recommendations in the report to Council entitled 'Budget Setting for 2025/26 and the Medium Term Financial Strategy up to 2029/30'.
- 1.2 In relation to the proposed Fees and Charges schedule for 2025/26, insert at recommendation 1.2 the following:
 - 1.2.1 To delay the proposed increase of £6 in garden waste charges in 2025/26 by one year and apply this increase in 2026/27 as well as other planned changes. This will reduce income in 2025/26 by £0.143m.
- 1.3 In relation to the Revenue Budget Strategy and Medium-Term Financial Strategy (MTFS), insert at recommendation 1.5 the following:
 - 1.5.1.1 Agree net directorate budgets as set out in table 2.2 below (and as a consequence of this amendment other tables will need to be amended accordingly per recommendation 1.6).
 - 1.5.2.1 To introduce the following service investments:
 - Heating Hardship Fund of £0.100m to support pensioners who are struggling during the cost-of-living crisis.
 - Additional Homelessness Prevention Support of £0.065m.
 - £0.051m to fund a Land Drainage Officer to provide additional flood support.
 - 1.5.2.1 To delay service investment DPD2504 – Conservation Areas by one year, reducing costs in 2025/26 only, by £0.020m.
 - 1.5.2.3 To remove the proposed investment in the Waste Collection Partnership Working Fund of £0.150m.
- 1.4 In relation to Council Tax:

To amend recommendation 1.6.5 (a) to reduce expenditure by £0.143m and 1.6.5 (b) to reduce income by £0.143m.

- 1.5 In relation reserves, insert at recommendation 1.8 the following:
- 1.8.3.1 Reduce the contribution to reserves in 2025/26 by £0.189m.
- 1.6 Delegate authority to the S151 officer to update the suite of budget papers and appendices to reflect this amendment.

2. Executive Summary

2.1 Conservative Group Narrative

- 2.1.1 *On 6 May 2024, close local election results led to the formation of a minority Liberal Democrat and Green administration in Bodicote House for the first time. In those elections, the Conservatives secured 31% of the popular vote, with Liberal Democrats recording 28% and Labour, 25%. Green and Independent candidates took the remaining 16%.*
- 2.1.2 *Despite the significant political differences between the Conservative and Independent Alliance in County Hall and the minority Liberal Democrat and Green administration of Oxfordshire County Council, the Conservative opposition group on Cherwell District Council wishes the new administration well and seeks to work constructively with it and fellow opposition Councillors in the Labour & Cooperative and Independent groups in the best interests of our residents.*
- 2.1.3 *District Council budgets tend, overall, to be less political than their County Council equivalents. Cherwell District Council has been well run for many years and it finds itself in a better financial position than many comparable authorities, notwithstanding sector-wide challenges surrounding the sustainability of District Council finances, housebuilding incentives like the New Homes Bonus and local government reorganisation, amongst others.*
- 2.1.4 *This amendment seeks to recognise the good work of officers and members that is visible in much of the budget and seeks to make three principal changes in the light of the challenges faced by the district's residents, paid for by savings in less immediate priority areas. These are:*
- 1. Conservative Councillors have been extremely concerned about flood resilience and mitigation measures across our district for several years. This amendment seeks to establish an additional Land Drainage Officer post to ensure that Cherwell District Council can be more responsive to parishes' concerns, and work more effectively with flood alleviation and highways officers at Oxfordshire County Council;*
 - 2. We consider that extra homelessness prevention support should be included in the budget this year, recognising the rise in street living that we have seen since the end of the pandemic. Anything that we can reasonably do as a local housing and public safety authority to help those who find themselves homeless must surely be welcomed; and*

3. *Leaving aside the political arguments for removing the Winter Fuel Allowance and the good work undertaken by this and other local authorities to ensure that more elderly residents sign up for gateway benefits such as Pension Credit, it is nonetheless the case that some low-paid pensioners on as little as £13,000 have faced additional hardship throughout the Winter months. A Heating Hardship Fund would go some way to ensuring that those worst affected were compensated in the coming financial year.*

2.1.5 *We warmly commend this amendment to colleagues, and we look forward to a productive and amicable debate on the night.*

2.2 The overall financial impact of this proposed budget amendment is £0.189m with there being no overall impact on an ongoing basis. Funding for the net cost of the service changes of £0.189m is made through a reduction in the contribution to reserves. Therefore the proposed budget movement has an overall net nil impact on the 2025/26 budget proposal. However, there is an ongoing impact of £0.051m.

2.3 This budget amendment does not impact on the proposed level of council tax that will be charged of £158.50 for a Band D property. The gross budget is reduced by £0.143m, and income assumptions by the same resulting in no change to the proposed council tax requirement of the council. As there are changes to the gross budget, the statutory calculations in the council tax setting element of the report would also need to be amended.

2.4 The impact of the proposed budget movement is shown in the Table 2.1. There is net nil impact in 2024/25, but no net ongoing impact in future years.

Table 2.1 – Impact of proposed budget movements on MTFs Budget Gap

	2025/26 £m	2026/27 £m
MTFS Net Budget Gap	0.000	4.946
Heating Hardship Fund	0.100	(0.100)
Homelessness Support	0.065	(0.065)
Land Drainage Officer	0.051	0.000
Retention of Garden Waste Charge at 2024/25 levels	0.143	(0.143)
Delay Conservation Work	(0.020)	0.020
Remove contribution to Waste Collection Partnership Working Fund	(0.150)	0.150
Total cost of new recommendations	0.189	(0.138)
Funded by Reduction in Contribution to Reserves	(0.189)	0.189
Revised MTFS Net Budget Gap	0.000	4.997

2.5 The proposed amendments to Directorate budgets are as follows:

Table 2.2 – Budget movements to fund proposed amendment

Directorate	Net budget 2025/26 £m	Proposal £m	Revised Net Budget 2025/26 £m	2026/27 £m	2027/28 £m	2028/29 £m	2029/30 £m
Communities	12.120	0.339	12.459	(0.333)	(0.079)	(0.015)	(0.015)
Resources	7.528	0.00	7.528	(0.163)	(0.026)	(0.090)	(0.100)
Service Sub-total	19.650	0.337	19.985	(0.496)	(0.105)	(0.105)	(0.115)
Corporate Costs	3.926	(0.189)	3.737	1.889	1.163	1.314	0.324
Policy Contingency	2.620	(0.150)	2.470	0.611	0.799	0.799	0.799
Net Cost of Services	26.194	0.000	26.194	2.004	1.857	2.008	1.008
Funding	(26.194)	0.000	(26.194)	2.993	3.305	3.318	(0.071)
Funding Gap / (Surplus)	0.000	0.000	0.000	4.997	5.162	5.326	0.937

2.6 A summary of the proposed changes to the overall savings proposals by directorate is shown in Table 2.3.

Table 2.3 - Movement on 2025/26 efficiency and income proposals

Directorate	2025/26 £m	Proposal £m	Revised £m
Communities	(0.523)	0.143	(0.380)
Resources	(0.517)	0.000	(0.517)
Executive Matters	(0.335)	0.000	(0.335)
Total Savings Proposals	(1.375)	0.143	(1.232)
Prior Year Savings	(0.042)	0.000	(0.042)
New Efficiency Savings	(1.020)	0.000	(1.020)
New Savings	(0.313)	0.143	(0.170)
Total Efficiency and Savings Proposals	(1.375)	0.143	(1.232)

2.7 A summary of the proposed changes to the overall service investment proposals by directorate is shown at Table 2.4.

Table 2.4 – Movement on 2025/26 service investment proposals

Directorate	2025/26 £m	Proposal £m	Revised £m
Communities	0.179	0.196	0.375
Resources	0.212	0.000	0.212
Total New Service Investments	0.391	0.196	0.587
Prior Year Investments	(0.293)	0.000	(0.293)
Savings Non-delivery	0.076	0.000	0.076
New Investments	0.608	0.196	0.804
Total Pressures	0.391	0.196	0.587

2.8 A summary of the proposed changes to the overall reserves position is shown at Table 2.5 below.

Table 2.5 – Revised Forecast Use of Reserves

	Forecast Balance 1 April 2025	2025/26	2026/27	2027/28	2028/29	2029/30	Expected Balance 1 April 2030
General Balances	(7.853)	0.000	0.000	0.000	0.000	0.000	(7.853)
Earmarked Reserves	(28.848)	(2.444)	(0.399)	(0.449)	(0.449)	(0.449)	(33.038)
Revenue Grants	(1.280)	0.523	0.007	0.007	0.007	0.007	(0.730)
Total Revenue Reserves	(37.981)	(1.921)	(0.392)	(0.442)	(0.442)	(0.442)	(41.621)
Capital Reserves	(5.948)	0.720	3.355	0.000	0.000	0.000	(1.873)
TOTAL RESERVES	(43.929)	(1.201)	2.963	(0.442)	(0.442)	(0.442)	(43.494)

Implications & Impact Assessments

Implications	Commentary
<p>Finance</p>	<p>S151 Opinion</p> <p>The proposed amendment can be accommodated within the resources available to the council by reducing the net contribution to reserves by £0.189m to fund the proposals in this amendment.</p> <p>Reducing the policy contingency allocation to fund reductions in estimated income reduces the gross budget and income by equal amounts but has no impact on the net budget or the council tax requirement; therefore, the formal calculations to arrive at the council tax requirement need to be amended for this. However, it is important to note that there are no implications for the overall level of council tax requirement to be required, or the band D level of council tax of £158.50.</p> <p>The amendment includes two items that are likely to have an impact on the council’s ability to address its forecast financial challenge in the medium term:</p> <ul style="list-style-type: none"> • The flood officer is not funded on an ongoing basis and therefore increases the medium term challenge faced by the council by £0.051m. • The removal of the £0.150m investment in the Waste Collection Partnership Working Fund could limit the council’s ability to identify transformational changes in the service in the future. <p>Conclusion</p> <p>The proposals set out in this budget amendment:</p> <ul style="list-style-type: none"> • do not materially impact on the S25 statement at Appendix 3 and so Members of the Council should continue to have due regard to this statement in considering this budget amendment. • are fully funded in 2025/26 through reducing the contribution to reserves by £0.189m. <p>As such the Assurance Statements on the robustness of the revenue estimates and adequacy of reserves (para 28 – 32) in the S25 Statement at Appendix 3 of the Executive’s proposed budget continue to apply.</p> <p>Therefore, I am satisfied that this budget amendment proposal is robust.</p> <p>Michael Furness, Assistant Director of Finance (Section 151), 17 February 2025</p>

<p>Legal</p>	<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 its 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>Shiraz Sheikh, Assistant Director of Law and Governance and Monitoring Officer, 17 February 2025</p>
<p>Risk Management</p>	<p>No change in risks.</p>

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