


URGENT BUSINESS AND SUPPLEMENTARY INFORMATION
Budget Planning Committee
6 January 2020

Agenda Item Number	Page	Title	Officer Responsible	Reason Not Included with Original Agenda
6.	(Pages 1 - 18)	<p>Budget Setting for 2020/21 and the Medium Term Financial Strategy 2020/24</p> <p>Purpose of report</p> <p>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, which will be considered at Executive on 3 February 2020 and at full Council on 24 February 2020</p> <p>Recommendations</p> <p>The meeting is recommended:</p> <p>1.1 To review and scrutinise the contents of this report and provide advice and guidance to the Executive to help them further shape both budget setting for 2020/21 and the MTFS for 2020 to 2024.</p>	Executive Director: Finance (Interim) & Section 151 Officer	Report being reviewed and finalised at time of agenda publication

If you need any further information about the meeting please contact Emma Faulkner, Democratic and Elections democracy@cherwellandsouthnorthants.gov.uk, 01295 221953

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Cherwell District Council

Budget Planning Committee

6 January 2020

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

Report of the 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, which will be considered at Executive on 3 February 2020 and at full Council on 24 February 2020

1.0 Recommendations

The meeting is recommended:

- 1.1 To review and scrutinise the contents of this report and provide advice and guidance to the Executive to help them further shape both budget setting for 2020/21 and the MTFS for 2020 to 2024.

2.0 Introduction

- 2.1 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 forthcoming 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.
- 2.2 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.
- 2.3 On Friday 20 December, the government published a one-year provisional settlement for Local Government which can be found here:

2.4 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

2.5 The settlement was as expected following announcements prior to the General Election in the Chancellor’s budget in September 2019. We had built our financial models on the indicative information provided at that point. Nothing has changed from when the provisional settlement was announced.

2.6 In order to support the Budget Planning Committee with its task of scrutinising the budget setting process 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

2.7 This report will explain how each of the above elements support the development of the budget for 2020/21 and the longer term MTFs and then summarise the next steps that will allow the Council to consider, approve and set a balanced budget on 24 February 2020.

3.0 Report Details

Financial Outturn 2019/2020

3.1 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.

3.2 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.

- 3.3 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

- 3.4 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	4,009
Finance	775
Law and Governance	1,283
Place and Growth	3,457
Wellbeing, Environment & Regulatory Services	12,202
Service Sub-Total	21,726
Corporate Costs	3,878
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.

- 3.5 The budget from 2019/20 has been rolled forward and 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. 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 increases of 1% has also been included pending the outcome of the 31 March 2019 tri-annual valuation of the Oxfordshire Pension Fund which is expected in March 2020.

- 3.6 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

	2019/20			2020/21
	Base Budget	Inflation	Movements	Budget
	£000	£000	£000	£000
Customers and Service Development	3,587	88	334	4,009
Finance	2,173	47	-1,445	775
Law and Governance	1,387	19	-123	1,283
Place and Growth	1,669	127	1,661	3,457
Wellbeing, Environment & Regulatory Services	10,347	227	1,628	12,202
Services Sub-Total	19,163	508	2,055	21,726
Corporate Costs	831	0	3,047	3,878
Net Cost of Services	19,994	508	5,102	25,604

- 3.7 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 the Growth Bids, Savings Proposals, Spend to Save Proposals and the revenue effect of Capital bids – all of which are detailed in Appendix A and summarised for 2020/21 in Table 5 below.

Commercial Property

- 3.8 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.

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

- 3.10 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)

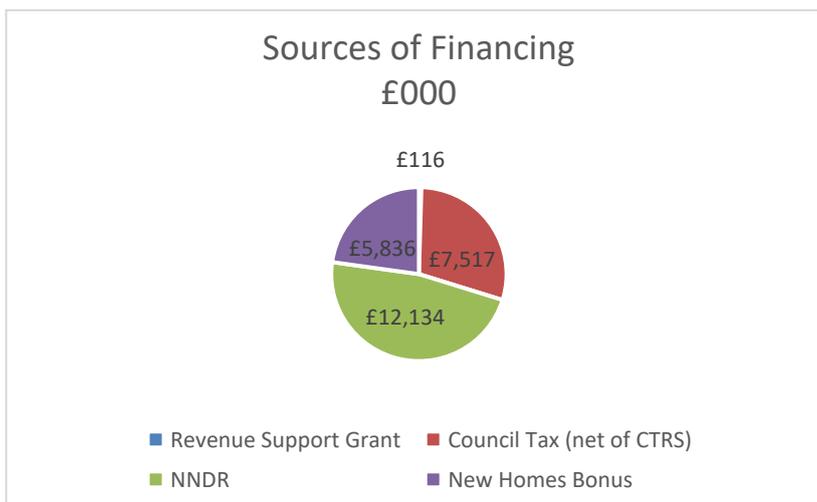
In setting the budget for 2020/21 we have considered any changes in tenancy arrangements and the budget has been set at circa £4.5m. The current value of these assets is £72m which gives a rate of return of 6.25%.

Council Financing

3.11 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 it is expected 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 provisional settlement on 20th December 2019 this remains the same as last year.

Table 3: Sources of Financing



3.12 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)

- 3.13 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 in February 2020. 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 strategic priority, details of the proposals can be found in Appendix A.

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

	Growth £000	Savings £000	Spend to Save £000	Capital Impact £000	Total £000
Clean, Green and Safe	130	(30)		(9)	91
District of Opportunity & Growth	875	(622)		(1)	252
Thriving Communities & Wellbeing	1,310	(145)		7	1,172
Response to Climate Emergency	50		69		119
Operational Excellence	12	(597)		14	(571)
Best Council to work for	24				24
Total	2,401	(1,394)	69	11	1,087

Capital Investment Proposals

- 3.14 The table 6 below details the capital investments proposed for 2020/21. 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.
- 3.15 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 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 will be included as appendices to the final budget report. These have already been reviewed in draft form on 20th November 2019, but will be finally considered on 22nd January 2020. The following table 6 summarises the inclusions by strategic priority, details of the proposals can be found in Appendix A.

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

Reserves

- 3.16 The table 7 below shows an analysis of the general and earmarked reserves in the Council's balance sheet. 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 resulting in an estimated closing balance as at 31 March 2021.
- 3.17 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.

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

Medium Term Financial Strategy

Proposed Changes to Local Government Funding 2021/22 and beyond

- 3.18 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

- 3.19 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

- 3.20 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

- 3.21 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.
- 3.22 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).

3.23 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.

3.24 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.

3.25 The medium term financial strategy 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 : Medium-Term Financial Strategy

	2020/21	2021/22	2022/23	2023/24	2024/25
	£m	£m	£m	£m	£m
Net Budget Requirement	25.6	23.9	24.5	23.6	24.3
Funding Total	(25.6)	(16.3)	(16.6)	(16.0)	(17.2)
Gap	0	7.6	7.9	7.6	7.1

How we Plan to Address the MTFS Gap

3.25 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

4.0 Conclusions and Reasons for Recommendations

- 4.1 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 the Executive to help them further shape both budget setting for 2020/21 and the MTFS for 2020/24.

5.0 Consultation

- 5.1 The report provides an update on the Council’s budget setting process, following the announcement of the Government’s Spending Review on 4 September 2019. The formal consultation surrounding the budget for 2020/21 will begin following this meeting and run up to the Executive meeting on 3 February 2020. The views and comments expressed at this meeting will be shared with and incorporated into the discussions at the Executive on 3 February 2020 ahead of the full Council consideration on 24 February 2020.

6.0 Alternative Options and Reasons for Rejection

- 6.1 This report provides an update on the Council’s budget setting process. As this is a update report, no further options have been considered. However, members may wish to request that officers provide additional information.

7.0 Implications

Financial and Resource Implications

- 7.1 The financial implications arising from the production of this report are being included within the Council’s Medium-Term Financial Strategy processes.

Comments checked by:
Dominic Oakeshott, Assistant Director of Finance (Interim)

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Legal Implications

- 7.2 There are no legal implications arising directly from this report. The process outlined in this report will help to ensure that the Council sets a legally compliant budget in accordance with the Executive Director of Finance's requirement.

Comments checked by:

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

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Risk Management

- 7.3 The risk management aspects of the budget setting process are being managed as part of an overall Medium Term Financial Strategy and Budget Setting Project. This is managed as part of the operational risks and escalated as and when necessary.

Comments checked by:

Louise Tustian, Acting Assistant Director, Performance and Transformation

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8.0 Decision Information

Wards Affected

All

Links to Corporate Plan and Policy Framework

All

Lead Councillor

Councillor Tony Illott, Lead Member for Finance and Governance

Document Information

Appendix No	Title
A	Budget Build Proposals Summary
Report Author	Joanne Kaye – Strategic Business Partner
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Appendix A – Budget Proposals – Growth, Savings and Spend to Save

Please note:

1. Text in black and a positive number represents additional resource requirements through either additional expenditure budget or a reduction in income expected
2. Text in red and a negative number represents a reduction in resource requirement through either additional income or a reduction in expenditure

Growth, Savings and Spend to Save Bids and Revenue Impact of Capital					Spend / Savings Profile				
Reference	Strategic Priority	Project	Brief Description	Net Impact	2020/21	2021/22	2022/23	2023/24	2024/25
GRW011 & GRW045	Best Council to work for	Finance & Hr Apprentice	Both the finance and HR teams wish to employ an apprentice to grow our own talent within teams where recruitment can be difficult for fully qualified staff	47,750	23,875	23,875			
	Best Council to work for Total			47,750	23,875	23,875	0	0	0
CAP028	Clean, Green and Safe	On Street Recycling container provision	To purchase around 60 more on street recycling bins. This will collect litter on one side of the bin and recycling (largely plastic bottles & cans) on the other. They will be located in places such as bus stops and to replace some freestanding litter bins	-10,000	-2,000	-2,000	-2,000	-2,000	-2,000
CAP029	Clean, Green and Safe	Depot fuel system renewal	There are two fuel tanks – one at Highfield depot and one at Thorpe Lane. The fuel is dispensed via pumps which are becoming increasingly unreliable. The pumps at Thorpe Lane are very heavily used and the pumps are ten years old and need of replacement. Spare parts are becoming more difficult to source as the pumps are obsolete. The main pump at Highfield also needs replacement. The fuel system itself is also old, over ten years and better systems are on the market. The system needs replacing during 2020/21	-10,000	-2,000	-2,000	-2,000	-2,000	-2,000
CAP030	Clean, Green and Safe	Horsefair Public Conveniences	Horsefair public conveniences is located in a main visitor area. Adjacent to Banbury Cross and the Fine Lady statue. The coach drop off point is nearby. The public conveniences are twenty years old and in need of a refresh and there are no alternative facilities nearby. The public conveniences will be refurbished to unisex cubicles and a disabled facility	-25,000	-5,000	-5,000	-5,000	-5,000	-5,000
GRW013	Clean, Green and Safe	Waste Collection	The growth of the district means more properties being occupied. Each 4000 properties require a new crew. Each crew covers around 6000 properties with one & half crews needed for each property. This has been in the business plan for several years. A new crew will commence in 2020/21 with a further crew likely to be required in 2023/24	1,090,000	70,000	170,000	170,000	340,000	340,000
GRW040	Clean, Green and Safe	Waste Collection – Recycling gate fee	The value of recyclables can be highly volatile. Three years ago, recyclables were bringing in £300k/year income. The gate fees have changed to having to pay due to price changes on the individual materials. The gate is fee is over £40/tonne which means a change of £700k/year over the last three years. The deal to the Council is still favourable compared to most Councils	300,000	60,000	60,000	60,000	60,000	60,000
SAV027	Clean, Green and Safe	Commercial Waste	This proposal is to grow the Commercial Waste Service. The Commercial Waste Service has grown over recent years from a very small service bringing in around £50k of income per year to a service bringing in around £300k/year. The service is planning to continue to expand at around £100k/year additional income for each of the following three years, resulting in a net £30k pa surplus	-150,000	-30,000	-30,000	-30,000	-30,000	-30,000
	Clean, Green and Safe Total			1,195,000	91,000	191,000	191,000	361,000	361,000
CAP031	District of Opportunity & Growth	Car Parking Action Plan Delivery	A new car parking strategy with an action plan is being developed. It is expected that the strategy & action plan will be approved by the Executive in early 2020. The action plan will aim to improve signage to and from the car parks. It will enhance facilities including signage and direction boards. More car parks will move over to pay on exit. In addition issues such as changing lighting over to LED lights to make the car parks even more safe but also energy efficient The action plan will commence in 2020 and should be largely completed in early 2021/22	-75,000		-30,000	-45,000		

CAP032	District of Opportunity & Growth	Street scene fencing, street furniture and railings	This project aims to ensure play areas, open spaces and areas on CDC land and areas where CDC is responsible are safe for children and other people. Work will include replacing fences, railings and other street furniture which is either in poor condition or needs replacing	-5,000	-1,000	-1,000	-1,000	-1,000	-1,000
GRW002	District of Opportunity & Growth	Growth Deal – Year 3 CDC Plan Resourcing	Following the establishment of the CDC Growth Deal Programme Board a resourced Year 2 delivery plan was created and approved. This growth proposal identifies the required resources to continue the programme through Year 3. The Programme is made up of four workstreams: Affordable Housing; Homes from Infrastructure; Productivity and the Oxfordshire Plan 2050. These are supported by a Programme Management function within the Transformation team.	972,047	336,978	313,944	321,125		
GRW017	District of Opportunity & Growth	Canalside Regeneration Feasibility	The budget proposal would allow the appointment of external consultants to work with staff to unlock, design and engage stakeholders to ensure a delivery plan to achieve the Councils aspirations in delivering the Canalside Redevelopment.	230,000	230,000				
GRW021	District of Opportunity & Growth	Planning Policy Conservation Design	Net cost for 20/21 for staff changes : Required for Planning Policy, Conservation & Design Business Case to achieve: - Introduction of team leaders and provide capacity for the service manager - To build capacity in Planning Policy to fulfil project requirements of the Local Development Scheme - To re-introduce Urban Design resource to support healthy place shaping and raise design standards	266,307	61,095	51,303	51,303	51,303	51,303
GRW033	District of Opportunity & Growth	Kidlington masterplan delivery project	This project will deliver the projects identified in the action plan and next steps for Kidlington masterplan. The priority projects include the village centre, Exeter Close, sport and recreation improvement. The Growth Proposal will support a Project Delivery Officer/Manager (£50,000) and funding (£75,000) for specific projects and strategy development for an employment cluster, Oxford Road corridor transformation and canal improvement.	175,000	125,000	50,000			
GRW036	District of Opportunity & Growth	Landscape architects	The growth of the district means more and more planning applications are being received. The Landscape architects (1.5 FTE) comment on planning applications and inspect after developments are complete. The level of planning applications particularly on major developments mean most of the resource is tied up on planning applications and other projects such as the design and development of Banbury Country Park and Bicester Country Park The intention is to fill another post to deal with the growth in planning applications.	100,000	20,000	20,000	20,000	20,000	20,000
GRW038	District of Opportunity & Growth	Planning Fee income reduction	To compensate for expected net reduction in planning fee income.	512,500	102,500	102,500	102,500	102,500	102,500
SAV003	District of Opportunity & Growth	Rental Income - Tramway and Antelope Garage, Banbury	CDC acquired Tramway industrial Estate on the 29th March 2019. The income from that property was not reflected in our 2019/20 revenue budgets due to the timing of the acquisition. Rent free periods in some of our other commercial properties have also come to an end during 2019/20 and this means that we are anticipating additional income due to the council that needs to be reflected in our budgets.	-2,508,750	-501,750	-501,750	-501,750	-501,750	-501,750
SAV011	District of Opportunity & Growth	Miscellaneous	Small adjustments based on correction from previous years across all of our property services following a line by line review of all budget lines	-457,595	-91,519	-91,519	-91,519	-91,519	-91,519
SAV028	District of Opportunity & Growth	Christmas Lights	This is a revenue saving from changes to the way in which Christmas lights will be delivered in future	-146,000	-29,200	-29,200	-29,200	-29,200	-29,200
	District of Opportunity & Growth Total			-936,491	252,104	-115,722	-173,541	-449,666	-449,666
CAP004	Operational Excellence	Procurement of joint performance system with OCC	Implementation of this proposal will ultimately deliver a much improved data capture and reporting system for the services to use and for the audiences to review (CEDR/members and our residents). This proposal will also enable shared working across CDC & OCC, expanding resilience across the areas, one version of the truth through reporting and an improved end to end process.	40,000		10,000	10,000	10,000	10,000
CAP024	Operational Excellence	Bodicote House Meeting Room Audio Visual Systems	There is a growing demand within the council to make use of audio & visual (AV) facilities within meeting rooms at Bodicote House. Historically, to provide additional capacity, a temporary projector has been used. In order to eliminate the inefficient temporary approach, the proposal is to install an AV system in a further 3 meeting rooms within Bodicote House.	4,000	2,000	2,000			
CAP025	Operational Excellence	Legacy Iworld System Migration	Following the replacement of the I World system used within our Revenues and Benefits service, there is a need to ensure that all the data is still accessible and can be interfaced with our new system. This project will ensure that can be completed.	12,000	12,000				
GRW014	Operational Excellence	Land Charges – Income Reduction	The current level of expected income was reduced to £262,000 in 2019-20. The forecast income for the 2019-20 year is £235,000. This uncertainty is expected to continue and therefore it is prudent to reduce the level of expected income to £250,000 for 2020-21. This is considered realistic given current forecasts and the proposed increase in fees and charges.	60,000	12,000	12,000	12,000	12,000	12,000
SAV001	Operational Excellence	Increasing licensing income	Increase in income from licensing activities	-100,000	-20,000	-20,000	-20,000	-20,000	-20,000

SAV002	Operational Excellence	Rationalised FM Operations	Cleaning and security service contracts for our properties have been renegotiated which have resulted in favourable rates, without a reduction in service or quality as part of the tendered specification. We continue to monitor the contracts using KPIs agreed as part of that specification, to assure quality and cost-efficiencies are maintained.	-841,435	-142,751	-174,671	-174,671	-174,671	-174,671
SAV004	Operational Excellence	Finance – Consultancy	The Finance team has previously had a budgetary requirement of £72k to fund the costs of consultancy across a number of projects, including the establishment of new companies, major capital schemes, closure of the accounts and system and process improvements. However, a change in approach and the completion of some of the projects reduces this requirement considerably to £10k	-310,000	-62,000	-62,000	-62,000	-62,000	-62,000
SAV006	Operational Excellence	Finance – Recruitment	The Finance team has previously had a budgetary requirement of £30k to fund the costs of recruitment. However now that the majority of posts have been filled the assumption is that normal levels of turnover will resume, and lower level of budgetary allocations will be needed reducing the requirement. It is suggested this be reduced to zero, with a focus on developing and growing the team locally. Should there be a requirement for recruitment costs this would be managed from the process of vacancy management, holding posts vacant for a sufficient period to cover the required recruitment costs.	-150,000	-30,000	-30,000	-30,000	-30,000	-30,000
SAV012	Operational Excellence	EDM Software	New Electronic Document Management system has resulted in savings	-60,000	-12,000	-12,000	-12,000	-12,000	-12,000
SAV016	Operational Excellence	Spiceball Management contract	Reduction in management costs to reflect year on year movements in the fee.	-140,000	-28,000	-28,000	-28,000	-28,000	-28,000
SAV017	Operational Excellence	Democratic Services – Review of Parish Charges	A full review of the recharges made for the proper administration of elections for Parish and Town Councils to ensure that we recover the appropriate level of costs.	-25,000	-5,000	-5,000	-5,000	-5,000	-5,000
SAV018	Operational Excellence	Democratic Services - Canvass reform	With the reform of the annual canvass arrangements it is anticipated this will reduce the administrative burden on Councils generally and CDC should see a reduction in the administrative burden on electoral registration.	-25,000	-5,000	-5,000	-5,000	-5,000	-5,000
SAV019	Operational Excellence	Legal Charges	The proposal is to (a) review legal spend, (b) establish a procedure through the Director of Law & Governance for authorisation of external legal spend, (c) consider in the first instance whether internal support can be utilised through the joint legal service and (d) review the legal charges as part of the framework contract.	-150,000	-30,000	-30,000	-30,000	-30,000	-30,000
SAV020	Operational Excellence	Increased income	It is anticipated that with the full implementation of the Growth Deal there will be an increase in development proposals within CDC's area and developers pay a for the legal support provided to facilitate those developments. This should result in increased income.	-400,000	-80,000	-80,000	-80,000	-80,000	-80,000
SAV024	Operational Excellence	Delete vacant Senior Estate and Valuation Officer	Following separation, the post is no longer required.	-310,115	-62,023	-62,023	-62,023	-62,023	-62,023
SAV025	Operational Excellence	Increasing car parking charges	This proposal is to increase car parking charges for the first time since 2011.	-1,560,000	-120,000	-295,000	-300,000	-400,000	-445,000
	Operational Excellence Total			-3,955,550	-570,774	-779,694	-786,694	-886,694	-931,694
GRW006	Response to Climate Emergency	Responding to Climate Emergency	Additional resource to ensure CDC responds to the Climate Emergency with pace and a structured programme management approach. This resource will enable CDC to recruit additional expertise and capacity to lead on this project. The intention is to create a shared team with Oxfordshire County Council to make the most of expertise, knowledge, efficiencies of scale and resilience of a larger team working across Cherwell and Oxfordshire. Working in this way will enable us to get the most value from the resource. This is addition to the work that is already ongoing within services.	250,000	50,000	50,000	50,000	50,000	50,000
S2S002	Response to climate Emergency	LED Lighting across corporate properties	Cherwell District Council has a wide and diverse property portfolio, these properties are generally of an age where traditional light fittings are used. To reduce energy consumption which will lead to a reduction in energy billing it is proposed to replace existing traditional fluorescent / filament lamps across the council's corporate portfolio to LED lamps with proximity sensors.	105,000	69,000	69,000	69,000	-51,000	-51,000
	Response to Climate Emergency Total			355,000	119,000	119,000	119,000	-1,000	-1,000
CAP006	Thriving Communities & Wellbeing	Community Centre - Works	Following condition surveys undertaken on our community centre buildings, it has been identified that a number of them now need full roof replacements to ensure that the buildings are water-tight and do not cause damage to internal structures. We have always repaired wherever possible to extend the life of these assets but have reached the stage where full replacements are necessary.	13,860	6,930	6,930			
GRW004	Thriving Communities & Wellbeing	Growth Deal – Affordable Housing "Top Up Funding"	To provide sufficient funding to deliver the Affordable Housing (AH) numbers specified in the Growth Deal (GD). This will be funded through S106 monies held to deliver Affordable Housing.	880,000	880,000				
GRW019	Thriving Communities & Wellbeing	Contribution to the Young People's Supported Housing Pathway (YPSHP)	This is CDC's proposed contribution to the Young People's Supported Housing Pathway being recommissioned by Oxfordshire County Council in partnership with the 5 district/city councils. New contracts will start on 1/10/20 and run for 5 years.	538,303	59,811	119,623	119,623	119,623	119,623

GRW026	Thriving Communities & Wellbeing	FAST programme – Wellbeing Service	Grant income that will have a corresponding expenditure not accounted for in 2019/2020. Part of a much larger grant from Sport England that will not yield an income directly to Cherwell District Council	79,560	26,520	26,520	26,520			
GRW028	Thriving Communities & Wellbeing	Social Prescribing	This additional contribution for the next 2 years is essential to continue our commitment to prevention and improving residents' wellbeing through a supported system of care navigators. This is a contracted out service supported by Cherwell, West Oxfordshire DC and OCCG underwritten by the Department of Health. From 2022/23 the whole budget is no longer required.	1,500	13,500	13,500	-8,500	-8,500	-8,500	
GRW029	Thriving Communities & Wellbeing	Spiceball Leisure Centre Contract Compensation	The Leisure Centre contract has provision for compensation payments due to the operator of Spiceball Leisure Centre should Cherwell change the context of the operation. The closure of the pedestrian footbridge to Spiceball Leisure Centre is essential during the completion of extension works to Castle Quay. It is anticipated that this will conclude at the end of the 2020/21 financial year and compensation will need to be paid against the agreed benchmark throughput. This amount will be set aside as part of the negotiations but only the amount required will be paid over.	330,000	330,000					
SAV007	Thriving Communities & Wellbeing	Cherwell Bond Scheme Revenue Budget	This a long-standing revenue budget that funds the setting up of new private rented sector tenancies for homeless households. The budget is used to set up deposit bonds which underwrite a tenancy i.e. no money is passed across to the landlord or tenant but the bond acts as a security for the landlord. The Bond is only paid out once the tenancy ends and only if there has been damage to the property beyond reasonable wear and tear. The £30,600 recurring budget has been underspent year on year and underspend carried in to a Bond Scheme reserve that now stands at £100k. This is enough to cover any costs incurred by the Scheme in to the medium to long term. As and when it is dissipated a growth bid will be submitted in the future.	-153,000	-30,600	-30,600	-30,600	-30,600	-30,600	
SAV008	Thriving Communities & Wellbeing	Potential saving from joint commissioning of contracts within communities and wellbeing	The proposal is to reduce spend on jointly commissioned contracts during 2020/21 and future years.	-111,339	-10,503	-25,209	-25,209	-25,209	-25,209	
SAV015	Thriving Communities & Wellbeing	Homelessness Support Grants	Owing to continued grant funding from central Government it is now possible to reduce Cherwell's contribution whilst maintaining the same services for those facing homelessness.	-40,000	-8,000	-8,000	-8,000	-8,000	-8,000	
SAV023	Thriving Communities & Wellbeing	Health Buses	Following a review of our vehicles that provide information and services around the District, we have been able to consolidate provision through a smaller number of vehicles but without reducing provision. This reduces the overall spend.	-55,000	-11,000	-11,000	-11,000	-11,000	-11,000	
SAV026	Thriving Communities & Wellbeing	Build Rental Income Increase	Increase rental income by 2%, and remove vacant FTE from salary budget	-425,000	-85,000	-85,000	-85,000	-85,000	-85,000	
	Thriving Communities & Wellbeing Total			1,058,884	1,171,658	6,764	-22,166	-48,686	-48,686	
	Grand Total			-2,235,407	1,086,863	-554,777	-672,401	-1,025,046	-1,070,046	

Appendix A – Budget Proposals - Capital

	Capital Bids				Spend Profile				
Reference	Strategic Priority	Project	Brief Description	Total Scheme Cost	2020/21	2021/22	2022/23	2023/24	2024/25
CAP017	Clean, Green and Safe	Vehicle Replacement Programme	Each year the Council has a replacement programme for its vehicles. As soon as a vehicle is purchased it is put on a replacement programme, often 7-10 years hence. The programme is regularly reviewed and changes are made due to a number of reasons such as condition of asset, change of activities, change in technology. The plan for 2020/21 is certain but the programme for future years are the best estimates based on known life of vehicles etc. We run the fleet on lowest whole life cost basis.	4,880,000	952,000	846,000	664,000	1,102,000	1,316,000
CAP018	Clean, Green and Safe	Commercial Waste Containers	The proposal is to supply commercial containers through existing framework agreements	100,000	25,000	25,000	25,000	25,000	
CAP028	Clean, Green and Safe	On Street Recycling container provision	To purchase around 60 more on street recycling bins. This will collect litter on one side of the bin and recycling (largely plastic bottles & cans) on the other. They will be located in places such as bus stops and to replace some freestanding litter bins	24,000	24,000				
CAP029	Clean, Green and Safe	Depot fuel system renewal	There are two fuel tanks – one at Highfield depot and one at Thorpe Lane. The fuel is dispensed via pumps which are becoming increasingly unreliable. The pumps at Thorpe Lane are very heavily used and the pumps are ten years old and need of replacement. Spare parts are becoming more difficult to source as the pumps are obsolete. The main pump at Highfield also needs replacement. The fuel system itself is also old, over ten years and better systems are on the market. The system needs replacing during 2020/21	50,000	50,000				
CAP030	Clean, Green and Safe	Horsefair Public Conveniences	Horsefair public conveniences is located in a main visitor area. Adjacent to Banbury Cross and the Fine Lady statue. The coach drop off point is nearby. The public conveniences are twenty years old and in need of a refresh and there are no alternative facilities nearby. The public conveniences will be refurbished to unisex cubicles and a disabled facility	150,000		150,000			
	Clean, Green and Safe Total			5,204,000	1,051,000	1,021,000	689,000	1,127,000	1,316,000
CAP031	District of Opportunity & Growth	Car Parking Action Plan Delivery	A new car parking strategy with an action plan is being developed. It is expected that the strategy & action plan will be approved by the Executive in early 2020. The action plan will aim to improve signage to and from the car parks. It will enhance facilities including signage and direction boards. More car parks will move over to pay on exit. In addition issues such as changing lighting over to LED lights to make the car even more safe but also energy efficient. The action plan will commence in 2020 and should be largely completed by early 2021/22	175,000	125,000	50,000			
CAP032	District of Opportunity & Growth	Street scene fencing, street furniture and railings	This project aims to ensure play areas, open spaces and areas on CDC land and areas where CDC is responsible are safe for children and other people. Work will include replacing fences, railings and other street furniture which is either in poor condition or needs replacing	60,000	12,000	12,000	12,000	12,000	12,000
	District of Opportunity & Growth Total			235,000	137,000	62,000	12,000	12,000	12,000
CAP002	Operational Excellence	Project Management for HR/Payroll System	The implementation of a new system is already underway with the first payroll due to be paid from it in March 2020. As a fully integrated system it is critical to retain a full system overview to ensure that further implementation is managed and supported appropriately. This is the role of the Project Manager who will be required to oversee the full integration process during 2020/21.	50,000	50,000				
CAP004	Operational Excellence	Procurement of joint performance system with OCC	Implementation of this proposal will ultimately deliver a much-improved data capture and reporting system for the services to use and for the audiences to review (CEDR/members and our residents). This proposal will also enable shared working across CDC & OCC, expanding resilience across the areas, one version of the truth through reporting and an improved end to end process.	65,000	65,000				
CAP024	Operational Excellence	Bodicote House Meeting Room Audio Visual Systems	There is a growing demand within the council to make use of audio & visual (AV) facilities within meeting rooms at Bodicote House. Historically, to provide additional capacity, a temporary projector has been used. In order to eliminate the inefficient temporary approach, the proposal is to install an AV system in a further 3 meeting rooms within Bodicote House.	10,000	10,000				
CAP025	Operational Excellence	Legacy Iworld System Migration	Following the replacement of the I World system used within our Revenues and Benefits service, there is a need to ensure that all the data is still accessible and can be interfaced with our new system. This project will ensure that can be completed.	100,000	100,000				

CAP026	Operational Excellence	CDC & OCC Technology Alignment	As the CDC and OCC partnership develops and as OCC progress their IT Transformation programme, opportunities may arise whereby CDC and OCC can align technology and processes to maximise efficiencies and improve services for staff. This project will drive forward the identification of potential opportunities, prioritise and implement those that will bring maximum benefit to the partnership.	100,000	100,000				
Operational Excellence Total				325,000	325,000	0	0	0	0
CAP006	Thriving Communities & Wellbeing	Community Centre - Works	Following condition surveys undertaken on our community centre buildings, it has been identified that a number of them now need full roof replacements to ensure that the buildings are water-tight and do not cause damage to internal structures. We have always repaired wherever possible to extend the life of these assets but have reached the stage where full replacements are necessary.	385,000	195,000	190,000			
CAP019	Thriving Communities & Wellbeing	Build Team Essential Repairs and Improvements Capital Budget	This sum is to cover essential repairs and improvements to existing properties in the Build portfolio	160,000	160,000				
CAP020	Thriving Communities & Wellbeing	Creampot Crescent, Cropredy-repurchase contingency budget	1A Creampot Crescent, Cropredy is a three-bedroom shared ownership property developed on a Rural Exception Site. This attracts a lease condition that the purchaser can only staircase up to 80% of the overall value to ensure that the house stays as an affordable unit in perpetuity. Mortgage lenders require a guarantee that in the unlikely event they have to repossess the property the Council will purchase the property at full market value. This will require CDC to have a rolling capital budget to meet this requirement.	350,000	350,000				
CAP021	Thriving Communities & Wellbeing	Cooper School - Re-development/Refurbishment works of Male/Female Changing Rooms	The Capital Bid outlined below identifies the need for investment in the Male, Female and Disabled Changing Rooms and Toilet Facilities at The Cooper School Bicester to improve/upgrade these facilities. In terms of the proposed works the following are required (these are indicative costs only at this stage until more detailed proposals are provided).	40,000	40,000				
CAP022	Thriving Communities & Wellbeing	North Oxfordshire Academy – Upgrade of existing Facilities to meet 'Trackmark' accreditation	This will ensure that the facilities meet "Trackmark" accreditation and ensure that we are able to secure the ongoing revenue income that we received for use of the track facilities	60,000	60,000				
CAP033	Thriving Communities & Wellbeing	Burnehyll Community Woodland	Funding required to develop a community woodland, including archaeological surveys, public access footpath works, signage, gates, park furniture, and tree planting.	230,000	80,000	95,000	55,000		
Thriving Communities & Wellbeing Total				1,225,000	885,000	285,000	55,000	0	0
Grand Total				6,989,000	2,398,000	1,368,000	756,000	1,139,000	1,328,000