

Cherwell District Council

Executive

2 December 2013

Draft Budget 1 2014-15 and Business Plan Update

Report of Interim Head of Finance and Procurement and Head of Transformation

This report is public

Purpose of report

The Council has to adopt a budget and business plan for 2014/15 as the basis for calculating its level of Council Tax and has to base that budget on its plans for service delivery during the year, recognising any changes in service demand that may arise in future years. This is the first of two opportunities that the Executive has to shape and refine the appending plans before the final budget is presented to the Council on 24 February 2014.

1.0 Recommendations

The meeting is recommended:

- 1.1 To consider the draft revenue budget (detailed in Appendix A);
- 1.2 To consider the recommendations of the Budget Planning Committee review of the capital programme that was considered at the Budget Planning Committee meetings in November 2013 and detailed in Appendix B;
- 1.3 To note that the final local government finance settlement has still not yet been announced and that the implications of this will need to be fully considered once the announcement has been made
- 1.4 To advise of any other matters they would like taken into consideration in producing a balanced budget for the meeting of the Executive on 3rd February 2014;
- 1.5 To endorse the passporting of the Council Tax Reduction Scheme (CTRS) grant to local preceptors
- 1.6 To agree the draft medium term strategic priorities (as set out in Appendix C) for public consultation.

- 1.7 To agree the objectives and targets for the 2014/15 annual business plan (as set out in Appendix D) for public consultation alongside the 2014/15 budget.

2.0 Introduction

- 2.1 At its meeting of the 7th October 2013, the Executive approved the budget strategy for the Council for 2014/15 and beyond. The strategy itself set out the underlying assumptions within the budget and the principles underlying the setting of the budget. The key principles agreed were:

- Protect front line services
- Focus attention on corporate and service priorities and improving performance
- Maximising joint working potential
- Maximise procurement opportunities and contract negotiations

- 2.2 This report sets out the latest projection for the 2014/15 revenue budget based upon the above guidelines and assumptions. The budget has been constructed using the underlying assumptions in relation to government grant. However, at the time of writing this report the local government finance settlement has not been announced. The Chancellor of the Exchequers Autumn Statement is due to be announced around the 5th December and the settlement is expected a short time after that. Any impact of the settlement will be the subject of a further report to Executive.

3.0 Report Details

- 3.1 The report details the current position with regard to the draft budget for 2014/15. Attached to this report at Appendix A is the detailed draft budget. As is usual at this stage the draft position shows a deficit at this stage together with suggestions on how a balanced position will be achieved by February 2014.
- 3.2 The budget itself has been prepared prior to the financial settlement being announced so will therefore be subject to any implications from that announcement. Members will be advised of the implications on the council of that settlement once these are known.
- 3.3 Appendix B contains the proposals from the Budget Planning Committee in relation to capital bids for the Executive to consider.
- 3.4 Cherwell District Council has a robust approach to setting its priorities and undertaking business planning. During the current planning cycle a full review of the council's medium term financial position has been undertaken (the medium term financial strategy) and alongside this the Executive have drafted a set of medium term strategic priorities and financial objectives which will be used to inform the development of the annual budget and business plan.

3.5 As part of the development of these medium term strategic priorities Executive have reviewed the results of the 2011 census and the social and demographic trends likely to impact on service delivery in the medium term. In addition customer satisfaction and budget priorities (identified by research undertaken with the citizens' panel) have also been used to inform the development of these priorities.

3.6 Taking account of customer feedback and socio-demographic change is key to ensuring the success and relevance of the five year business strategy. However, it also important to take account of major policy change and to this end the medium term financial strategy has analysed the impact of government shifts in funding arrangements including the use of the new homes bonus and localised business rates. Reflecting the external policy and funding environment a number of key challenges have informed the development of the five year business strategy priorities these include:

- **Managing growth:** delivering the right type of economic development and working to ensure that appropriate economic and housing growth supports the financial sustainability of the council. The growth and delivery agenda will have high profile over the coming five years and both town centre Masterplans are reflected in the draft strategic priorities. Business regulation that supports business development is essential as is planning performance. Affordable housing and appropriate housing development are also reflected within the medium term strategic objectives.
- **Service delivery:** ensuring core services (i.e. those services highly valued by local residents) are delivered to a high standard in the most cost effective way. This includes recycling and waste management, street cleansing, dealing with anti-social behaviour and community safety (in particular tackling fear of crime in a low crime district).
- **Supporting communities:** making sure the health, leisure, culture and community development services that are delivered or commissioned by the council, meets four outcomes
 - 1) Prevents problems emerging (e.g. homelessness, joblessness)
 - 2) Protects vulnerable people (e.g. older people/ people with disabilities/ people affected by welfare reform)
 - 3) Supports the wider health and well-being agenda (e.g. older people being able to remain in their homes)
 - 4) Delivers sustainable communities (places where people want to live, work and grow)
- **Strong financial management and a continued focus on customers:** a financial strategy that delivers income generation through appropriate development, asset management and lower cost service delivery models (of all types). A Medium Term Financial Strategy that moves the council to a long term position of financial sustainability. The delivery of high quality enabling services to support our core services (e.g. legal) and ensuring that the council effectively communicates with and responds to customer need.

- 3.7 The draft strategic priorities are set out in Appendix C and will be subject to consultation alongside the 2014/15 budget and business plan objectives.

The annual business plan and service planning

- 3.8 Underpinning the five year strategic priorities the council will agree an annual business plan and budget to deliver these objectives. The draft annual business plan is set out in Appendix D. This document is subject to change and development as it will form part of the budget consultation.
- 3.9 All Heads of Service will prepare a service plan that ensures the delivery of the annual business plan and medium term strategic priorities. The annual business plan and departmental service plans form the performance management framework of the council and progress will be reported on a quarterly basis and through the council's annual report (to be published in June).

4.0 Conclusion and Reasons for Recommendations

- 4.1 Members are asked to consider the recommendations above.

5.0 Consultation

Councillor Atack, Lead Member for Financial Management

The five year business strategy priorities, the 2014/15 budget and annual business plan will be subject to public consultation. Suggested amendments to the strategy, plan and budget will be brought to the Executive meeting in February 2014 as a final draft of the business strategy, 2014/15 annual budget and business plan for recommendation to the February 2014 Council meeting.

6.0 Alternative Options and Reasons for Rejection

- 5.1 This is the draft budget and options for the overall budget for the council will be considered at its meeting in February.

7.0 Implications

Financial and Resource Implications

- 7.1 The financial implications are contained within this report.

Comments checked by: Tim Madden, Interim Head of Finance and Procurement
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Legal Implications

7.2 There are no direct legal implications arising out of this report.

Comments checked by: Kevin Lane, Head of Law and Governance, 0300 0030107
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8.0 Decision Information

Key Decision Yes

Financial Threshold Met: Yes

Community Impact Threshold Met: Yes

Wards Affected

All

Links to Corporate Plan and Policy Framework

All

Lead Councillor

Councillor Ken Atack
Lead Member for Financial Management

Document Information

Appendix No	Title
Appendix A	Draft Budget 2014/15 – to follow Capital Programme
Appendix B	2014/15 – to follow
Appendix C	Draft Medium Term Strategic Priorities – to follow
Appendix D	Objectives and targets 2014/15 business plan – to follow
Background Papers	
None	
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