

Cherwell District Council

Budget Planning Committee

25 July 2023

Budget Process 2024/25

Report of Assistant Director of Finance

This report is public

Purpose of report

This report summarises the approach Cherwell District Council (CDC) intends to take in order to set its 2024/25 budget and 5-year Medium-Term Financial Strategy (MTFS) for the period to 2028/29 and revises the Reserves Policy.

1.0 Recommendations

The meeting is recommended:

- 1.1 To note the contents of Appendix 1.

2.0 Introduction

- 2.1 The report submitted to, and approved at, the 3 July Executive Committee at Appendix 1 summarises the approach CDC intends to take in order to set its 2024/25 budget and 5-year MTFS for the period 2024/25 to 2028/29. It also proposes a revision to the Reserves Policy.

3.0 Report Details

- 3.1 The council must set a balanced revenue budget for 2024/25 and the MTFS approved by Council in February 2023 identified a budget gap of £4.7m. The report to the Executive Committee appended sets out how CDC will address this gap in setting the budget for 2024/25.
- 3.2 The recommendations within the report at Appendix 1 approved by Executive on 3 July 2023 are as follows:
 - a. Approve the Budget and Business Planning Process for 2024/25
 - b. Approve the base assumptions to be used for the 2024/25 budget.
 - c. Approve a five-year period for the Medium-Term Financial Strategy to 2028/29 and five-year period for the Capital Programme to 2028/29.

d. Approve the revised Reserves Policy at Appendix 4

- 3.3 Section 3.4 of Appendix 1 sets out the base budgeting assumptions which were included in the MTFS approved in February 2023. These include assumptions in relation rates of salary, contract and Fees & Charges inflation (section 3.4 – 3.6) and to Funding (section 3.7 - 3.11) in the form of expected levels of government grants and Council Tax rates.
- 3.4 Sections 3.12 to 3.13 of Appendix 1 forecast the level of earmarked reserves at the end of 2023/24 (£25.9m). The General Fund reserve recommended level of £6.0m remains as deemed prudent by the Section 151 Officer in the Section 25 report submitted with the February 2023 Council report.
- 3.5 Sections 3.14 to 3.16 of Appendix 1 explain the context for the proposed addition to the Reserves Policy of a paragraph giving the Section 151 Officer the delegated authority to approve reserves movements which are required as a result of the external audit. The proposal also requires any changes made under this delegated authority to be reported to the Executive.
- 3.6 Sections 3.17 to 3.24 of Appendix 1 discuss the potential impact of the Cost-of-Living Crisis and government announcements on the Council and its residents.
- 3.7 Sections 3.25 to 3.32 of Appendix 1 describe how the Council will approach breaching the budget gap and how the MTFS will be used to deliver the strategic aims listed in the Council's Business Plan.
- 3.8 Appendix 1 discusses the process for consultation and engagement are discussed in sections 3.33 to 3.37 and finally, the high-level timeline for the budget process is detailed in sections 3.38 to 3.43.
- 3.9 There were four appendices to the Executive report, including a summary of the savings and growth included in the MTFS approved in February 2023 (Appendices 1 & 2 respectively), the timetable for the budget setting process (Appendix 3) and the revised Reserves Policy (Appendix 4).

4.0 Conclusion and Reasons for Recommendations

- 4.1 Budget Planning Committee are invited to note and comment on the contents of Appendix 1.

5.0 Consultation

None required.

6.0 Alternative Options and Reasons for Rejection

- 6.1 No alternative options have been considered.

7.0 Implications

Financial and Resource Implications

- 7.1 There are no financial implications arising directly as a result of this report.

Comments checked by:

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

Legal Implications

- 7.2 There are no legal implications arising directly as a result of this report.

Comments checked by:

Shiraz Sheikh, Assistant Director Law & Governance, 01295 221651
shiraz.sheikh@cherwell-dc.gov.uk

Risk Implications

- 7.3 There are no risk implications arising directly as a result of this report. Any risks will be managed as part of the operational risk register and escalated as and when necessary to the Leadership Risk Register.

Comments checked by:

Shona Ware, Assistant Director – Customer Focus, 01295 221652
shona.ware@cherwell-dc.gov.uk

Equalities and Inclusion Implications

- 7.4 There are no equalities implications arising directly as a result of this report. Any service or policy review required to support any reprofiled spend will have an accompanying Equalities Impact Assessment as needed.

Comments checked by:

Shona Ware, Assistant Director – Customer Focus, 01295 221652
shona.ware@cherwell-dc.gov.uk

Sustainability Implications

- 7.5 There are no direct sustainability implications as a result of this report.

Comments checked by:

Jo Miskin, Climate Action Manager, Environmental Services, 01295 221748,
Jo.Miskin@cherwell-dc.gov.uk

8.0 Decision Information

Key Decision N/A

Financial Threshold Met: N/A

Community Impact Threshold Met: N/A

Wards Affected

All

Links to Corporate Plan and Policy Framework

All

Document Information

Appendix number and title

- Appendix 1 – Budget Process 2024/25 – report to Executive and relevant appendices

Background Papers

None

Report Author and contact details

Joanne Kaye

Head of Finance (Deputy S151)

Joanne.kaye@cherwell-dc.gov.uk

01295 221545