

This report is public.	
Budget and Business Planning Process 2025-26	
Committee	Budget Planning Committee
Date of Committee	17 September 2024
Portfolio Holder presenting the report	Cllr McLean, Portfolio Holder for Finance and Resources
Date Portfolio Holder agreed report	27 August 2024
Report of	Assistant Director of Finance (S151 Officer), Michael Furness

Purpose of report

This report is to inform the Budget Planning Committee of the proposed approach to the 2025/26 Budget and Business Planning Process and provides context and background information on the existing Medium-Term Financial Strategy and information on latest government announcements relevant to the Strategy.

1.0 Recommendations

The Budget Planning Committee resolves:

- 1.1 To note the contents of Appendices 1-5.

2.0 Introduction

- 2.1 The report submitted to, and approved at, the 9 September 2024 Executive Committee at Appendix 1 summarises the approach the council intends to take in order to set its 2025/26 budget and 5-year MTFs for the period 2025/26 to 2029/30. It also proposes a revision to the Reserves Policy.

Implications & Impact Assessments

Implications	Commentary
Finance	There are financial implications as a result of this report. Joanne Kaye, Head of Finance, 7 August 2024
Legal	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. Shahin Ismail, Interim Legal Services Manager, 7 August 2024
Risk Management	The Council faces significant risks given the scale of the financial challenge for 2025/26. Having a robust process in place to develop budget proposals and the associated Corporate Plan will

	help to mitigate these. These risks are managed as part of the operational and leadership risk register. Celia Prado-Teeling, Performance Team Leader, 28 August 2024			
Impact Assessments	Positive	Neutral	Negative	Commentary
Equality Impact		X		There are no Equality, Diversity and Inclusion implications arising as a direct consequence of this report. However, as per our equalities framework, all proposals are developed in line with the Equality Act 2010. Celia Prado-Teeling, Performance Team Leader, 28 August 2024
A Are there any aspects of the proposed decision, including how it is delivered or accessed, that could impact on inequality?		X		
B Will the proposed decision have an impact upon the lives of people with protected characteristics, including employees and service users?		X		
Climate & Environmental Impact		X		There are no sustainability implications arising directly from this report to initiate the budget process. However, the implications of proposals arising from the process will need to be reviewed to consider whether they have sustainability impacts. As the Council looks to reduce its spend it would be hoped that this would also lead to a reduction in carbon impact as well. Jo Miskin, Climate Action Manager, 6 August 2024
Council Priorities	All			
Consultation & Engagement	n/a			

Supporting Information

3.0 Report Details

- 3.1 The council must set a balanced revenue budget for 2025/26 and the MTFFS approved by Council in February 2024 identified a budget gap of £7m. The report to the Executive Committee appended sets out how the council will address this gap in setting the budget for 2025/26.
- 3.2 The recommendations within the report at Appendix 1 approved by Executive on 9 September 2024 are as follows:
- a. Approve the Budget and Business Planning Process for 2025/26
 - b. Approve the base assumptions to be used for the 2025/26 budget.
 - c. Approve a five-year period for the Medium-Term Financial Strategy to 2029/30 and five-year period for the Capital Programme to 2029/30.
 - d. Approve the revised Reserves Policy at Appendix 5
- 3.3 Section 3.4 of Appendix 1 sets out the base budgeting assumptions which were included in the MTFFS approved in February 2024. 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 2024/25 (£27.4m). The General Fund reserve recommended level of £6.2m remains as deemed prudent by the Section 151 Officer in the Section 25 report submitted with the February 2024 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 movements associated with the Capital Receipts Reserve.
- 3.6 Sections 3.17 to 3.25 of Appendix 1 discuss the continuing impact of the Cost-of-Living Crisis and government announcements on the Council and its residents.
- 3.7 Sections 3.26 to 3.34 of Appendix 1 describe how the Council will approach breaching the budget gap and how the MTFFS will be used to deliver the strategic aims listed in the Council's Business Plan.
- 3.8 Sections 3.37 to 3.41 of Appendix 1 discuss the process for consultation and engagement and finally, the high-level timeline for the budget process is detailed in sections 3.42 to 3.47.
- 3.9 There were four appendices to the 9 September 2024 Executive report, including a summary of the savings and pressures included in the MTFFS approved in February

2024 (provided in Appendices 2 & 3 respectively), the timetable for the budget setting process (Appendix 4 to this report) and the revised Reserves Policy (found at Appendix 5).

4.0 Conclusion and Reasons for Recommendations

4.1 Budget Planning Committee are invited to note and comment on the contents of Appendices 1-5.

5.0 Consultation

None required.

6.0 Alternative Options and Reasons for Rejection

6.1 No alternative options have been considered.

Decision Information

Key Decision	N/A
Subject to Call in	N/A
If not, why not subject to call in	N/A
Ward(s) Affected	All

Document Information

Appendices	
Appendix 1	Report to 9 September Executive: Budget and Business Planning Process 2025-26
Appendix 2	Previously agreed Savings 2024/25 – 2028/29
Appendix 3	Previously agreed Growth 2024/25 – 2028/29
Appendix 4	Budget and Business Planning Timetable for the 2025/26 Process
Appendix 5	Reserves Policy
Background Papers	None
Reference Papers	Council 26 February 2024: Budget Setting for 2024/25 and the Medium-Term Financial Strategy up to 2028/29

Report Author	Lynsey Parkinson, Strategic Finance Business Partner
Report Author contact details	lynsey.parkinson@cherwell-dc.gov.uk 01295 221739