

Committee: Executive
Date: Monday 4 February 2013
Time: 6.30 pm
Venue: Bodicote House, Bodicote, Banbury, OX15 4AA

Membership

Councillor Barry Wood (Chairman)	Councillor G A Reynolds (Vice-Chairman)
Councillor Ken Atack	Councillor Norman Bolster
Councillor John Donaldson	Councillor Michael Gibbard
Councillor Tony Ilott	Councillor Nigel Morris
Councillor D M Pickford	Councillor Nicholas Turner

AGENDA

1. **Apologies for Absence**

2. **Declarations of Interest**

Members are asked to declare any interest and the nature of that interest that they may have in any of the items under consideration at this meeting.

3. **Petitions and Requests to Address the Meeting**

The Chairman to report on any requests to submit petitions or to address the meeting.

4. **Urgent Business**

The Chairman to advise whether they have agreed to any item of urgent business being admitted to the agenda.

5. **Minutes** (Pages 1 - 8)

To confirm as a correct record the Minutes of the meeting held on 7 January 2012.

Value for Money and Performance

6. **Draft Budget 2013-14** (Pages 9 - 22)

6.35 pm

** Please note that Appendices 1, 2, 3 and 6 will follow as they are currently being finalised **

Report of Head of Finance and Procurement

Summary

The Council is required to produce a balanced budget for 2013/14 as the basis for calculating its level of Council Tax. It 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.

The first draft was reported to the January 7 2013 Executive meeting. The information has now been updated to reflect changes since then and, subject to any further changes Members may wish to include tonight, this final draft will be used to prepare a final budget proposal to be presented to full Council on 25 February 2013.

Recommendations

The Executive is recommended:

- (1) To approve the changes to the draft budget since 7 January 2013 and consider the draft revenue budget (detailed in Appendix 1) in the context of the Council's service objectives and strategic priorities.
- (2) To approve the balanced budget.
- (3) To recommend to full council a Council tax freeze or amend the proposals contained within this report to recommend a different level of Council Tax.
- (4) To agree the proposed 2013/14 capital programme (detailed in Appendix 2).
- (5) To note the review of earmarked revenue reserves undertaken by the Lead Member Financial Management and the Head of Finance and Procurement and approve re-allocation between various earmarked reserves.
- (6) To endorse the draft corporate plan and public pledges and to delegate authority to the Director of Resources in consultation with the Leader of the Council and the Lead Member for Performance and Customers to make any minor amendments to the plan or pledges as required. (detailed in Appendix 4 & 5).
- (7) To note the 2013/14 Business Plan and Budget Equality Impact Assessment (detailed in Appendix 6).

- (8) To note the latest MTFS financial forecast is currently being refreshed and will be part of the budget book.
- (9) To request officers to produce the formal 2013/14 budget book on the basis of Appendices 1-6.
- (10) To recommend ,subject to any further changes Members may wish to include tonight, the updated draft for adoption by the Council on 25 February 2013 (as a key decision).
- (11) To delegate authority to the Head of Finance and Procurement, in consultation with Director of Resources and the Lead Member Financial Management to amend the contributions to or from general fund balances to allow the Council Tax increase to remain at the level recommended by Executive to full council following the announcement of the final settlement figures and as a result of any financial implications arising from recommendation 10.

7. New Homes Bonus (Pages 23 - 30)

7.05 pm

Report of Head of Strategic Planning and the Economy

Summary

To consider the proposed use of the New Homes Bonus in the Cherwell District.

Recommendations

The Executive is recommended:

- (1) To approve the proposed use of the New Homes Bonus for the first two year awards as set out in the report.

Strategy and Policy

8. High Speed 2 Consultation Responses - Property and Compensation; and Safeguarding (Pages 31 - 48)

7.15 pm

Report of Head of Strategic Planning and the Economy

Summary

To consider the Council's draft responses to the Governments High Speed 2 consultations on Compensation and Safeguarding.

Recommendations

The Executive is recommended:

- (1) To approve the draft response to the government's two consultation documents as set out in appendix 1 and appendix 2.

Service Delivery and Innovation

9. Revised Opening Hours (Pages 49 - 52)

7.25 pm

Report of Chief Executive

Summary

To consider that the opening time on Wednesday is changed from 08.45 to 09.45 with effect from 1 April 2013.

Recommendations

The Executive is recommended:

- (1) To revise the opening time on Wednesday from 08.45 to 09.45 with effect from 1 April 2013, subject to South Northamptonshire Council agreeing to do the same.

Urgent Business

10. Urgent Business

Any other items which the Chairman has decided is urgent.

11. Exclusion of the Press and Public

The following report contains exempt information as defined in the following paragraphs of Part 1, Schedule 12A of Local Government Act 1972.

3 – Information relating to the financial or business affairs of any particular person (including the authority holding that information).

6 – Information which reveals that the authority proposes;

- (a) to give under any enactment a notice under or by virtue of which requirements are imposed on a person; or
- (b) to make an order or direction under any enactment

Members are reminded that whilst the following item(s) have been marked as exempt, it is for the meeting to decide whether or not to consider each of them in private or in public. In making the decision, members should balance the interests of individuals or the Council itself in having access to the information. In considering their discretion members should also be mindful of the advice of Council Officers.

Should Members decide not to make a decision in public, they are recommended to pass the following recommendation:

“That, in accordance with Section 100A(4) of Local Government Act 1972, the press and public be excluded from the meeting for the following item of business, on the grounds that they could involve the likely disclosure of exempt information as defined in paragraphs 3 and 6 of Schedule 12A of that Act.”

12. Oxfordshire County Council Sites Acquisition and Supported Housing Scheme **7.35 pm**

** Please note that with the Leader's agreement this report will follow as discussions are still underway with Oxfordshire County Council **

Exempt Report of Head of Regeneration and Housing

This report is exempt from publication by virtue of paragraphs 3 and 6 of Schedule 12A of Local Government Act 1972.

(Meeting scheduled to close at 7.45pm)

Information about this Agenda

Apologies for Absence

Apologies for absence should be notified to democracy@cherwellandsouthnorthants.gov.uk or 01295 221589 prior to the start of the meeting.

Declarations of Interest

Members are asked to declare interests at item 2 on the agenda or if arriving after the start of the meeting, at the start of the relevant agenda item.

Local Government and Finance Act 1992 – Budget Setting, Contracts & Supplementary Estimates

Members are reminded that any member who is two months in arrears with Council Tax must declare the fact and may speak but not vote on any decision which involves budget setting, extending or agreeing contracts or incurring expenditure not provided for in the agreed budget for a given year and could affect calculations on the level of Council Tax.

Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012

This agenda constitutes the 5 day notice required by Regulation 5 of the Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012 in terms of the intention to consider an item of business in private.

Evacuation Procedure

When the continuous alarm sounds you must evacuate the building by the nearest available fire exit. Members and visitors should proceed to the car park as directed by Democratic Services staff and await further instructions.

Access to Meetings

If you have any special requirements (such as a large print version of these papers or special access facilities) please contact the officer named below, giving as much notice as possible before the meeting.

Mobile Phones

Please ensure that any device is switched to silent operation or switched off.

Queries Regarding this Agenda

Please contact Natasha Clark, Democratic and Elections
natasha.clark@cherwellandsouthnorthants.gov.uk, 01295 221589

Sue Smith
Chief Executive

Published on Friday 25 January 2013

Agenda Item 5

Cherwell District Council

Executive

Minutes of a meeting of the Executive held at Bodicote House, Bodicote, Banbury, OX15 4AA, on 7 January 2013 at 6.30 pm

Present: Councillor Barry Wood (Chairman), Leader of the Council
Councillor G A Reynolds (Vice-Chairman), Deputy Leader of the Council

Councillor Ken Atack, Lead Member for Financial Management
Councillor Norman Bolster, Lead Member for Estates and the Economy
Councillor John Donaldson, Lead Member for Banbury Brighter Futures
Councillor Michael Gibbard, Lead Member for Planning
Councillor Tony Ilott, Lead Member for Public Protection
Councillor Nigel Morris, Lead Member for Clean and Green
Councillor D M Pickford, Lead Member for Housing
Councillor Nicholas Turner, Lead Member for Performance and Customers

Also Present: Councillor Andrew Beere, in place of Councillor Patrick Cartledge, Leader of the Labour Group
Councillor Tim Emptage, Leader of the Liberal Democrat Group
Councillor Nicholas Mawer, Chairman Resources and Performance Scrutiny Board (for agenda item 7)

Apologies for absence: Councillor Patrick Cartledge, Leader of the Labour Group

Officers: Sue Smith, Chief Executive
Calvin Bell, Director of Development
Karen Curtin, Head of Finance and Procurement
Martin Henry, Director of Resources / Section 151 Officer
Kevin Lane, Head of Law and Governance / Monitoring Officer
Natasha Clark, Team Leader, Democratic and Elections

79 **Declarations of Interest**

Members declared interests in the following agenda items:

6. Council Investment in District Sports Facilities Post 2012.

Councillor Nicholas Turner, Non Statutory Interest, as Cherwell District Council's appointed representative on the Oxfordshire Sports Partnership.

80 **Petitions and Requests to Address the Meeting**

There were no petitions or requests to address the meeting.

81 **Urgent Business**

There were no items of urgent business.

82 **Minutes**

The minutes of the meeting held on 3 December 2012 were agreed as a correct record and signed by the Chairman, subject to the following amendments:

Minute 78: Acquisition of Crown House, Banbury

Resolutions (1) and (2) to be public resolutions as set out below:

- (1) That the Head of Regeneration and Housing be authorised to make a formal offer to the owner of the Crown House Site based on the most recent valuation verified by an independent valuer as reflecting the open market value for the property.
- (2) That, subject to the Head of Law and Governance and the Head of Finance and Procurement being satisfied that the necessary legal and financial tests are met, the Head of Regeneration and Housing, in consultation with the Head of Law and Governance, the Head of Finance and Procurement, the Leader of the Council, the Lead Member for Housing and the Lead Member for Estates and the Economy be authorised to proceed with CPO proceedings, should the owner of the Crown House site not accept the open market value offer

83 **Council Investment in District Sports Facilities Post 2012**

The Director of Community and Environment submitted a report which identified the need for investment in the stock of the Council's current and proposed sports facilities and to do so in a manner which responds to the increased demand for sports participation arising from the highly successful 2012 Olympic Games.

In considering the report, Executive members commended the proposal and commented that in the long term it would be important to review how the fund was topped up for maintenance, repair and future improvements to facilities.

Councillor Tim Emptage (Leader of the Liberal Democrat Group) and Councillor Andy Beere (in attendance on behalf on the Leader of the Labour Group) added their support to the proposal.

Resolved

- (1) That, subject to the need for formal approval of full Council, the establishment of a Cherwell District Council medium term Olympic Legacy Fund to support increased sporting participation in football, cricket, rugby, hockey, athletics and tennis be agreed.

- (2) That it be agreed that investment in the Council's stock of existing and proposed facilities which meet the above requirement (resolution 1) should be given priority, especially where there is a focus on sports participation by young people.
- (3) That the first call on the fund be the facility investment projects for North Oxfordshire Academy Athletics Track, Kidlington and Gosford Leisure centre Artificial Turf Pitch, Stratfield Brake and the Phase 2 balance of funding for the SW Bicester Sports Village as detailed in the draft capital programme.

Reasons

If the Council does not invest in the facilities, then over time, sporting usage will fall. This has consequences not only for level of club use and participation but consequential affects down stream on the health of our community both in terms of the physical health and well being of residents and in social well being as there is potential for increased anti social behaviour if there are not the opportunities for positive activities, particularly for young people.

This Olympic Legacy approach will help to coordinate investment across the District to ensure availability of facilities and with some opportunities to achieve procurement savings.

If the Executive is minded to set up an Olympic Legacy fund, it is proposed that those capital investment requirements for sports facilities included in the draft 2013/14 capital programme become the first call on the fund. Future decisions on further calls on the balance of the fund will be preceded by detailed consideration by the Executive on each proposal.

Options

- | | |
|---------------------|--|
| Option One | Do nothing- facilities will gradually fall into a state of disrepair and be withdrawn from use. |
| Option Two | Piecemeal investment as and when individual facilities require investment through annual cycle of bids through the Council's capital programme. |
| Option Three | A planned approach through an Olympic Legacy fund to secure benefits of developing a District wide approach and maximise opportunities for joint procurement and reduced costs. This is the recommended option |

The Head of Finance and Procurement submitted a report which provided the first of two opportunities that the Executive had to shape and refine the appending plans before the final budget was presented to the Council on the

27 February 2013. The Council has to adopt a budget for 2013/14 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.

In introducing the report the Lead Member for Financial Management reported that the draft General Fund Revenue budget has been prepared in accordance with the guidelines agreed by the Executive at its meeting on 1 October 2012 which were based on a 5% reduction in government funding. The Government announced its provisional settlement on 19 December 2012 which showed a 5.4% reduction in 2013/14 grant funding and a 15% reduction in 2014/15.

The Lead Member for Financial Management confirmed that the Council would meet its 2012/13 public promise to deliver at least £800,000 of budget reductions by April 2013. To date £1,009,000 had been achieved which had been built into the first draft of the budget.

The Executive was advised that the projected shortfall at draft 1 required a further reduction in costs or increase in income of £230,000. A number of areas to eliminate the deficit had been identified and the outcome of these reviews and their implication on the current budget shortfall would be presented to the February meeting of Executive in February 2013. It was confirmed that at this stage it was expected a balanced budget for 2013/14 would be achieved without the need to use any New Homes Bonus, business rate growth or general reserves.

The Lead Member for Financial Management reported on Council Tax localisation whereby eligible residents received a discount on their council tax rather than a benefit. This meant that the tax base would be reduced for all precepting authorities and most parish Councils would see a shortfall in their funding. Government guidance indicated that the billing authority should work with parishes on the distribution of the council tax reduction grant funding. It was proposed that CDC agree to passport an appropriate element of the council tax reduction grant to parishes to help mitigate their financial risk. Any further shortfalls will be subject of individual negotiations with individual parishes. Approval of the Council Tax Reduction Scheme, revised discounts and exemption and the final taxbase would be sought at full Council on 21 January 2013.

The Lead Member updated Executive on business rate pooling. The announcement of the Government settlement had confirmed the business rate baselines. As a result of this information and change to levy rates the pool was now not financially attractive and the request to be part of the Oxfordshire pool had been withdrawn.

Councillor Mawer, Chairman of the Resources and Performance Scrutiny Board (R&PSB), presented the recommendations and conclusions of the Boards budget scrutiny review. As part of the review, the Board had considered the context to the revenue and capital budgets for 2013/14 and focussed on discretionary budgets and the largest budget – environmental services. The Board also considered the budgetary implications of the

welfare reform changes – administration subsidy issues and the implications for the homelessness budgets.

The Board had dedicated a large part of the budget scrutiny review to the capital bids including the scoring process. In considering the capital bids, the Board had noted that capital spend was projected to be £18m in 2012/13. Based on the current programme and profiled expenditure capital receipts were forecast to be at less than £20m in March 2013. If current expenditure continued and the council did increase its capital pot, it will no longer be a debt free authority.

On behalf of the Board, Councillor Mawer thanked the Head of Finance and Procurement, her team and all Lead Officers who had supported and contributed to the 2013/14 budget scrutiny process.

The Executive thanked Councillor Mawer and the Resources and Performance Scrutiny Board for their hard work undertaking the budget scrutiny review.

In considering the Board's recommendations relating to capital bids, the Executive agreed the following amendments:

- Financial System Upgrade: If any implications in the specification connected to document capture and storage then defer any expenditure until final decision on the bid for a Corporate – Electronic Document and Records Management System (EDRMS) and the ensuing detailed business case.
- Highfield Depot Feasibility: Original bid of £200k to be reinstated to incorporate proposed redevelopment of office and welfare facilities at Highfield Depot in addition to a feasibility study
- Community Facilities Grant Scheme: To become Community Facilities Loan Scheme
- Cherwell District Council and South Northamptonshire Council Customer Services Desktop as a Service (DaaS): Include this bid in the proposed Capital Programme 2013/14 subject to similar approval by South Northamptonshire Council.

Resolved

- (1) That the draft revenue budget be agreed subject to the amendments to the proposed capital programme 2013/14 detailed in resolution (2).
- (2) That the recommendations of the scrutiny reviews of discretionary expenditure and the capital programme that were considered at the Resources and Performance Scrutiny Board meetings October 2012 to December 2012 be noted and endorsed subject to the following amendments:
 - Financial System Upgrade: If any implications in the specification connected to document capture and storage then defer any expenditure until final decision on the bid for a Corporate – Electronic Document and Records Management System (EDRMS) and the ensuing detailed business case.

- Highfield Depot Feasibility: Original bid of £200k to be reinstated to incorporate proposed redevelopment of office and welfare facilities at Highfield Depot in addition to a feasibility study
 - Community Facilities Grant Scheme: To become Community Facilities Loan Scheme
 - Cherwell District Council and South Northamptonshire Council Customer Services Desktop as a Service (DaaS): Include this bid in the proposed Capital Programme 2013/14 subject to similar approval by South Northamptonshire Council
- (3) That no further matters to those set out in these resolutions be requested to be taken into consideration in producing a balanced budget for the meeting of the Executive on 4 February 2013.
- (4) That the passporting of the Council Tax Reduction Scheme (CTRS) grant to local preceptors be endorsed.
- (5) That the decision taken in Oxfordshire not to progress with a pool be noted.

Reasons

There is a statutory requirement for the Council to set a balanced budget by 11 March 2013 and this report provides a first draft of the 2013/14 revenue and capital budget.

Options

Option One To review draft revenue budget to date and consider actions arising.

Option Two To approve or reject the recommendations above or request that Officers provide additional information.

85 Exclusion of the Press and Public

Resolved

That, in accordance with Section 100A(4) of Local Government Act 1972, the press and public be excluded from the meeting for the following item of business, on the grounds that they could involve the likely disclosure of exempt information as defined in paragraphs 3 and 5 of Schedule 12A of that Act.

86 The Oxford and Central Oxfordshire and Milton Keynes and South East Midlands City Deals

The Director of Development submitted an exempt report which sought consideration of the council's participation within the Oxford and Central Oxfordshire and the Milton Keynes and South East Midlands City Deals.

Resolved

- (1) That the contents of the report be noted.
- (2) That officers be requested to continue engaging Cherwell District Council with the two city deals that cover Oxford and Central Oxfordshire and Milton Keynes and the South East Midlands and report back to the Executive at the appropriate time.

Reasons

This report is presented to the Executive for them to determine whether they wish to continue to engage with both city deal processes.

Options

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| Option One | To continue to engage with both city deals |
| Option Two | To engage with only one of the bids and, if so, to determine which one |
| Option Three | Not to continue with either bid |

The meeting ended at 7.50 pm

Chairman:

Date:

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Executive

Draft Budget 2013-14

4 February 2013

Report of the Head of Finance and Procurement

PURPOSE OF REPORT

The Council is required to produce a balanced budget for 2013/14 as the basis for calculating its level of Council Tax. It 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.

The first draft was reported to the January 7 2013 Executive meeting. The information has now been updated to reflect changes since then and, subject to any further changes Members may wish to include tonight, this final draft will be used to prepare a final budget proposal to be presented to full Council on 25 February 2013.

This report is public

Recommendations

The Executive is recommended:

- (1) To approve the changes to the draft budget since 7 January 2013 and consider the draft revenue budget (detailed in Appendix 1) in the context of the Council's service objectives and strategic priorities.
- (2) To approve the balanced budget.
- (3) To recommend to full council a Council tax freeze or amend the proposals contained within this report to recommend a different level of Council Tax.
- (4) To agree the proposed 2013/14 capital programme (detailed in Appendix 2).
- (5) To note the review of earmarked revenue reserves undertaken by the Lead Member Financial Management and the Head of Finance and Procurement and approve re-allocation between various earmarked reserves.
- (6) To endorse the draft corporate plan and public pledges and to delegate authority to the Director of Resources in consultation with the Leader of the Council and the Lead Member for Performance and Customers to make any minor amendments to the plan or pledges as required (detailed in Appendix 4 & 5).

- (7) To note the 2013/14 Business Plan and Budget Equality Impact Assessment (detailed in Appendix 6).
- (8) To note the latest MTFs financial forecast is currently being refreshed and will be part of the budget book.
- (9) To request officers to produce the formal 2013/14 budget book on the basis of Appendices 1-6.
- (10) Recommend ,subject to any further changes Members may wish to include tonight, the updated draft for adoption by the Council on 25 February 2013 (as a key decision).
- (11) To delegate authority to the Head of Finance and Procurement, in consultation with Director of Resources and the Lead Member Financial Management to amend the contributions to or from general fund balances to allow the Council Tax increase to remain at the level recommended by Executive to full council following the announcement of the final settlement figures and as a result of any financial implications arising from recommendation 10.

Executive Summary

- 1.1 The budget will form the financial expression of the Council's service delivery plans for 2013/14; the allocation of resources against agreed service priorities is necessary in order to achieve its strategic priorities.
- 1.2 There is a statutory requirement for the Council to set a balanced budget by 11 March 2013 and this draft budget is the penultimate part of that process.
- 1.3 The current economic climate presents unprecedented challenges in meeting spending priorities without placing undue burden on local taxpayers. The Council's successful approach to improving value for money and securing efficiencies on an ongoing basis provides a solid foundation. The value of cost reductions included in the 2013/14 is detailed in Appendix 1.
- 1.4 The level of council tax being proposed is £123.50 pa at Band D and this is in line with Council commitment of a zero increase in 2013/14. This is the fourth year (same rate as 2010/11) that Council Tax has been frozen. This compares to a CPI inflation rate at December 2012 of 4.2% and RPI of 4.8%.
- 1.5 The Council can take advantage of the Government's additional Council Tax Compensation Grant announced recently if the council sets a zero Council Tax increase or less. This will result in the Council receiving £63,000 in 2013/14 and 2014/15. £35,000 of the 2013/14 payment will be used to offset the Local Preceptor's shortfall due to the new council tax reduction scheme outlined in the January report. This will leave £28,000 to be treated as windfall income.
- 1.6 As a precepting authority Cherwell District Council collects council tax and parish precepts on behalf of Oxfordshire County, Thames Valley Police and local preceptors. This information will be received in time for us to prepare the council tax report for Full Council on 25 February 2013.
- 1.7 The coming years will present even further challenges which in the main will relate to

the continued cuts to the level of government grants received, local government finance and housing benefit reform, inflation and interest rates.

- 1.8 The Medium Term Financial Strategy will be modelled on a number of scenarios and be presented to the Executive in June 2013. The Council's has a strong track record and commitment to delivering efficiencies resulting in a 41% reduction in net expenditure of services since 2007/08 when the net revenue budget stood at £23.5m compared to £13.9m in 2013/14.
- 1.9 Compared to the 2012/13 net budget, the requirement has reduced by a further net £0.8m which represents a 6% reduction. Appendix 1 contains a budget walk between the two years to help compare. A large contribution to the reduction is our joint working with South Northamptonshire Council which has strengthened our position to meet the forecast challenges of future years.
- 1.10 As part of the 2011/12 finance settlement, the Government announced a new grant called New Homes Bonus. This effectively replaced the Housing and Planning Delivery grant as the mechanism for rewarding local authorities that were being successful in delivering growth in house numbers.
- 1.11 The new grant provides additional funding equivalent to the extra Council Tax being received from new properties, for a period of six years. Cherwell has received a cumulative total of £1,142,381 during the first 2 years of allocation (first year allocation £439,186 and second year £703,195) and a proposal for its use is considered elsewhere on this agenda. It has been announced that, using taxbase figures at October 2012, we expect to receive a further £1,187,785 in 2013/14 (£703,195 related to the first 2 years and the 2013/14 allocation £484,590).
- 1.12 Although the Government has committed to this grant until 2015, the position beyond 2013/14 is that it is no longer additional funds but is being funded from formula grant funding. It will therefore have a redistributive effect, rather than being seen as additional funding. It would therefore be prudent at this stage to consider a strategy for use of the allocations beyond 2012/13 as part of the development of the medium term financial strategy. This strategy is being prepared and at this stage no budgetary impact has been built into the 2013/14 draft 1 revenue budget.
- 1.13 As outlined in previous report the localisation of business rates means that the Council should retain a % of any business rate growth above our baseline. As the scheme is new, we have taken the prudent view not to build in any estimated growth and in 2013/14 this will be treated as windfall income and a longer term strategy considered as part of the Medium Term Financial Strategy Review.

Background Information

Process

- 2.1 The delivery of a balanced budget representing value for money to local residents is the fundamental objective of the corporate, service and financial planning process. This centres on the preparation of a corporate plan underpinned by supporting operational service plans, which are developed not only to deliver the Council's corporate objectives and priorities, but also to demonstrate how the published service targets, representing the Council's commitment for delivery in priority areas, are to be achieved. The budget is the financial expression of these plans, within the context of the Council's Medium Term Financial Strategy.

- 2.2 The programme involves elected Members, the Council's senior managers and, in many service teams, operational staff. The views of the public, our community partners, the voluntary sector and the local business community are all actively sought through structured channels during the programme, and these views are reflected in the process of setting strategic priorities, service prioritisation and resource allocation.
- 2.3 The draft budget is based on the latest forecast out-turn position, rather than the current year budget, and managers have had to justify their service and budget proposals through a robust challenge process.
- 2.4 The entire capital programme has been subject to a rigorous review by Resources and Performance Scrutiny Board during October 2012 to December 2012.

Changes in the Revenue Budget Since 7 January 2013

- 2.5 The draft budget presented in January 2013 presented a funding gap of £230,000. The budget presented in this report benefits from further reductions in line with the table below and the budget is now balanced. All changes since January 2013 are analysed in Appendix 1.

AREAS FOR FURTHER REVIEW	IMPACT
Increase to Income budgets	Increase Income
Procurement Savings/Negotiation	Reduce Costs
Deletion of Vacant Posts	Reduce Costs
Additional efficiencies	Reduce Costs
Further joint working opportunities	Reduce Costs / Increase Income

Draft Revenue Budget

- 2.6 The Council has successfully managed the budget challenges, previously forecast for 2013/14. The Medium Term Financial forecast presented with the 2012/13 budget indicated a potential gap of £5.1m over a 4 year period. As a result of this the Council established a robust action plan to reduce costs. The public promise of the £800,000 has been over achieved together with total cost reductions in the 2012/13 budget of over £2m (analysed in Appendix 1).

	Budget	Draft Budget 2	Variance from 12/13 Budget
	2012/13	2013/14	
Net Expenditure	£16,641,325	£15,696,072	-£945,253
Capital Charges Reversed	-£3,323,392	-£3,323,392	£0
Net Expenditure Services	£13,317,933	£12,372,680	-£945,253
Centrally Controlled Items	£1,341,299	£1,496,436	£155,137
Net Budget Requirement	£14,659,232	£13,869,116	-£790,116
Funding			
Investment Income	£439,810	£145,581	-£294,229
Government Grant	£7,621,722	£7,210,000	-£411,722
Council Tax Compensation Grant 11/12	£155,415	£155,415	£0
Collection Fund	£139,332	£100,000	-£39,332
Council Tax	£6,302,953	£5,763,992	-£538,961
Council Tax Support Grant	£0	£494,128	£494,128

Proposed Budget	£14,659,232	£13,869,116	-£790,116
Shortfall / surplus	£0	£0	£0
% Reduction			-5.4%
Council Tax			
Number band D equivalentents	50,615	46,672	
2013/14 Cost of Band D equivalent	£123.50	£123.50	
2012/13 Cost of Band D equivalent	£123.50	£123.50	
	£6,250,953	£5,763,992	

Proposed Council Tax 2013/14

- 2.7 The level of council tax being proposed is £123.50 pa at Band D and this is in line with Council commitment of a zero increase. Table 1 above also details Year 3 of the Council Tax Compensation Grant which the Council will receive from Central Government is £155,000.
- 2.8 Should the proposal of a zero % increase be adopted the Council will also receive £63,000 in an additional Compensation Freeze grant for 2013/14 and 2014/15 **only**. In 2013/14 £35,000 of this will be used to offset the parish council shortfall leaving £28,000 to be treated as windfall income.
- 2.9 If the Executive were minded to change the Council Tax increase within this report they should be aware that a 1% increase would equate to a change in income of +£57,640. However, if this was implemented then the Council would forego the compensation grant of £63,000.

Provisional Government Grant

- 2.10 On the 19 December 2012 details of the Provisional Settlement for Local government were issued. This provides the provisional amount of government funding that will be received in 2013-14. The details of the provisional settlement were reported in the previous budget report to the January Executive.
- 2.11 The final settlement figure was the subject of a consultation process which ended on the 15 January 2013 and there could be changes from the draft figures referred to above. The announcement is expected in early February 2013.
- 2.12 The Executive are therefore advised to recommend to full council that authority is delegated to the Head of Finance and Procurement in consultation with the Director of Resources and the Lead Member for Financial Management, to amend the contributions to or from general fund balances to allow the Council Tax increase to remain at the level recommended by Executive to full council following the announcement of the final settlement figures.
- 2.13 The overall impact of the changes is that funding from Government is decreasing by £412,000 from 2012/13 to 2013/14. This combined with no increase in the Council Tax level (in line with Council policy) means that available resources have reduced by 5.4%. This was in line with our best case scenario however the provisional reduction in 2014/15 is 14.94% - a further £1,077,000.
- 2.14 In addition to reductions in Government funding, the Council must also address reductions in other Government grants, together with pressures on the existing budget relating to items such as inflation, contractual pressures, welfare reform, demand for services and growth in some service areas.

Treasury Management Strategy 2013/14

- 2.15 The Council's investment income budget for 2013/14 has been compiled on the basis of close tracking of actual and likely interest rates and with the help of external advice. The emphasis has been on the least risky places to invest the Council's money and this, along with the continued low interest rates on offer and the agreed use of capital receipts has led to a significant reduction in the investment income built into the budget. In budgetary terms this is prudent and places the Council at less risk of exposure in-year.
- 2.16 A revised Treasury Management Strategy is being prepared and will be recommended to Full Council in February 2013.

2013/14 Capital Programme

- 2.17 The proposed new capital schemes for 2013/14 total £6.9m. The proposed capital programme is analysed in **Appendix 2**. Any slippage from 2012/13 will also be carried forward into 2013/14.

Review of Earmarked Reserves

- 2.18 In preparing the final draft of the 2013/14 budget the Lead Member for Financial Management and the Head of Finance and Procurement have reviewed the level of earmarked revenue reserves and general fund balances and a forecast is included in **Appendix 3**. The Executive is asked to approved the proposed re-allocation between various earmarked reserves.
- 2.19 A separate and comprehensive report on the Council's reserves will be prepared in conjunction with the closing of the 2012/13 accounts.

Council Business Plan, Performance Pledges and Service Plans

- 2.20 The council business plan sets out the key priorities for Cherwell District Council for 2013/14. The plan identifies four strategic priorities for the council (a district of opportunity, safe, healthy and thriving communities, a cleaner, greener district and an accessible value for money council) and sets objectives and targets under each.
- 2.21 This plan then forms the basis of the council's performance management framework. In addition the council also sets out a series of performance pledges that are distributed to every household with the council tax leaflet. These reflect the key priorities of the council for the coming year. The council's budget and medium term financial strategy reflect these priorities. The plan also reflects the strategic challenges facing the authority including the delivery of activities to support the most vulnerable in the community and projects to deliver strategic growth, for example North West Bicester. The council business plan and draft performance pledges are set out in **Appendix 4 & 5**.
- 2.22 Each Head of Service also prepares service plans that ensure the delivery of the council's strategic priorities as well as operational service delivery objectives. Performance against priorities and objectives is reported quarterly and reviewed by both Executive and Scrutiny.

Public Consultation

- 2.23 The draft budget and council business plan was based on the results of the corporate consultation programme (customer satisfaction and budget consultation) which took place in the spring and summer of 2012. The results of these surveys helped inform the priorities of the council. Further public consultation on the content of the budget and business plan is being undertaken during January and February 2013. All documents are available on the council's consultation portal and presentation on budget and council priorities are being given to the Banbury and Bicester Chambers of Commerce. Feedback will be included in the final budget proposal to Council in February.

Impact Assessment

- 2.24 As part of budget preparation the council has also undertaken an impact assessment to ensure that its budget and priorities meet local needs and do not disproportionately impact on any group or issue. The assessment is included as **Appendix 6** issues of positive and potential negative impact have been reviewed and actions required have been highlighted.

Budget Book 2013/14

- 2.25 The net expenditure of £13.9m will be split between the 3 directorates and the full details will be included in budget book. Support charges and capital charges need to be apportioned across the services but these have no impact on the Council's bottom line.
- 2.26 The budget process and all supporting documentation will be documented in the 2013/14 budget book which will be prepared on the basis of **Appendices 1-6** and presented to Council on 25 February 2013 along with the recommendation to adopt the 2013/14 budget as detailed in this report (as a key decision) and set council tax accordingly.

The Future – Medium Term Financial Strategy 2014/15 – 2017/18

- 2.27 The coming years will present even further challenges which in the main will relate to the continued cuts to the level of government grants received, local government reform and welfare reform.
- 2.28 The Council's has a strong track record and commitment to delivering efficiencies resulting in a 41% reduction in net expenditure of services since 2007/08 when the net revenue budget stood at £23.5m compared to £13.9m in 2013/14.
- 2.29 These reductions and forward planning together with the joint working with South Northamptonshire Council (and any others we chose to collaborate with) strengthens our position to meet the forecast challenges of future years. The Council will update its MTFs forecast to be included in the 2013/14 budget book.
- 2.30 The result of the Local Government Resource Review means the Council needs to consider a number of additional elements of funding and risk associated with New Homes Bonus, Business Rate Localised Growth and the impact of the Council Tax Reduction Scheme. As a result of this the strategy is being refreshed and will be presented to the Executive in June 2013.

Key Issues for Consideration/Reasons for Decision and Options

- 3.1 This report presents a final analysis of the Council's draft 2011/12 Revenue and Capital Budget. The details in **Appendix 1-6** will form the basis of the budget book to be presented to Council on 25 February to support the setting of Council Tax.
- 3.2 The following options have been identified. The approach in the recommendations is believed to be the best way forward

Option One To review draft revenue and capital budget to date and consider actions arising.

Option Two To approve or reject the recommendations above or request Officers provide additional information.

Consultations

Executive - Various meetings July 2012 to January 2013

Joint Management Team July 2012 to January 2013

Resources and Performance Scrutiny Board September 2012 to January 2013

Public customer satisfaction and budget consultation Citizens Panel Summer 2012

Business with Banbury and Bicester Chambers of Commerce January and February 2013

Online Public Consultation January 2013 and February 2013

Implications

Financial: Financial Effects – the significant financial effects of the revenue budget are identified in Appendix 1. The capital budget is detailed in Appendix 2 along with a forecast of capital receipts. Any decisions made in relation to ongoing expenditure or income in the budget for 2013/14 will have repercussions in future years when current forecasts indicate the financial environment is likely to become increasingly difficult. The Council has a statutory duty to set a balanced budget and could incur the intervention of the Secretary of State if it failed to do so.

Consideration of this item will fall within the provisions of Section 106 of the Local Government Finance Act 1992, and Members affected by those provisions should declare accordingly and refrain from voting on the matter.

Efficiency Savings – Our Medium Term Financial Strategy required efficiency savings and we had a £800,000 public savings promise in 2012/13. The draft budget presented includes total budget reductions of over £2m so this target has been substantially over achieved.

Comments checked by Nicola Jackson, Corporate Finance Manager, 01295 221731.

Legal:

There is a statutory requirement for the Council to set a balanced budget by 11 March 2013 and the draft budget is part of that process.

Comments checked by James Doble, Deputy Monitoring Officer, 01295 2221587

Risk Management:

If due consideration is not given to matching scarce financial resources carefully against properly assessed service priorities, the Council may fail in achieving its strategic priorities and in its duty to demonstrate value for money. A full appraisal of risk has been undertaken and the Council has a specific and general risk reserve.

Comments checked by Nicola Jackson, Corporate Finance Manager, 01295 221731.

Wards Affected

All

Corporate Plan Themes

An Accessible and Value for Money Council

Executive Lead Member

Councillor Ken Attack
Lead Member for Financial Management

Document Information

Appendix No	Title
Appendix 1	Draft Revenue 2013/14 Budget - TO FOLLOW
Appendix 2	Draft 2013/14 Capital Programme – TO FOLLOW
Appendix 3	Review of Reserves – TO FOLLOW
Appendix 4	Corporate Business Plan
Appendix 5	Performance Pledges
Appendix 6	Equality Impact Assessment – TO FOLLOW
Background Papers	
None	
Report Author	Karen Curtin, Head of Finance and Procurement Nicola Jackson, Corporate Finance Manager
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<p style="text-align: center;">A</p> <p style="text-align: center;">A District of Opportunity</p>	<p style="text-align: center;">B</p> <p style="text-align: center;">A Cleaner Greener Cherwell</p>	<p style="text-align: center;">C</p> <p style="text-align: center;">A Safe, Healthy and Thriving Community</p>	<p style="text-align: center;">D</p> <p style="text-align: center;">An Accessible Value for Money Council</p>
<p>Work with partners to tackle disadvantage in the District.</p> <ul style="list-style-type: none"> Support vulnerable residents through focusing on homelessness prevention and housing advice at current levels of performance Work with our partners to reduce the number of young people not in education employment or training across the district <p>Support local people into work (job clubs and apprenticeships) and prepare for the impact of the Government reform to welfare and the benefits system</p> <ul style="list-style-type: none"> Deliver the Brighter Futures in Banbury programme 	<p>Provide excellent waste collection and recycling services, working to reduce the amount of waste produced and to increase recycling across the district.</p> <ul style="list-style-type: none"> Maintain the level of household recycling rate at above 57% Reduce the amount of waste sent to landfill Maintain the current high levels of customer satisfaction with our recycling and waste collection services 	<p>Work with partners to support the development of safe and thriving local communities and neighbourhoods.</p> <ul style="list-style-type: none"> Continue to provide a wide range of recreational activities and opportunities of young people across the district Work with partners to maintain already low levels of crime in the district and ensure people feel safe in their communities and town centres Work with partners and businesses to support public health, safety and environmental protection 	<p>Provide value for money and a financially sound organisation, minimising the impact of smaller council budgets on frontline and priority services.</p> <ul style="list-style-type: none"> Continue to implement and embed an effective approach to address the financial impact of Government welfare reform Continue to plan for the implications of the Local Government Resources Review specifically the changes to localisation of business rates and council tax benefit Secure savings of £500,000 taking account of the national changes to Local Government Funding Ensure the Council's budget is matched to strategic priorities demonstrating and promoting the Council's commitment to value for money and effective service delivery including making more effective use of technology
<p>Balance economic development and housing growth.</p> <ul style="list-style-type: none"> Deliver 500 new homes including through planned major housing projects Deliver 150 affordable homes in the district Promote local economic development through business advice and support, inward investment and the Local Enterprise Partnerships Progress the Community Housing Project with HCA investment partner 	<p>Work to ensure our streets, town centres, open spaces and residential areas are clean, well maintained and safe.</p> <ul style="list-style-type: none"> Improve levels of residents' satisfaction with street and environmental cleanliness Work with local communities to continue the programme of neighbourhood litter blitzes 	<p>Support the local community, voluntary and not for profit sectors to play an active role in the district.</p> <ul style="list-style-type: none"> Work with the local voluntary sector to provide advisory services for the local community Support volunteering across the district 	<p>Work with partners to reduce Council costs.</p> <ul style="list-style-type: none"> Continue to implement and embed shared back office systems and services to secure efficiencies Continue to develop and embed the shared ICT service specifically in relation to phase two of the programme (system standardisation and harmonisation) Explore further opportunities with partners to share or provide services, reducing costs and maximising income

<p style="text-align: center;">A</p> <p style="text-align: center;">A District of Opportunity</p>	<p style="text-align: center;">B</p> <p style="text-align: center;">A Cleaner Greener Cherwell</p>	<p style="text-align: center;">C</p> <p style="text-align: center;">A Safe, Healthy and Thriving Community</p>	<p style="text-align: center;">D</p> <p style="text-align: center;">An Accessible Value for Money Council</p>
<p>Develop a robust and locally determined planning framework.</p> <ul style="list-style-type: none"> Complete a draft of local development framework for the district and submit for adoption Prepare an Infrastructure Plan for Cherwell District and prepare for introduction of Community Infrastructure Levy Secure implementation of new policy for Developer contributions <p>Protect and enhance the quality of the built environment by completion of Conservation Area Reviews and strong design guidance for all new developments</p>	<p>Work to reduce our impact on the natural environment, limit our use of natural resources and support others in the district to do the same.</p> <ul style="list-style-type: none"> Reduce the Council's Carbon footprint by 4% (includes buildings, fleet mileage etc.) Work with partners to improve the energy efficiency of homes and enable more residents to achieve affordable energy bills 	<p>Provide the best possible access to good quality recreation and leisure opportunities in the district.</p> <ul style="list-style-type: none"> Progress the further phased development of the South West Bicester Sports Village Maintain current high levels of visits/usage to district leisure centres following the successful 2012 Olympic and Paralympics Establish an independent Trust to secure the long term future of Banbury Museum and maintaining access for the community 	<p>Demonstrate that we can be trusted to act properly for you by being transparent about our costs and performance.</p> <ul style="list-style-type: none"> Improve the information available to the public about our costs and performance, and promote understanding, accountability and opportunity Consult with local residents in a cost effective manner to ensure the Council has a good understanding of local priorities
<p>Work to improve the quality and vibrancy of our town centres and urban areas.</p> <ul style="list-style-type: none"> Progress the commercial development of Bicester Town Centre and consider the plans for development of the community building Complete a Masterplan for Bicester, Kidlington and Banbury Progress the Canalside Regeneration, Spiceball and the redevelopment of the Bolton Road area in Banbury 	<p>Work with partners to support the development of Eco-Bicester as a national exemplar, creating a vibrant place where people choose to live, to work and spend their leisure time in sustainable ways.</p> <ul style="list-style-type: none"> Work with partners to progress the delivery of the masterplan for Bicester Start work on site for the initial housing development at North West Bicester Ensure continued opportunities for local people to participate in the Eco-Bicester programme 	<p>Support improvement of local health facilities, services and standards across the district.</p> <ul style="list-style-type: none"> Work to promote active and independent lifestyles amongst older people Support the local community and Oxford University Hospitals Trust to retain and develop health services at the Horton General Hospital Continue to support new and improved health services in Bicester and the surrounding area 	<p>Work to ensure we provide good customer service through the delivery of high quality and accessible services.</p> <ul style="list-style-type: none"> Improve levels of customer satisfaction with our services Improve levels of satisfaction with and access to information provided by the Council Improve access to our services and advice by increasing online payment and service options Reduce costs by increasing customer use of online services rather than accessing services at Council offices Embed programme management, ensuring we have the right projects, properly resourced

Performance Pledges 2013/14

A district of opportunity

1. Continue to support skills development, apprenticeships and job clubs in order to help support local employment and reduce the number of young people not in education, employment or training.
2. Deliver 150 affordable homes in the district and support opportunities for self build and developing self build skills.
3. Continue to strengthen leisure and retail facilities in Banbury and Bicester town centres.
4. Complete the local plan as the foundation for economic growth in the district.

A cleaner, greener district

5. Maintain a household recycling rate of above 57%
6. Improve local residents' satisfaction with street and environmental cleanliness continuing our successful programme of neighbourhood litter blitzes.
7. Continue to reduce the Council's carbon footprint by further improving the energy efficiency of our buildings and vehicles.
8. Continue to give Cherwell residents the opportunity to take advantage of low cost insulation by working with partners to set up a 'green deal provider' service.
9. Start work onsite for the initial housing development at Northwest Bicester.

A safe, healthy and thriving district

10. Continue working with our partners to provide support to the most vulnerable individuals and families in the district, building on the Brighter Futures in Banbury programme.
11. Support the local health sector in building a new community hospital in Bicester
12. Complete the lay out of the sports pitches at the South West Bicester sports village and finalise plans for the pavilion.
13. Support the upgrade of sports facilities across the district using the Olympic legacy fund.
14. Work with the local police and licence holders to ensure our town centres remain safe and vibrant in the evenings.

An accessible value for money council

15. Secure cashable savings of at least £500,000 to help meet the medium term financial deficit and continue to identify non cashable savings in procurement.
16. Improve levels of customer satisfaction focusing on our anti-social behaviour, environmental crime and car parking services.
17. Continue to improve our website, the ease of accessing our services and paying for services online.

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Executive

New Homes Bonus

4 Feb 2012

Report of Head of Strategic Planning and the Economy

PURPOSE OF REPORT

To consider the proposed use of the New Homes Bonus in the Cherwell District.

This report is public

Recommendations

The Executive is recommended:

- (1) To approve the proposed use of the New Homes Bonus for the first two year awards as set out in the report.

Executive Summary

Introduction

- 1.1 This paper outlines an approach for the use of the New Homes Bonus by Cherwell Council in a way that helps secure the delivery of a number of Council priorities.

Proposals

- 1.2 The implementation of the New Homes Bonus (NHB) forms part of a shift in the way the government wishes to incentivise growth without leading to an increased strain on local services, local amenities and infrastructure. The NHB, as one of a number of emerging policies and fiscal incentives, will help to reward those areas that welcome or, for wider strategic needs, have to accommodate housing growth.
- 1.3 In Cherwell the approach has focused on ensuring that housing and employment growth is directed to the most sustainable locations through the adoption of the Local Plan, which has a strong economic focus whilst respecting the unique character of the district.

- 1.4 In February 2011, the Government issued the final design of the NHB following a period of consultation. For two tier areas such as Oxfordshire, the design of the scheme involves a split in allocation which is explained below.
- 1.5 There is no obligation on Cherwell Council to pass the NHB on, but a clear expectation that this will be done. CDC has published this policy note to guide the use of any monies received from the NHB to provide consistency, transparency and guidance for the how the first award might be used to the benefit of the District.
- 1.6 The Council has not relied on the receipts from the NHB in its base budget pending the completion of the wider Resource Review of local government finance currently that was being undertaken by the Government (see section 8 below). This review has now concluded and from 2013/14 onwards, the New Homes Bonus will be routed through the main Local Government Grant to Councils, rather than being a separate 'windfall' grant. This means that the only NHB awards being considered are the year one and year two awards (i.e. the award made for 2010/2011 for 6 years and 2011/12 for 6 years).

A further paper will be considered on the use of future year awards of the New Homes Bonus

THE NEW HOMES BONUS SCHEME IN OUTLINE

- 1.7 The NHB scheme will provide the Council with a payment equal to the national average for the Council tax band on each additional property built. The scheme is intended to be a permanent feature of local government funding. For each additional occupied home, the council will receive six years of un-ringfenced grant (measured by the change in dwelling numbers on the Council tax valuation lists).
- 1.8 The Government will use the Council Tax Base form to calculate increases in effective stock. This will be the number of Band D equivalent properties compared to the previous year, which will take account of additions, demolitions and, most importantly, empty homes brought back into use. Any increase will be multiplied by the national Band D average council tax for the previous financial year to arrive at the grant amount.

THE NEW HOMES BONUS AND THE PLANNING SYSTEM

- 1.9 The NHB sits alongside the existing planning system and is not intended to encourage housing development that would otherwise be inappropriate in planning terms.
- 1.10 The NHB is intended to help deliver the vision and objectives of the community and the Cherwell District Local Plan and may contribute to service provision or infrastructure delivery.
- 1.11 Other fiscal measures within the planning system such as Section 106 contributions and the forthcoming Community Infrastructure Levy are separate to decisions on the use of NHB.

WHAT THE BONUS CAN BE USED FOR

- 1.12 The Government is not prescriptive over how the NHB should be used. One of the principles of the bonus is flexibility on how to spend funding what

constitutes an 'un-ringfenced' grant.

- 1.13 The funding can be used to support the delivery of infrastructure. It should be emphasised that Cherwell still expects all developments to meet their own infrastructure needs and the NHB will only be used to support strategic infrastructure in exceptional cases where there is demonstrable need for gap funding.
- 1.14 The Government expects local authorities to gain an understanding of local priorities for investment and monies could be spent in relation specifically to a new development and importantly more widely to the local community. A specific community project may be identified as a local priority. Where there are Parish/Town plans (or neighbourhood plans once adopted) these would evidence local priorities.
- 1.15 More widely, the Government states that Councils may wish to offer council tax discounts, support frontline services like bin collections or improve local facilities like playgrounds or parks, secure transport improvements and town centre regeneration.

THE ALLOCATION OF THE BONUS IN TWO TIER AREAS

- 1.16 The final design of the scheme by Government stated that in two tier areas, lower tier authorities such as Cherwell, are better placed to understand local needs and concerns. The Government state that for the incentive to be powerful, it must be where the planning decision sits. The allocation split between Oxfordshire County Council and Cherwell reflects this with 80% to the lower tier and 20% to the upper tier.

POLICY FOR USE OF THE NEW HOMES BONUS IN CHERWELL

- 1.17 The only NHB monies being considered for this approach are the year one and year two awards (i.e. the award made for 2010/2011 for 6 years and 2011/12 for 6 years).
- 1.18 In 2010/11 (the first year one award) Cherwell Council received £439,186. It will receive this funding for a further 5 years. For 2011/12 (the second year one award) Cherwell has received £264,009; again this award will be made for a further 5 years, alongside the payments of the first award.
- 1.19 It is proposed that the following approach might be taken for the use of the 2010/2011 award (for 6 years) and use of the 2011/12 award (for 6 years):-
 - (i) Anticipating Financial Pressures
- 1.20 Half the amount received (50%) to be held in a dedicated reserve to enable the Council to address any financial and service pressures. This reserve to be named the Local Government Resource Review (LGRR) Reserve.
 - (ii) Economic Development – new business opportunities
- 1.21 One of the areas which Government considers NHB monies should be readily utilised is regeneration and supporting economic prosperity, which is particularly important in the light of the current recession and the need to support economic growth.

- 1.22 CDC is committed to enhancing the economy of the District through the land release set out in the draft Local Plan and the economic development priorities set out in the Economic Strategy for the District and has well-developed mechanism for local area regeneration and urban and rural enhancement.
- 1.23 To secure a wide economic gain for the District 25% of the NHB will be allocated to an earmarked reserve to enable the purchase of suitable land for the provision of new industrial units in the 2 towns.
- 1.24 This approach will:
- Meet an identified need in the 2 towns as shown in the Economic Development Strategy
 - Provide small and medium sized businesses who wish to grow a 'ladder of accommodation' to meet that growth
 - Provide locations for new employment opportunities
 - Support people back into work, through the links between the jobs clubs and local business.
 - Provide an additional income stream to CDC in rents.
 - Sit alongside the need for microfinance for company growth and working with companies on training and skills needs.
- 1.25 There is a possibility of creating a Joint Venture with a private sector provider/developer.
- 1.26 The Economic Development team will identify appropriate need and location, whilst the Regeneration team and Finance would handle the necessary purchase and subsequent management of the units.
- (ii) Planned growth at Banbury and Bicester
- 1.27 The draft Local Plan will be submitted to the Secretary of State in 2013 and is planned for adoption in 2013. As a result of this draft Local Plan major urban extensions will be promoted to the two towns and these will meet the vast majority of identified housing and employment needs within Banbury and Bicester themselves as well as the wider housing needs of Cherwell District.
- 1.28 It is proposed that 25% of NHB will be allocated to meeting the impact of growth at the 2 towns, the major locations of growth in the District. It is proposed that CDC works with the appropriate town council to develop a package of proposals, drawing on the emerging Masterplan for each town.
- 1.29 Liaison would take place with Oxfordshire County Council to secure their input given the opportunity to secure a more widely drawn investment package between the 3 tiers of Local Government.
- 1.30 This approach will ensure that the NHB is used to re-invest within the local community, by being spent on improving community services and infrastructure within that particular town.
- 1.31 The NHB will thus be used to support a package of specific proposals that

can demonstrate the delivery of 'added value' to the local community and area and where possible, specifically benefit those communities close to any new development. In particular, proposals should show the delivery of the community objectives from strategies such as the Brighter Futures plan for Banbury and the EcoBicester proposals for Bicester, as well as the more comprehensive package of measures set out in each town Masterplan.

- 1.32 (iv) The additional enhancement per unit for affordable housing (£350) built under the NHB scheme might be earmarked by CDC to a new fund to reinvest in additional affordable housing within the villages in accordance with identified local need.

PROCEDURE FOR PAYMENT

- 1.33 The Executive would consider and authorise the release of any payments under the NHB scheme. Payments would only be made once there is a commitment to spend the monies, as part of the package of measures referred to above.
- 1.34 Local Members from the 2 towns which are experiencing the most extensive housing growth will be encouraged to link with the relevant Town Councils and make proposals for use of any element of the grant which is earmarked for use within the local community.
- 1.35 Town Councils would be expected to submit a proposition to the Council for use of any monies and the Executive could take into account the forecast benefits to the community of any proposal.
- 1.36 One option could be for the NHB to fund 100% of the project value: an alternative would be for the NHB payment to provide up to 75% of the project value, thus requiring the Town Council to provide at least 25% of the match funding. Funding from the NHB could be used in conjunction with S106 and other grant funding.
- 1.37 Criteria for consideration by the Executive of the bids received would include confirmation the project:
- Is sponsored by the Town Council
 - Is located within the Town boundary
 - Is clearly linked to the delivery of a proposal within the Town Masterplan and other relevant town strategy
 - Is capable of being delivered within a 3-4 year period (assuming planning matters are resolved)
 - Has a costed business plan
 - Complies with any other public agency or statutory requirement
 - Maintains full records
 - Acknowledges receipt of funding from Cherwell Council

REVIEW

- 1.38 A review of the use of New Homes Bonus will take place in 12 months.

In the light of the Governments wider review of local government finance which introduces major changes from 2013/14 onwards, funding cannot be committed beyond 2012/13 as the New Homes Bonus is being routed through the main Local Government Grant to Councils, rather than being a separate 'windfall' grant. This means that the only NHB awards being considered are the year one and year two awards (i.e. the award made for 2010/2011 for 6 years and 2011/12 for 6 years).

A further paper will be considered on the use of future year awards of the New Homes Bonus

Background Information

- 2.1 New Homes Bonus Papers.

Key Issues for Consideration/Reasons for Decision and Options

- 3.1 The approval of the New Homes Bonus proposals for the first two year awards over the 6 years of their payment.

The following options have been identified. The approach in the recommendations is believed to be the best way forward

Option One	To support the proposed use of the New Homes Bonus.
Option Two	To amend the proposed use of the New Homes Bonus.
Option Three	To not support the proposed use of the New Homes Bonus.

Consultations

Cllr Michael Gibbard, Regular Briefing
Lead Member for
Planning

Implications

Financial:	The financial implications are as laid out in this report. Comments checked by Karen Curtin, Head of Finance and Procurement 03000030106
Legal:	The Council has discretion about the appropriate use of this funding. Comments checked by Nigel Bell Team Leader – Planning and Litigation 01295 221687

Risk Management: Reputational risk to the Council from lack of an effective policy.
Comments checked by Claire Taylor, Performance Manager 01295 221563

Wards Affected

All

Corporate Plan Themes

- Accessible, Value for Money Council
- District of Opportunity
- Safe and Healthy
- Cleaner Greener

Lead Member

Councillor Michael Gibbard
Lead Member for Planning

Document Information

Appendix No	Title
None	
Background Papers	
None	
Report Author	Adrian Colwell, Head of Strategic Planning and the Economy
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Executive

High Speed 2 Consultation Responses – Property and Compensation; and Safeguarding

4 February 2013

Report of Head of Strategic Planning and the Economy

PURPOSE OF REPORT

To consider the Council's draft responses to the Governments HS2 consultations on Compensation and Safeguarding.

This report is public

Recommendations

The Executive is recommended:

- (1) To approve the draft response to the government's two consultation documents as set out at appendix 1 and appendix 2.

Executive Summary

Introduction

1.1 HS2 Ltd Consultations

On 25th October 2012, Patrick McLoughlin, the Secretary of State for Transport, announced the launch of two key public consultations:

- a) Property and Compensation Consultation for Phase 1 of HS2 between London and the West Midlands.
- b) Safeguarding Consultation for Phase 1 of HS2 between London and the West Midlands.

Proposals

- 1.2 The Property Compensation Consultation sets out a proposed package of measures designed for owners and occupiers of property along the London-West Midlands line of the route. These measures reflect HS2's commitment to providing proper compensation and assistance for those affected by the building of the new railway.

The proposals include:

- a streamlined system of advanced and voluntary purchase to simplify the process for property owners in the safeguarded area and provide greater certainty for those property owners outside the safeguarded area in rural areas;
- a sale and rent back scheme, to allow homeowners whose property will need to be demolished to sell their homes but remain living in them as tenants until the properties are required for the railway;
- a hardship scheme, to help those with a need to move during the development of HS2 but who are unable to sell their home despite being outside both the safeguarded area and the voluntary purchase zone;
- a series of measures designed to provide confidence for those in properties above tunnels (before and after surveys, settlement deeds and subsoil rights); and
- a framework for working with local authorities, housing associations and tenants affected by HS2, to agree a joint strategy to replace any social rented housing which is lost.

Safeguarding directions are intended to protect the line of the route from conflicting developments and are an established practice for large infrastructure projects. The Safeguarding Consultation is aimed primarily at local planning authorities along the line of the route, who will be aware of relevant planning issues in their areas and to whom the directions would apply.

The HS2 Consultation website (<http://highspeedrail.dft.gov.uk/>) includes full details of both consultations, including all relevant consultation documents, maps and fact sheets. Details of how to respond to the consultations are also set out there.

1.3 CDC Response

CDC's response to the consultations is in two parts.

- Part A: Property and Compensation consultation (Appendix A)
- Part B: Safeguarding consultation (Appendix B)

1.4 Implications for CDC as a Planning Authority

A preferred route has been defined which crosses Cherwell district. The proposed safeguarding direction will require the Council to consult HS2 on any planning application which falls within the safeguarded area. Given that the Council will have to work within the approved legal framework subject to concerns about additional costs and potential future changes to the safeguarded area, the Council cannot object in principle but can put forward issues of concern relating to the details to seek clarification and commitment as appropriate.

Once the safeguarding direction comes into effect the Council will have a legal duty to consult HS2 on any planning application that falls within the

defined safeguarded area. Under the regulations the Council will have to give HS2 Ltd 21 days to respond. The application information has to be sent by First Class postage to HS2 Ltd. If no response is received within that period then the Council can proceed to decide the planning application as it sees fit. If however HS2 respond, the Council should take into account their response in making its decision. If after receiving HS2 response the Council decided to disregard their suggestions then the Council has to inform the Secretary of State who in turn has 21 days to respond and who may decide to notify the Council that he has no objections to permission being granted on the application, or issue a direction restricting the granting of planning permission for that planning application. If the Secretary of state does not respond within the timeframe the Council can determine the application.

The consultation documents and the cost benefit analysis of the proposed safeguarding direction both state that there will be cost implications for local authorities in providing consultation documents for HS2 Ltd on relevant planning applications. However HS2 are not clear on who will meet those additional costs.

The guidance for local planning authorities' states that following a decision being made on a planning application that HS2 were consulted on, the Council should send a copy of that decision to HS2. Further it states that HS2 Ltd intend to agree the consultation procedures and wording for model conditions with the local planning authorities.

The documentation makes it clear that the safeguarded routes may not cover all the land that is required by HS2 to build the route and that as plans for the route are refined, there may be further safeguarding direction areas or amendments to the earlier safeguarded areas. This means that any consultation procedures set up are likely to need to be reviewed and amended as the HS2 route design is progressed.

Consultation with the Council's legal section has highlighted the potential for prospective developers of land to serve a purchase notice on the Council where their proposed development is refused as conflicting with HS2 and that in their view the land no longer has a beneficial use. On receipt of the purchase notice the Council would have to serve a response notice stating that the Council is willing to comply with the purchase notice or that another authority or statutory undertaker would be willing to take on the purchase or that the Council is not willing to comply with the notice. This would potentially result in an increase in work for planning and legal to defend such notices and raises the issue as to whether or not the council has the in-house expertise to defend such notices. In addition the Council would need to use its own capital; resources to fund property acquisitions in the absence of an indemnity from central government or HS2 Limited.

The guidance implies that HS2 would like to receive notification of any permitted development proposals along the safeguarded route. This would be impossible to do in many cases as a lot of permitted development does not go through the Council's Building Control department or indeed needs Building Regulation approval, hence we would not be aware of this.

In addition, there is no requirement to obtain Building Regulation approval as planning permission has already been granted. Therefore we have no record of those properties that do not have Building Regulation approval as there is

no penalty like there is under planning enforcement.

Obviously some people who know their proposed development falls within the permitted development allowance may well go on to construct that development without informing the planning authority. Tracking down such development and finding suitable scaled drawings could be time consuming and costly. Consultation with the Building Control Section has confirmed that whilst they would probably handle most developments resulting from permitted development through the building control process, building control applications are treated as confidential and cannot be revealed to third parties.

The guidance also requests local planning authorities to send through details of any extant planning applications. Finally when the Council reviews its local plan policies (proposals) map we will have to show the safeguarded route on our plans and ensure that none of the local plan designations conflict with the safeguarded area.

1.5 Implications for CDC as a Land Charges Authority

Under the relevant regulations any formal safeguarding direction has to be entered into a register of applications and as such appear on relevant land charge searches. This raises issues if the safeguarded areas are amended following a search on a property the Council will need to keep a record of when the safeguarded areas were amended and be prompt in uploading any amendments into its land charges system to avoid the possible issue of legal action should the incorrect information be given on a search related to a property that is or was affected by the safeguarded route. Being in or out of a safeguarded area could have an impact on property values and make a house sale fall through depending on the safeguarded status of the property at the time the search is submitted. Consultation with the legal section has led them to suggest that this could also lead to additional work and costs for the legal department.

1.6 Outcome of the Judicial Review

The Judicial Review took place in December 2012. At the time of preparing the report, the Judicial Review had just ended. Whilst not seeming sympathetic with all of the arguments presented, Lord Justice Ousley did question the DfT lawyers at length about why alternative routes were not more fully considered.

The announcement on the outcome is imminent and Members will be updated as soon as this is made.

1.7 Key Dates

- 2013: DfT Consultation on Environmental Statement
- 2015: Hybrid Bill is taken through parliament (CDC will be invited to submit evidence)
- 2015: Earliest date for compulsory purchase powers
- 2017: Earliest proposed start date for construction

- 2024: Testing
- 2026: High-speed line operational

Conclusion

- 1.8 The report has identified substantial flaws within the Governments proposed approach to compensation and safeguarding.

Key Issues for Consideration/Reasons for Decision and Options

- 3.1 To adopt the draft response to the government’s two consultation documents

The following options have been identified. The approach in the recommendations is believed to be the best way forward

- | | |
|---------------------|---|
| Option One | Do nothing. |
| Option Two | Respond as proposed. CDC is the Local Planning Authority and the only public body able to respond on matters of detail relating to the route now that it has been confirmed by Government. Failure to discharge this role will leave the District at considerable disadvantage. |
| Option Three | Amend the proposed response. |

Consultations

- | | |
|-----------------------|------------|
| Legal Services | See report |
|-----------------------|------------|

Implications

- | | |
|-------------------|---|
| Financial: | <p>The preparation of the draft response has been met from existing resources. However should the direction come into effect, there will be cost associated with consulting HS2 Ltd on any planning applications affected by the safeguarded area.</p> <p>The government has agreed to financially reimburse a proportion of local authorities’ time spent on HS2-related work. However this ‘Cost Recovery Scheme’ only relates to official HS2 work and will reimburse the authority for expenses incurred in providing officer attendance at official HS2 meetings and the professional services in areas where expertise has been sought by them, e.g. noise. Time spent in challenging the proposals, making consultation responses and dealing with ‘day-to-day’ support of parishes and residents will not be recoverable. The scheme permits back-dating to the commencement for the financial year 2012/13. CDC is currently identifying costs in relation to a single financial year-end claim in</p> |
|-------------------|---|

March 2013.

Comments checked by Karen Curtin, Head of Finance and Procurement 03000030106

Legal:

See report and draft response at Appendix A & B.

Comments checked by Kevin Lane, Head of Law and Governance. 03000030107

Risk Management:

There are major implications for the District from the DfT proposal. For the property compensation consultation it is important to learn from the experiences of HS1 where a united voice from affected authorities was found to be more effective in negotiations, than individual views.

Comments checked by Claire Taylor Performance Manager 01295 221563

Wards Affected

Fringford

Corporate Plan Themes

- Accessible, Value for Money Council
- District of Opportunity
- Safe and Healthy
- Cleaner Greener

Lead Member

Councillor Michael Gibbard
Lead Member for Planning

Document Information

Appendix No	Title
Appendix A	Full draft response to Property and Compensation consultation
Appendix B	Full draft response to Safeguarding consultation
Background Papers	
None	
Report Author	Adrian Colwell, Head of Strategic Planning and the Economy
Contact Information	03000030110 Adrian.colwell@cherwellandsouthnorthants.gov.uk

Appendix A: Full CDC draft response to Property and Compensation Consultation

Cherwell District Council makes the following comments prior to a response to the formal questions that form the basis of the consultation:

Impact of Blight and the need for compensation

CDC is aware that blight significantly affects properties the length of all the routes that have been considered to date. As only one route, the 'Preferred Route Option' is being actively considered, it is essential that the impact of blight on the other routes is removed.

It is disappointing to see that none of the consultations since the March 2010 announcement to date have definitively removed the alternative route options from being considered further. All options therefore remain possible until passage of the Hybrid bill, so the considered routes continue to remain and cause property, business and land blight across Cherwell. In some cases, the housing market has completely stagnated and properties now valued at as little around half of the pre-blight value still remain unsold.

Statutory Blight

We note that Statutory Blight affects land which forms part of the 'safeguarded area' now that the Secretary of State has confirmed the line of the route.

We recognise that Statutory Blight is the land required for new infrastructure and as a result the Statutory Blight provisions become available to owners, but we are concerned that land and property is already seriously affected by blight.

Once land is safeguarded a blight notice is served on the local authority to consider buying their property based on the unaffected open market value (OMV), with the reimbursement of legal and other costs and residential property receiving a premium of 10% of the OMV (the Home Loss payment).

We note the availability of Home Loss and Basic/Occupier's Loss payments as compensation based on Section 20 Agricultural Holdings Act 1986, whereby:

- Home loss is additional compensation if the claimant is forced to give up his home
- Basic Loss and Occupier's Loss are further compensation on top of the value of property taken; with Basic loss being 7.5% of the value of the interest taken and for Occupier's Loss this payment being £25,000.

Generalised Blight

We also observe that Generalised Blight has impacted heavily on the property market in the area of the proposed route for HS2 as a result of the planned scheme, due to the 'fear of the future' before the actual full impact of the scheme is known.

While blight is strongest at the point of most uncertainty and least definite information; the situation the District currently faces, if a decision is taken to proceed with HS2, blight can reasonably be expected to have a detrimental effect on the property market in those areas near to the proposed line. We note that for those areas affected by the development of the M40 this period lasted over 20 years.

Compensation and Discretionary Support for Loss

The current exceptional hardship scheme is to be replaced by the provisions of the statutory compensation scheme and the Secretary of State has suggested that 100% compensation will be provided.

We note that statutory compensation for the impact of blight is currently based on Part 1 of the Land Compensation Act 1973, whereby a claim can be made for the loss on the value of property due to the impact of physical factors including noise, dust, vibration, fumes and smoke.

We welcome the acknowledgment of the impact of blight which has led to the Government considering additional support arrangements which would be available to properties which would not need to be compulsorily purchased but would still experience a significant loss in value to their property.

The Government is considering a number of additional discretionary support options to try to ease the effects of blight by introducing a scheme which allows the property market in areas close to the route to function as normally as possible, encouraging people to stay in their homes and villages if the impact of the new line can be mitigated. It states that compensation will be paid fairly and it wishes to avoid buying up large numbers of properties as not in the national interest.

- **Option 1 - A hardship based property scheme**

This was used in HS1 and the current Exceptional Hardship Scheme (EHS) for HS2 and supplement the Statutory Blight payable outside the safeguard zone.

- **Option 2 - Bond Based Scheme (Used by Central Railway Ltd and by BAA for Stansted and Heathrow)**

A land or property owner would apply to the Government for a Bond to purchase the property at a future date. The 'bond' guarantees to the owner that they will be able to sell their property at a future date and at an unaffected market value and the bond is transferable to new owners.

- **Option 3 - Compensation Bond Scheme**

This would be a guarantee that if a property loses significant value compensation will be received for the loss after the HS2 line has opened. Such a bond would compensate the present owners for the difference between what they can sell for (if anything) and the un-blighted price. It is important to note that in Cherwell un-blighted prices were high prior to HS2 because of the rural setting to the District.

Land and property holders would apply for a compensation guarantee certificate, with claims made once the HS2 line has been built and in operation for a year, after which it would be possible to value the impact of the line.

The Government hopes that it would incentivise those people living next to the route to stay in their homes.

There is simply a lack of sufficient detail on the three options on which to take an informed view. We incline to support the idea of a property bond and wish to see a

more flexible Exceptional Hardship Scheme than that which is currently operating, but full detail is essential for all interested parties to take an informed view.

CDC is concerned that there may be a need for different approaches to be taken to address the blight affecting residential and business properties

A Duty of Care

If HS2 is approved, CDC is supportive of the case presented by the NFU for a statutory underpinning being adopted for a new 'Duty of Care' to those affected by blight or 'safeguarding'.

Whichever compensation option is finally adopted CDC would wish to see a number of principles incorporated into the final compensation scheme to protect property and land owners' interests and to ensure that an open market can continue.

CDC believes that the principles of compensation should be:

- Duty to act fairly.
- Duty to pay promptly.
- Duty to pay a fair market value, with the value determined by an independent valuation based on the pre-scheme market price.
- Duty to minimise impact on victims' interest.
- Duty to indemnify victims against losses caused by acquirers' agents and contractors.
- Duty to maintain aftercare and contact details for on-going management issues.
- Duty to consult with land owners and land managers who will remain in situ after the completion of the scheme to agree a wide range of accommodation works.
- Effective enforcement, with the appointment of an independent person to act as ombudsman to ensure fair play and compliance with a code of practice/Duty of Care and to hold the acquirer to account and resolve disputes effectively.
- Duty to index link the value of a property bond.
- Duty on all financial institutions to respect the value and tradability of the property bond.
- Duty to take all aspects of blight into account. To recognise that blight does not just affect those properties or land within a narrowly defined geographical area, but those affected by noise and other disruption.

Financial Strain in a Rural Economy

This district has a large elderly population and that proportion is increasing. This is significant to the consultation since those retired home-owners, or those approaching retirement, are either using their property to fund their pension or are not in a position to raise finance or re mortgage to fund a move away from the train line. In some cases, half of the value of their asset-based pensions has been lost. With no means and/or desire to move, this has effectively slashed the value of their pensions and leaves a significantly reduced asset in their will.

Many of the businesses affected by the proposal are farms or rural enterprises operating at a marginal profit especially since the recession of 2008. There is

growing evidence that these businesses are finding it more difficult to raise investment or re-finance because of proximity to the proposed train line.

CDC is concerned that no mention has been made as to how the compensation package is perceived by the financial institutions that hold mortgages on many affected properties.

Road Closures

Finally, there must be consideration of the net effect of road closures on households and businesses. Whilst a road closure and detour may be a small inconvenience at one level, it will have significant financial impacts on some. A five-mile daily detour (ten miles round-trip) over an eighteen month period amounts to more than 5000 miles and could cost a homeowner in excess of £1000.00 in fuel alone. For a small business running a fleet of commercial vehicles this could well be in excess of £10,000 per annum. There appears to no consideration of the consequential effects of this type of disruption.

Formal Consultation Response

CDC makes the following comments in relation to the specific questions asked in the consultation on Property and Compensation:

Q1: What are your views on the proposed advanced purchase process?

A: CDC does not support the proposals in a number of areas:

Firstly, the potential to reject a Blight Notice if only 'part of the property is required'.

At 2.5 it states "Under the statutory provisions an acquiring authority (in this case the Government) can reject a Blight Notice and serve a Counter-Notice, refusing to purchase a property within the safeguarded area on one or more grounds: for example if the property is not required to build or operate the railway, or if only part of the property is required."

This final statement above is not acceptable. A property that is so close to the proposed scheme that it requires part of it to be demolished, **MUST** be purchased, should the owner serve a Blight Notice.

- Definition of 'Property': Is this just permanent residential or commercial properties or does it include out-buildings, walls, gardens etc. This is specifically in reference to 'purchase of property should it be required to construct the railway'.
- Owner Occupier: why does this only apply to owner occupiers, when for example a house could be owned by a parent, child, sibling or other relative and simply because the 'owner' does not live in the property, the 'family home' is excluded from the scheme. In addition, clarity is sought in the case of farms and large rural homes diversifying and adding annexes or rental properties to the property. Are these categorically excluded?
- Home-Loss Payments: how are these determined? Is this based on the March 2010 valuation? And what is the situation if the property not originally at risk has been 'improved' since a modification to the route. Is this increase

in value lost? And further, should the housing market improve, is the valuation 'fixed' at March 2010 or a true reflection of its market appraisal 'without HS2'.

Further, the value placed on 'tranquillity' within the district is likely to increase. So that a home-owner selling a property is likely to find a 'similar' property within district, but unaffected by HS2, to have risen in value considerably. In direct contrast to properties that have lost half of the value due to proximity to the proposal, those at the greatest distance from the line could see a significant increase in value.

Q2: What are your views on the proposed voluntary purchase zone for rural areas?

A: CDC believes that it is not acceptable to rely on a 'fixed' distance for a voluntary purchase zone (VPZ). Many factors will influence the impact of the proposed scheme. At 2.2 p13, it clearly states that the VPZ "will ensure that those most affected by the railway can secure easy access to compensation." This is not the case due the factors outlined below.

The geology, geography, topography and prevailing wind will all determine the net effect of the scheme. There will likely be those very close to the line that will feel little or no effect and others at a great distance, possibly miles that will suffer adverse visual intrusion or the effects of sound or vibration on their property. Whilst the principle of a VPZ is right, there needs to be a case-by-case analysis of impacts on individual properties and consideration for including those with an evidenced and demonstrable impact in this voluntary scheme.

Moving costs: The cost of a house move is typically £10K - £20K. If a property is purchased with the VPZ, why are moving costs not covered?

Q3: What are your views on the proposals for a sale and rent back scheme?

CDC considers that it is unfair that businesses and landlords are excluded from the scheme. It is noted that the Government recognises that business occupiers need to be assessed on a case by case basis. However, the consultation document does not make it clear whether a scheme to assess such businesses will be provided.

Further, the cost of rental must be at a level that permits all of those affected to afford the repayments. It must also be borne in mind that the effect of blight in the local area will significantly reduce property purchase and rental values. Hence a property owner that sells would likely be able to rent a property similar to their own in the locality during the period of construction at well below un-blighted market value.

The sale and rent back scheme should include a home-loss payment. It should be noted that the people who want to take advantage of this scheme would be the same category of people who would be eligible for the Advanced Purchase Scheme which provides for a home-loss payment. The Government has not justified why those individuals taking advantage of the sale and rent back scheme should be treated less favourably.

- Route Change: Clarity is sought on what the situation would be if the proposed route changes after purchase.
- Rental Agreements: We are aware of cases in Kent (HS1) where properties were purchased, and tenants wished to leave during construction, but were

'tied' into long tenancies. Clarity is sought on the agreements to which those selling their homes would be expected to agree.

Q4: What are your views on the proposed approach to the application of the hardship criterion for the long term hardship scheme?

CDC is concerned that the vast majority of previous applications under the Exceptional Hardship Scheme were rejected (in excess of 80%), and further that there was little consistency between those that were, or were not, accepted.

The revised scheme clearly states that:

"4.4. The Government believes that applications to a long term hardship scheme should be considered as fairly and transparently as possible".

CDC thinks it is unfair to exclude landlords and businesses from the scheme as they may have a pressing need to sell/relocate. For example, landlords may require funds for their retirement and businesses may need to relocate to meet changing business needs.

Further, the '15%' rule is extremely unreasonable (offer within 15% of the asking price). In cases where a property owner has a 95% mortgage, this could leave them in serious negative equity.

As a previous Secretary of State for transport, Phillip Hammond, stated, *'nobody should suffer significant loss'*.

Q5: What are your views on the proposed process for the operation of the long term hardship scheme?

A: CDC believes that the scheme and the resultant blight and uncertainty have already put homeowners under considerable stress. To further 'expect' homeowners to 'show that they will suffer hardship' (4.10, p 22) is unreasonable. If a homeowner in an area affected by blight, wishes to sell their property, there should be a system for 'expressions of interest' rather than full application which may then receive a rejection many months later. An 'expression of interest' could be assessed very quickly (possibly by a third agency). If a homeowner 'may' be eligible, then a full application should then be encouraged.

Applications should also be assessed independently rather than by HS2.

Q6: What are your views on the Government's proposals to restore confidence in properties above tunnels?

A: The Government has not clearly set out how it will identify 'at risk' properties.

If the Government's objective is to address people's lack of confidence about the impact of tunnelling, then it should offer the scheme to all persons within a defined distance from a proposed tunnel. The distance should relate to the safeguarded area - it should not be restricted to properties located within 30 metres of tunnelling works.

A proposed payment of £50.00 to represent the perceived value of the subsoil does not appear to be based on anything at all. Similarly, the sum of £250.00 for professional fees is totally unrealistic.

Q7: What are your views on how the Government should work with local authorities, housing associations and affected tenants to agree a joint strategy to replace any lost social rented housing?

A: The information which has been provided within this chapter is so limited that it is difficult to provide any type of meaningful response. However, secure tenants of local authorities will expect no reduction to their rights as a result of the HS2 proposals and therefore local authorities will expect the Government to work with them so as to ensure that their tenants are properly protected.

Consideration must also need to be given to how the Government is going to approach those properties where local authority tenants have exercised the right to buy their homes and the compensation proposals outlined earlier in the document will need to be applied.

Finally, there is no justification for the proposed home-loss payment of £4,700. Why should there be such a differential between the £47,000 maximum payable to owner occupiers and just ten-percent of this sum to those in social-rented housing.

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Appendix B: Full CDC draft response to Safeguarding Consultation

Cherwell makes the following comments prior to a response to the formal questions that form the basis of the consultation:

The proposed areas for safeguarding in Cherwell do not impact on future development proposals in the existing or emerging Development Plan (The Local Plan). The inclusion of areas for possible road realignments and reinstatements are considered reasonable as are the wider areas where cuttings are proposed.

Within Cherwell land is generally included at the standard distance of 60m either side of the centre line.

Further, CDC believes that further clarity should be provided in relation to future updates of the safeguarded land. Under 1.19, p7, it states "*Where future design and planning work leads to the identification of additional land that is not included within the current safeguarding, or of safeguarded land that is no longer of interest to HS2 Ltd, the Secretary of State may consider updating the initial plans and issuing revised safeguarding directions*". It would be helpful to confirm, at the very least, when the 'final' safeguarding direction will be in place, i.e. before or after the Hybrid Bill.

At 1.21, p8, it states "*the directions would place a small administrative burden on both LPA's and HS2 Ltd*". CDC requests clarification on whether this 'additional burden' could be reclaimed within the 'Cost Recovery Scheme'.

HS2 Limited is requested to define what is meant by 'subsoil' and 'significant foundations' in relation to safeguarded areas, in the proposed guidance notes, for the parts of the route that are in tunnels.

Formal Consultation Response

CDC makes the following comments in relation to the specific questions asked in the consultation on Safeguarding:

Q1: Do you agree with the proposal to safeguard, and the content of the proposed safeguarding directions (Annex A)? If not, please explain why.

A: The Council is opposed to the proposed HS2 scheme. However, should HS2 be taken forward by the Government it is right that safeguarding should be introduced in order to raise awareness and so that potential implications can be taken into account in plans and property-related decisions. Cherwell Council therefore has no objection to the proposal to safeguard or to the content of the proposed safeguarding direction. The proposed areas for safeguarding in Cherwell do not impact on future development proposals in the existing or emerging Development Plan. The inclusion of areas for possible road realignments and reinstatements are considered reasonable as are the wider areas where cuttings are proposed.

At the moment, CDC Land Charges are only showing a 200m "buffer" along the line of the proposed route as this is in response to a question on the CON29 dealing with proposed railway developments. But, we ask the question whether this 200m zone extends far enough? For example around Chipping Warden there are significant areas of residential development which fall outside the 200m zone but will clearly be severely affected by the development of the route.

It is essential that HS2 provides some further guidance on this, so that local authority land searches are consistent across boundaries.

Q2: Do you agree with the content of the guidance for Local Planning Authorities on the directions (Annex B)? If not, please explain why.

A: No. CDC does not agree for the following reasons:

Processing of applications – given the time constraints, the costs of producing paper copies of planning application documentation and the Government's drive towards e-government why is it necessary for documents to be sent via first class post when the Council could provide an electronic link to relevant planning applications via its public access system. Electronic access to applications should be used or HS2/the Government should meet the additional costs?

Consultation on permitted development – whilst it may be useful for HS2 Limited to be kept informed of permitted development proposals, permitted development is by its very nature permitted and as such developments which fall within the permitted development allowances will not always be made known to the local planning authority. Therefore it would not be possible or cost effective for the Council to provide HS2 Limited with such information.

The guidance implies that HS2 would like to receive notification of any permitted development proposals along the safeguarded route. This would be impossible to do in many cases as a lot of permitted development does not go through the Council's Building Control department or indeed needs Building Regulation approval, hence we would not be aware of this.

In addition, there is no requirement to obtain Building Regulation approval as planning permission has already been granted. Therefore we have no record of those properties that do not have Building Regulation approval as there is no penalty like there is under planning enforcement.

Obviously some people who know their proposed development falls within the permitted development allowance may well go on to construct that development without informing the planning authority. Tracking down such development and finding suitable scaled drawings could be time consuming and costly. Consultation with the Building Control Section has confirmed that whilst they would probably handle most developments resulting from permitted development through the building control process, building control applications are treated as confidential and cannot be revealed to third parties.

Q3: Do you agree with the geographical coverage of the land to be safeguarded (see plans and explanatory notes on the HS2 Ltd consultation website at: <http://highspeedrail.dft.gov.uk/consultation/safeguarding>. If not, please explain why.

A: CDC has concerns that the areas shown to be safeguarded will be subject to change this will make consistent decision making and or amendments to policies maps difficult. Changes will also have resource implications for local authorities which need to be addressed and clarified as to where the additional resources will be derived from. Every effort should be made to set Safeguarding right first time. It is assumed that HS2 Limited have safeguarded the minimum amount of land necessary and some areas such as construction compounds and power supply points are not

included in the proposed zone. CDC wishes to know how and when these are to be included prior to the zone being finalised.

Q4: Do you consider that the draft Impact Assessment (Annex C) is a fair reflection of the costs and benefits of the safeguarding proposals on the operation and outcomes of the planning application process? If not, please explain why.

It is noted that the assessment identifies a definite cost to local planning authorities to deal with the additional administrative burden of responding to service of Purchase Notices, processing planning applications to consult with HS2 limited and potentially with the Secretary of State. Whether this is or is not a fair assessment cannot be tested at this stage. While a cost is indicated there is no indication on who will pay the additional costs. Given the additional work required in relation to a Government backed scheme and imposed on the Council and its local council tax payers it is considered that the Government /HS2 Limited should meet any additional costs in full.

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Executive

Revised Opening Times

4 February 2013

Report of Chief Executive

PURPOSE OF REPORT

To consider that the opening time on Wednesday is changed from 08.45 to 09.45 with effect from 1 April 2013

This report is public

Recommendations

The Executive is recommended:

- (1) To revise the opening time on Wednesday from 08.45 to 09.45 with effect from 1 April 2013, subject to South Northamptonshire Council agreeing to do the same.

Executive Summary

Introduction

- 1.1 The Joint Arrangements Steering Group received a report at its meeting of 10 January 2013 on the twelve month review of joint working between this Council and South Northamptonshire Council.
- 1.2 The report highlighted the successes during the first twelve months, including over-achieving on the financial targets, but also addressed some of the other issues arising from the introduction of joint working.
- 1.3 One issue that has arisen as a consequence of the reduction in senior managers and the still relatively high number of single council teams is the frequency and effectiveness of team meetings. Such sessions are used for the two-way flow of information within teams, for training and also to meet with teams from other service areas where there is a mutual dependency. Examples include Customer Services and Finance regarding Council Tax collection, or Customer Services with

Environmental Services regarding waste collection.

1.4 A solution that would enable regular and effective team meetings would be to revise the opening hours to enable all staff to participate.

1.5 The current opening hours for Customer Services at this Council are:

- Monday-Tuesday - 08.45-17.15
- Wednesday – 10.00-17.15 (for face-to-face contact) but phone lines are open from 08.45
- Thursday-Friday – 08.45-17.15

South Northamptonshire Customer Services currently open at slightly different times, 08.45-17.15 on Monday-Thursday and 08.45-16.45 on Friday.

1.6 Information from the Customer Services teams at both councils demonstrates that Monday is the busiest day of the week, followed by Tuesday and, therefore, reducing the opening hours on these days should be avoided. There is a minimal difference in customer contact between Wednesday, Thursday and Friday. The Joint Management Team are normally divided between the two councils with the exception of alternate Wednesdays when JMT meetings are held and,, therefore, all team members are in the same place for that day only. Wednesday is also the day on which most part-time staff work.

Proposals

1.7 It is proposed that the opening hours for this Council should be altered to allow for staff meetings to take place each Wednesday. The staff meetings would conclude by 09.30 which would then enable services to operate from 09.45, with effect from 1 April 2013. This would enable notification of the change in opening hours to be included in the annual council tax mailing and also to be included in local media and on the CDC website.

Conclusion

1.8 A report is also being presented to the Cabinet at South Northamptonshire at their meeting on 11 February proposing the same revision to opening times. The Executive's decision will be reported verbally at that meeting.

Key Issues for Consideration/Reasons for Decision and Options

- 3.1 Opening later on Wednesday will facilitate the holding of regular and effective team meetings amongst staff.

Option One To accept the recommendation

Option Two To reject the recommendation and make no change to office opening hours.

Consultations

UNISON

Implications

Financial: There are no financial implications arising from this report.

Comments checked by Karen Curtin, Head of Finance and Procurement – 0300 0030106

Legal: There are no legal implications arising from this report.

Comments checked by Kevin Lane, Head of Law and Governance – 0300 0030107

Risk Management: There are no legal implications arising from this report.

Comments checked by Kevin Lane, Head of Law and Governance – 0300 0030107

Wards Affected

All

Document Information

Appendix No	Title
None	
Background Papers	
None	
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