

Committee: Budget Planning Committee
Date: Wednesday 24 February 2016
Time: 6.30 pm
Venue: Bodicote House, Bodicote, Banbury, OX15 4AA

Membership

Councillor Nicholas Mawer (Chairman)	Councillor Nigel Randall (Vice-Chairman)
Councillor Ken Atack	Councillor Colin Clarke
Councillor Ian Corkin	Councillor Carmen Griffiths
Councillor Russell Hurle	Councillor Mike Kerford-Byrnes
Councillor Barry Richards	Councillor Douglas Webb
Councillor Barry Wood	Councillor Sean Woodcock

AGENDA

1. Apologies for Absence and Notification of Substitute Members

2. Declarations of Interest

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

3. Urgent Business

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

4. Minutes (Pages 1 - 4)

To confirm as a correct record the minutes of the meeting held on 19 January 2016.

5. Chairman's Announcements

To receive communications from the Chairman.

6. Review of Procurement Strategy Progress (Pages 5 - 8)

Report of Head of Finance and Procurement

Purpose of Report

The report summarises the Council's Procurement Strategy progress for Quarter 3 of the financial year 2014-15.

Recommendations

The meeting is recommended:

1. To note the progress made during Quarter 3 2014-15 in implementing the Council's Procurement Strategy.

7. Quarter 3 2015-16 - Revenue and Capital Budget Monitoring Report (Pages 9 - 24)

Report of Head of Finance and Procurement.

Purpose of Report

This report summarises the Council's Revenue and Capital position as at the end of the third quarter of the financial year 2015-16 and projections for the full 2015-16 period.

Recommendations

The meeting is recommended:

1. To note the projected revenue and capital position at December 2015.

8. 2015-2016 Business Rates Quarterly Monitoring Report (Pages 25 - 30)

Report of Head of Strategic Planning and the Economy.

Purpose of Report

To provide members of Budget Planning Committee with an update on the business rates position as at the end of Quarter 3 of the 2015-2016 financial year.

Recommendations

The meeting is recommended:

1. To note the report.

9. Review of Committee Work Plan (Pages 31 - 34)

To review the Committee Work Plan.

Councillors are requested to collect any post from their pigeon hole in the Members Room at the end of the meeting.

Information about this Meeting

Apologies for Absence

Apologies for absence should be notified to democracy@cherwell-dc.gov.uk or 01295 221591 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.

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 Lesley Farrell, Democratic and Elections
lesley.farrell@cherwellandsouthnorthants.gov.uk, 01295 221591

Sue Smith
Chief Executive

Published on Tuesday 16 February 2016

Agenda Item 4

Cherwell District Council

Budget Planning Committee

Minutes of a meeting of the Budget Planning Committee held at Bodicote House, Bodicote, Banbury, OX15 4AA, on 19 January 2016 at 6.30 pm

Present: Councillor Nicholas Mawer (Chairman)
Councillor Nigel Randall (Vice-Chairman)

Councillor Ken Atack
Councillor Ian Corkin
Councillor Carmen Griffiths
Councillor Mike Kerford-Byrnes
Councillor Barry Richards
Councillor Douglas Webb
Councillor Barry Wood
Councillor Sean Woodcock

Substitute Members: Councillor Richard Mould (In place of Councillor Colin Clarke)

Also Present:: Linda Wilson – Solihull Metropolitan Borough Council, for agenda item 6
Paul Evans - Solihull Metropolitan Borough Council, for agenda item 6

Apologies for absence: Councillor Colin Clarke
Councillor Russell Hurle

Officers: Paul Sutton, Head of Finance and Procurement
George Hill, Corporate Finance Manager
Linda Barlow, Property and Facilities Manager
Lesley Farrell, Democratic and Elections Officer

51 **Declarations of Interest**

There were no declarations of interest.

52 **Urgent Business**

There were no items of urgent business.

53 **Minutes**

The minutes of the meeting of the Committee held on 1 December 2015 were confirmed as a correct record and signed by the Chairman.

54 **Chairman's Announcements**

There were no Chairman's announcements.

55 **Cherwell / Solihull Partnership member presentation**

The Chairman welcomed Linda Wilson and Paul Evans of Solihull Metropolitan Borough Council to the meeting.

Linda Wilson and Paul Evans gave a presentation on the Solihull Partnership, a Property Services Partnership which they advised delivered a more cost effective capital works by reducing contract administration and procurement time and therefore delivered better value for money.

The Committee was advised that the Solihull Partnership had been procured to complete interim works and was working with Cherwell District Council Property Services to complete planned capital works.

The depth of service had yet to be agreed but once this had been ascertained, a business case would be developed to enter into partnership with Solihull Property Services Partnership.

Resolved

(1) That the presentation be noted.

56 **Review of Reserves**

The Director of Resources submitted a report on the review of reserves held by Cherwell District Council.

The Committee were appreciative of the work that had been done in reviewing the reserves. It had proved very useful and requested that it be repeated and included in future work programmes.

Resolved

(1) That the figures in the appendices, in relation to earmarked reserves, be accepted and endorsed by the Committee.

57 **Medium Term Revenue Plan and draft 2016-17 Revenue and Capital Budgets**

The Head of Finance and Procurement submitted a report which set out the Medium Term Revenue Plan, draft Revenue and Capital Budget proposals for 2016/17.

The Head of Finance and Procurement gave a presentation on the Provisional Settlement for 2016/17 and beyond. The proposal for a four year settlement was welcomed as it would give more certainty and accuracy in budget setting.

Resolved

- (1) That the updated Medium Term Revenue Plan be noted.
- (2) That the 2016/17 draft revenue budget be recommended to Executive to recommend to Full Council for adoption.
- (3) That the 2016/17 capital programme be recommended to Executive to recommend to Full Council for adoption.
- (4) That Executive be recommended to recommend to Full Council that there be no Council Tax Increase for 2016/17

(Councillor Barry Richards and Councillor Sean Woodcock requested that their abstention from the vote on resolutions 2, 3 and 4 be recorded.)

58 **Exclusion of Press and Public**

Resolved

That under Section 100A of the Local Government Act 1972, the public and press be excluded from the meeting for the following item of business on the ground that, if the public and press were present, it would be likely that exempt information falling under the provisions of Schedule 12A, Part 1, Paragraph 3 would be disclosed to them, and that in all the circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information

59 **Exempt Appendices of BPC Revenue and Capital Budget 16-17 Report**

The Committee considered the exempt appendices of the report of Head of Finance and Procurement on the Medium Term Revenue Plan, Draft 2016/17 Revenue and Capital Budgets.

Resolved

- (1) That the exempt appendices be noted.

60 **Re-admittance of Press and Public**

Resolved

That the Press and Public be re-admitted.

61 **Review of Committee Work Plan**

The Committee considered its work plan 2015/16.

The Committee agreed that the in-depth review of reserves should remain on the work plan and requested that details be issued to Budget Planning Committee members two weeks prior to the meeting at which it would be considered to enable requests for Officers to attend the meeting for further in-depth analysis.

Resolved

(1) That the Work Plan be noted.

The meeting ended at 8.40 pm

Chairman:

Date:

Cherwell District Council

Budget Planning Committee

24 February 2015

Review of Procurement Strategy Progress

Report of Head of Finance and Procurement

This report is public

Purpose of report

This report summarises the Council's Procurement Strategy progress for q3 of the financial year 2014-15.

1.0 Recommendations

The meeting is recommended:

- 1.1 That the Committee note the progress made during q3 2014-15 in implementing the Council's Procurement Strategy.

2.0 Introduction

- 2.1 Cherwell District Council and South Northamptonshire Council adopted its first formal Joint Procurement Strategy and Action Plan in 2012/13 and has refreshed it annually.
- 2.2 The purpose of the procurement strategy is to communicate clearly to stakeholders, operational managers, procurement specialists and suppliers in the private and voluntary sectors, the council's vision for the procurement of goods, services and works so that each may play a meaningful role in improving the procurement practices and delivering budget reductions at the council.

3.0 Report Details

- 3.1 The shared Procurement Team continue to collaborate with the wider procurement community to secure best value for CDC and lower the cost of procurement exercises. Examples of this are:
 - Team recently worked with Oxford City & SNC to procure refuse vehicles for the next 5 years producing significant savings on the purchase cost of the vehicles and additional parts savings and technician training.

- Team recently collaborated with Oxfordshire Fire & Rescue service, Oxford City Council, Oxfordshire County Council and West Oxfordshire District Council to purchase diesel. This collaboration produced further savings.
- Toilet cleaning and maintenance is a collaborative project involving CDC, SNC, West Oxford DC, Cotswold DC and Oxford City Council.

3.2 The Procurement Team continue to deliver best value for the Council and aggressively seek to reduce the whole life cost of projects.

3.3 Examples of added value achieved by the shared Procurement Team for CDC Q2 15/16 are shown in the table below.

Project	Procurement added value
Cost savings	
Refuse collection vehicles	£87,000
Credit reports	£1,402
RCV training	£6,300
RCV parts discount	£9,000
Diesel margin reduction	£2,700
Sub total	£106,402
Process saving	
Public toilet cleaning and maintenance	£2,000
RCV via CCS framework	£3,000
Pay by phone parking	£2,000
Street name plates	£2,000
Traffic management	£2,000
Sub total	£11,000
Bid differential	
Public toilet cleaning and maintenance	£35,184
Total	£152,586

4.0 Conclusion and Reasons for Recommendations

- 4.1 The shared procurement service continues to provide a valuable service to both Councils by delivering value for money both in terms of cost savings, cost avoidance and back end savings. The service also strives to ensure compliance with Procurement regulations. The Budget Planning Committee is recommended to note the progress made in q3 2015/16.

5.0 Consultation

The work of the Procurement Team is scrutinised by the Procurement Steering Group that comprises:

- The Monitoring Officer
- The Section 151 Officer
- The Head of Finance and
- The Resources Portfolio Holder

6.0 Alternative Options and Reasons for Rejection

- 6.1 No reasonable alternatives.

7.0 Implications

Financial and Resource Implications

- 7.1 There are no adverse financial effects on the Council by implementing the procurement strategy. Cashable savings will assist in protecting Council services and managing funding reductions.

Comments checked by:

Paul Sutton, Head of Finance and Procurement, 0300 0030106

paul.sutton@cherwellandsouthnorthants.gov.uk

Legal Implications

- 7.2 Legal work closely with procurement to ensure that our processes are compliant and not open to challenge. The monitoring officer also plays a key role as part of the Procurement Steering Group.

Comments checked by:

Kevin Lane, Head of Law and Governance, 0300 0030107,

kevin.lane@cherwellandsouthnorthants.gov.uk

8.0 Decision Information

Wards Affected

All

Links to Corporate Plan and Policy Framework

Sound budgets and customer focused council

Lead Councillor

Not applicable.

Document Information

Appendix No	Title
None	
Background Papers	
None	
Report Author	Richard Stirling
Contact Information	01327 322113 richard.stirling@cherwellandsouthnorthants.gov.uk

Cherwell District Council

Budget Planning Committee

24 February 2016

<p>Quarter 3 2015-16 – Revenue and Capital Budget Monitoring Report</p>
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Report of the Head of Finance and Procurement

This report is public

Purpose of report

This report summarises the Council's Revenue and Capital position as at the end of the third quarter of the financial year 2015-16 and projections for the full 2015-16 period.

1.0 Recommendations

Budget Planning Committee is recommended:

- 1.1 To note the projected revenue and capital position at December 2015.

2.0 Introduction

- 2.1 In line with good practice budget monitoring is undertaken on a monthly basis within the Council. The revenue and capital position is formulated in conjunction with the joint management team and formally to the Budget Planning Committee on a quarterly basis. The report will go to the Executive on 7 March 2016.
- 2.2 The revenue and capital expenditure up to quarter three has been subject to a detailed review by Officers.

3.0 Report Details

Projected Revenue Outturn

- 3.1 At quarter three the Council is projecting an underspend of £816,000 at the year end. Analysis by directorate can be found in Appendix 1.

SUMMARY by SERVICE AREA								
	Actual v Profile				Projected v Budget			
	Budget YTD £000's	Actual YTD £000's	Variance (Under) / Over £000's	Concern Key	Budget £000's	Projected £000's	Variance (Under) / Over £000's	Concern Key
Bicester Regeneration projects	(483)	(483)	0	G	(311)	(311)	0	G
BICESTER REGENERATION PROJECTS Total	(483)	(483)	0	G	(311)	(311)	0	G
Community Services	2,882	2,469	(413)	A	2,943	2,419	(524)	A
Environmental Services	3,310	3,640	330	R	3,915	4,308	393	R
COMMUNITY & ENVIRONMENT Total	6,192	6,109	(83)	G	6,857	6,726	(131)	G
Chief Executives	298	337	39	R	409	458	49	R
CHIEF EXECUTIVES Total	298	337	39	R	409	458	49	R
Strategic Planning & the Economy	498	505	7	G	553	555	2	G
Public Protection & Development Management	352	(190)	(542)	A	484	(84)	(568)	A
Regeneration & Housing	1,583	1,634	51	R	1,339	1,577	238	R
DEVELOPMENT Total	2,433	1,949	(484)	A	2,376	2,048	(328)	A
Transformation	746	688	(58)	A	1,098	964	(134)	A
Finance & Procurement	1,169	964	(205)	A	1,472	1,209	(263)	A
Law & Governance	756	679	(77)	A	910	827	(83)	A
ICT	834	848	14	A	974	1,048	74	R
RESOURCES Total	3,505	3,179	(326)	A	4,454	4,048	(406)	A
COST OF SERVICES	11,945	11,091	(854)	A	13,785	12,969	(816)	A

3.2 The most significant factors in the year to date are:

- There has been additional grant income for Safer Communities and Public Environmental Health. Also, additional car park income, recreational course fees and sports income.
- Environmental Services income is reduced because of a drop in price for glass sold for recycling, together with a reduction in waste and recycling refuse sales and income. In addition there has been a reduction in pest treatment and street cleansing work, resulting in less income.
- Planning Fee income is still higher than was anticipated in the budget, but was much lower in quarter three, and this lower level of income is likely to continue in the final quarter.
- There are salary savings in a number of services because of vacant posts
- Investment income is currently higher than expected and this trend is expected to continue; however, any income will be transferred to reserves.

3.3 Projected Capital Outturn

Directorate	BUDGET £000	SLIPPAGE £000	ADJUSTMENTS £000	APPROVED BUDGET £000	ACTUAL £000	PROJECTION £000	SLIPPAGE £000	VARIANCE £000
Bicester Regeneration Projects Total	23,333	0	9,884	33,217	6,916	33,217	0	0
Community & Environment Total	1,845	906	1,271	4,022	667	1,155	2,845	(22)
Resources Total	324	389	(155)	558	167	336	219	(3)
Development Total	1,875	4,331	19,805	26,011	8,942	13,440	12,589	18
Total	27,377	5,626	30,805	63,808	16,692	48,148	15,653	(7)

The net Capital projection as at December 2015 is within budget tolerances. Full detail by project, including anticipated completion dates are shown in appendix 2.

3.4 Reserves

The reserves held by the Council were reviewed as part of the budget process. It was agreed at that time that an updated position on reserves would be included in the quarterly reporting process. There has been no movement since the budget was recommended by this Committee on 19 January, but a list of Reserves is attached as appendix 3 for information.

4.0 Conclusion and Reasons for Recommendations

4.1 It is recommended that:

- the contents of this report are noted.

5.0 Consultation

Cllr Ken Atack – Lead member
for Financial Management

Cllr Atack is content with the report and
supportive of the recommendations contained
within it.

6.0 Alternative Options and Reasons for Rejection

6.1 The following alternative options have been identified and rejected for the reasons as set out below.

6.2 Option 1: This report illustrates the Council's performance against the 2015-16 Financial Targets for Revenue and Capital. As this is a monitoring report, no further options have been considered. However, members may wish to request that officers provide additional information.

7.0 Implications

Financial and Resource Implications

7.1 These are contained in the body of the report. There are no direct costs or other direct financial implications arising from this report.

Comments checked by: George Hill, Corporate Services Manager
01295 221781 george.hill@cherwellandsouthnorthants.gov.uk

Legal Implications

7.2 There are no legal implications. Presentation of this report is in line with the CIPFA Code of Practice.

Comments checked by: Kevin Lane, Head of Law and Governance
0300 0030107 kevin.lane@cherwellsouthnorthants.gov.uk

Risk management

- 7.3 The position to date highlights the relevance of maintaining a minimum level of reserves and budget contingency to absorb the financial impact of changes during the year. Any increase in risk will be escalated through the corporate risk register.

Comments checked by: Caroline French, Corporate Policy Officer
01295 221586 caroline.french@cherwellandsouthnorthants.gov.uk

Equality and Diversity

- 7.4 Impact assessments were carried out in advance of setting the 2015-16 budget.

Comments checked by: Caroline French, Corporate Policy Officer
01295 221586 caroline.french@cherwellandsouthnorthants.gov.uk

8.0 Decision Information

Wards Affected

All

Links to Corporate Plan and Policy Framework

All

Lead Councillor

Councillor Ken Atack – Lead Member for Financial Management

Document Information

Appendix No	Title
Appendix 1	Directorate Analysis
Appendix 2	Capital Spend and Projected Slippage
Appendix 3	Reserves
Background Papers	
None	
Report Author	Paul Sutton, Head of Finance and Procurement
Contact Information	Paul.sutton@cherwellandsouthnorthants.gov.uk 0300 003 0106

CHERWELL DISTRICT COUNCIL
MANAGEMENT ACCOUNTS AS AT DECEMBER 2015

BICESTER REGENERATION PROJECTS SUMMARY

	Actual v Profile				Projected v Budget		
	Budget YTD £000's	Actual YTD £000's	Variance (Under) / Over £000's	Concern Key	Projected £000's	Variance (Under) / Over £000's	Concern Key
Bicester Regeneration Projects	(483)	(483)	0	G	(311)	0	G
BICESTER REGENERATION PROJECTS	(483)	(483)	0	G	(311)	0	G

ACTUAL		PROJECTED	
1.5%	2.5%	1.5%	2.5%
7.245	12.075	4.665	7.775
7.245	12.075	4.665	7.775

Reasons for major variance :

Concern Key (based on YTD budget)

Overspent more than 2.5% of budget	R
Underspent more than 2.5% of budget	A
Overspent between 1.5% and 2.5% of budget	A
Anything else	G

CHERWELL DISTRICT COUNCIL
MANAGEMENT ACCOUNTS AS AT DECEMBER 2015

COMMUNITY AND ENVIRONMENT SUMMARY

	Actual v Profile				Projected v Budget		
	Budget YTD £000's	Actual YTD £000's	Variance (Under) / Over £000's	Concern Key	Projected £000's	Variance (Under) / Over £000's	Concern Key
Community Services	2,882	2,469	(413)	A	2,419	(524)	A
Environmental Services	3,310	3,640	330	R	4,308	393	R
COMMUNITY & ENVIRONMENT Total	6,192	6,109	(83)	G	6,726	(131)	G

ACTUAL	
1.5%	2.5%
43.23	72.05
49.65	82.75
92.88	154.8

PROJECTED	
1.5%	2.5%
44.1375	73.5625
58.7175	97.8625
102.855	171.425

Reasons for major variance :

Community Services

Significant savings made because of staff vacancies over most teams in the section. There has been additional grant income for Safer Communities and Public Environmental Health. Also, additional car park income, recreational course fees and sports income.

Environmental Services

There has been increased use of agency and temporary staff to cover long term sickness. Income is reduced because of a drop in price for glass sold for recycling, together with a reduction in waste and recycling refuse sales and income. In addition there has been a reduction in pest treatment and street cleansing work, resulting in less income.

Concern Key (based on YTD budget)

Overspent more than 2.5% of budget	R
Underspent more than 2.5% of budget	A
Overspent between 1.5% and 2.5% of budget	A
Anything else	G

CHERWELL DISTRICT COUNCIL
MANAGEMENT ACCOUNTS AS AT DECEMBER 2015

CHIEF EXECUTIVE

	Actual v Profile				Projected v Budget		
	Budget YTD £000's	Actual YTD £000's	Variance (Under) / Over £000's	Concern Key	Projected £000's	Variance (Under) / Over £000's	Concern Key
Chief Executives	298	337	39	R	458	49	R
CHIEF EXECUTIVES Total	298	337	39	R	458	49	R

ACTUAL		PROJECTED	
1.5%	2.5%	1.5%	2.5%
4.47	7.45	6.135	10.225
4.47	7.45	6.135	10.225

Reasons for major variance :

Chief Executives
The overspend is because of posts filled by agency staff

Page 15

Concern Key (based on YTD budget)

Overspent more than 2.5% of budget	R
Underspent more than 2.5% of budget	A
Overspent between 1.5% and 2.5% of budget	A
Anything else	G

CHERWELL DISTRICT COUNCIL
MANAGEMENT ACCOUNTS AS AT DECEMBER 2015

DEVELOPMENT SUMMARY

	Actual v Profile				Projected v Budget		
	Budget YTD £000's	Actual YTD £000's	Variance (Under) / Over £000's	Concern Key	Projected £000's	Variance (Under) / Over £000's	Concern Key
Strategic Planning & the Economy	498	505	7	G	555	2	G
Planning & Development Management	352	(190)	(542)	A	(84)	(568)	A
Regeneration & Housing	1,583	1,634	51	R	1,577	238	R
DEVELOPMENT Total	2,433	1,949	(484)	A	2,048	(328)	A

ACTUAL		PROJECTED	
1.5%	2.5%	1.5%	2.5%
0	0		
7.47	12.45	8.295	13.825
5.28	8.8	7.26	12.1
23.745	39.575	20.085	33.475
36.495	60.825	35.64	59.4

Reasons for major variance :

Strategic Planning & the Economy

Public Protection & Development Management

Planning Fees Income was significantly above budget for the first half year, but has eased in the third quarter. It is anticipated that this lower level of income will continue in the fourth quarter, although this is still at or about the budgeted level for the quarter.

Regeneration & Housing

Agency costs for cover on 3 key roles. Additional Professional Fees incurred by Delivery Team and although there is reduced income due to vacant units in Banbury, this has been offset by increased rentals in Bicester. Reserves are earmarked to offset this overspend, but these have not yet been released owing to the overall position for Development and the

Concern Key (based on YTD budget)

Overspent more than 2.5% of budget	R
Underspent more than 2.5% of budget	A
Overspent between 1.5% and 2.5% of budget	A
Anything else	G

CHERWELL DISTRICT COUNCIL
MANAGEMENT ACCOUNTS AS AT DECEMBER 2015

RESOURCES

	Actual v Profile				Projected v Budget		
	Budget YTD £000's	Actual YTD £000's	Variance (Under) / Over £000's	Concern Key	Budget £000's	Variance (Under) / Over £000's	Concern Key
Transformation	746	688	(58)	A	1,098	(134)	A
Finance & Procurement	1,169	964	(205)	A	1,472	(263)	A
Law & Governance	756	679	(77)	A	910	(83)	A
ICT	834	848	14	A	974	74	R
RESOURCES Total	3,505	3,179	(326)	A	4,454	(406)	A

ACTUAL		PROJECTED	
1.5%	2.5%	1.5%	2.5%
11.19	18.65	16.47	27.45
17.535	29.225	22.08	36.8
11.34	18.9	13.65	22.75
12.51	20.85	14.61	24.35
52.575	87.625	66.81	111.35

Reasons for major variance :

Transformation

There are salary savings due to vacancies in Performance & Improvement, in addition there are savings for Cherwell Link and ICT costs.

Finance & Procurement

A decision to broaden the range of legal cases upon which the Council seeks to recover court costs, has resulted in significantly higher income than was anticipated in the budget. This area is very difficult to predict accurately as it is quite volatile, and will be monitored closely. There are also savings relating to staff vacancies.

Law & Governance

Income is higher than budgeted because of successful legal cases. In addition personal search fees are also higher than budgeted.

ICT

There have been additional software costs, there are earmarked reserves available to offset this, but these have not been released owing to the overall position for Resources and the Council.

Concern Key (based on YTD budget)

Overspent more than 2.5% of budget	R
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Underspent more than 2.5% of budget	A
Overspent between 1.5% and 2.5% of budget	A
Anything else	G

CHERWELL DISTRICT CAPITAL SPEND AND YEAR END PROJECTIONS

Page 19

DESCRIPTION	ORIGINAL BUDGET	SLIPPAGE	ADJUSTMENTS	APPROVED BUDGET
	£000	£000	£000	£000
Biomass Heating for Bicester Leisure Centre	0	86	0	86
Cooper Sports Hall Roof	0	100	0	100
Customer Self-Service Portal and CRM Solution	25	55	0	80
The Hill Youth & Community Centre	400	0	0	400
Bicester Sports Village	790	0	0	790
Community Centre Refurbishments	0	84	0	84
Solar Photovoltaics at Sports Centre	0	80	0	80
Village Hall, Recreation Play Grants	0	7	0	7
Football Development Plan in Banbury	0	20	0	20
North Oxfordshire Academy Astro turf	0	150	0	150
South West Bicester Sports Village	0	0	1,271	1,271
Athletics Track Refurbishment - North Oxfordshire	0	7	0	7
Stratfield Brake Repair Works	0	22	0	22
KGSC ATP Replacement	0	20	0	20
Car Park Refurbishments	0	28	0	28
Implementing Vehicle Parks Proposals	0	17	0	17
Sports Centre Modernisation Programme	0	118	0	118
Community Services Total	1,215	794	1,271	3,280

Energy Efficiency Projects	0	31	0	31
Glass Bank Recycling Scheme	15	9	0	24
Recycling Bank Scheme	0	21	0	21
Workshop Brake Rollers	32	0	0	32
Public Conveniences	25	0	0	25
Off Road Parking Facilities	0	18	0	18
Urban Centres Improvements	0	15	0	15
Vehicle Replacement Programme	558	17	0	575
Fleet Management System	0	1	0	1
Environmental Services Total	630	112	0	742

Community & Environment Total	1,845	906	1,271	4,022
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Standardisation	0	0	0	0
Microsoft Licensing Agreement	110	0	0	110
Thin Client Extension	0	9	(9)	0
Core Business System Integration	0	24	(24)	0
Corporate Bookings System	0	8	0	8
Extended Contract for Website Hosting	0	40	0	40
Visualifities Upgrade	16	16	0	32
Server Replacement 1314	0	3	(3)	0
CDC&SNC Cust Servs Desktop	0	9	(9)	0
GCSX Secured Area - Wall Garden - PNC Co	0	20	(20)	0
San Storage Renewal (IT hardware)	0	9	(9)	0

ACTUAL	PROJECTED	SLIPPAGE	VARIANCE	Anticipated Completion Date (mm/yy)	COMMENTS
£000	£000	£000	£000		
2	4	82	0	Sep-16	Addressing insurance requirement for additional works including an escape hatch and also have additional consultant fees to come in due to issue with Renewable Heating Initiative application. Slip into 16/17
0	0	100	0	Mar-17	Project currently on hold whilst Joint User Agreement long term arrangements are finalised. Works will be required to align with agreement - expenditure will be slipped to 2016/17 - roof needs replacing urgently but Academy have no funds (53:47 split). Raised as H&S concern
0	14	66	0	Mar-17	Costs re Lagan CRM project (shared with SNC) to be incurred this year. Slippage to cover Self Service portal etc.
0	200	200	0	Aug-16	Work planned September to November 2015, from Jan 16 contractor stage payments will be made - target completion in August 16 with retention.
0	0	790	0	Aug-16	Work planned September to November 2015, from Jan 16 contractor stage payments will be made - target completion in August 16 with retention.
0	0	84	0	TBC	On hold in case it is needed for the Hill - Expenditure will be in 2016/17
0	0	80	0	TBC	No immediate plans for further spend but there is an ongoing need for inverter replacement to ensure optimum efficiency to maximise Feed In Tarrif payments.
0	7	0	0	Mar-16	Allocated to Wroxton - anticipated spend in 2015/16
0	0	20	0	Aug-16	Work is programmed to take place in late 2015/16, expenditure will be in 2016/17
0	0	150	0	Aug-16	Anticipating remaining expenditure in 2016/17 due to slow negotiations with NOA (matter escalated to ID)
170	170	1,101	0	Aug-16	Work planned September to November 2015, from January 16 contractor stage payments will be made - target completion in August 16 with retention.
0	7	0	0	Mar-16	Anticipating full spend in second half of 2015/16 re edging
0	22	0	0	Mar-16	Management contract not agreed - condition works to be carried out 15/16
0	0	0	(20)		£20k slippage from 14/15 to cover final costs no longer required.
23	25	3	0	Sep-16	Anticipating full spend in second half of 2015/16, retention payment in 2016/17
0	17	0	0	Mar-16	Anticipating full spend in second half of 2015/16
30	30	88	0	Aug-16	Per SB some funds to also be used for condition survey works at WGLC. Final payments will be made in 2016/17
225	496	2,764	(20)		

4	8	23	0	Sep-16	£23k to slip in to 2016/17
0	13	11	0	Sep-16	£11k to slip in to 2016/17
10	15	6	0	Jun-16	£6k to slip in to 2016/17
36	36	0	4	Mar-16	Project overspent but saving to be made on EACE005 to compensate
0	15	10	0	Jun-16	Projected spend in Q4. £10k slippage required
0	0	18	0	Sep-16	Due to delays with EA and Country Park, slippage required into 2016/17.
13	15	0	0	Mar-16	Fully committed
379	557	13	(5)	Mar-17	£11k to be committed in Q4, £5k variance to cancel out CEES004 overspend and £13k to slip to 2016/17
0	0	0	(1)	-	Budget no longer required
442	659	81	(2)		

667	1,155	2,845	(22)
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0	0	0	0		
0	0	110	0	Mar-18	Funding will be required in 2017/18
0	0	0	0	-	Delete from capital programme - agreed at BPC on 9 September 2014
0	0	0	0	-	Delete from capital programme - agreed at BPC on 9 September 2014
0	8	0	0	Mar-16	Will be fully spent in 2015/16
4	40	0	0	Mar-16	Will be fully spent in 2015/16
0	0	32	0	-	Awaiting feedback from legal section - project may slip
0	0	0	0	-	Delete from capital programme - agreed at BPC on 9 September 2014
3	0	0	0	-	Delete from capital programme - agreed at BPC on 9 September 2014
0	0	0	0	-	Delete from capital programme - agreed at BPC on 9 September 2014
0	0	0	0	-	Delete from capital programme - agreed at BPC on 9 September 2014

CHERWELL DISTRICT CAPITAL SPEND AND YEAR END PROJECTIONS

DESCRIPTION	ORIGINAL BUDGET	SLIPPAGE	ADJUSTMENTS	APPROVED BUDGET
	£000	£000	£000	£000
Server Replacement Programme (IT hardware)	0	30	(30)	0
ESXI PROD 2 - capacity forward planning (IT hardware)	0	15	(15)	0
Lync 2013 (professional fees, equipment, IT hardware)	0	9	(9)	0
Desktop PC Replacement	0	15	(15)	0
Netback Up Upgrade	0	24	(24)	0
ISCSI Traffic Separation (IT hardware)	0	4	(4)	0
Modular Development of CSM - Cherwell Helpdesk	0	25	(25)	0
Security Logging Software	0	25	(25)	0
Hyper V Environment (IT hardware)	0	14	(14)	0
Citrix - Expansion to Support Agile Working	0	20	(20)	0
Disaster Recovery	0	35		35
Sharepoint - Joint Bid with SNC (split 50:50)	0	35	(35)	0
Planning and Building Control replacement of 3 way BACS & Payment Systems	35	0	42	77
5 Year Rolling HW / SW Replacement Prog	50	0		50
Business Systems Harmonisation Programme	40	0		40
Audio Visual equipment replacement	0	0	125	125
Transformation Total	286	389	(158)	517

HR / Payroll System replacement	38	0	0	38
Finance & Procurement Total	38	0	0	38

Elections Polling Booths and Count Tables	0	0	3	3
Law & Governance Total	0	0	3	3

Resources Total	324	389	(155)	558
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East West Railways	290		0	290
Build Programme	0	2,510	20,235	22,745
Disabled Access Audit	0	15	(15)	0
23&24 Thorpe Place Roof Lights	0	4	0	4
Condition Survey Works	0	472	(156)	316
Bradley Arcade Roof Repairs	3	120		123
DPS Access Audit	0	20	(20)	0
Empty Homes and Work-in-default (recoverable)	0	100		100
18 & 19 Thorpe Place - Replacement Roof Lights	0	1	(1)	0
Upgrade to Uninterrupted Power Supply & Back-up	50	288	0	338
Improvements to Amenities to Orchard Way Shopping Centre	0	25	0	25
Woodgreen - Condition Survey Works	30	0	0	30
Banbury Museum - Emergency Lighting Replacement	30	0	40	70
Orchard Way Shopping Arcade - front service	300	0	0	300
Units 21 & 23 Thorpe Place - Replacement of	30	0	0	30
Bodicote House - Access Control System	35	0	0	35
Environmental Improvements Grimsbury	0	250	(250)	0
Bicester Cattle Market Car Park Phase 2	0	90	(90)	0
Old Bodicote House	0	124	0	124
Bicester Town Centre Redevelopment	0	176	0	176
Highfield Depot Repairs	0	0	0	0
Kidlington High Street Pedestrianisation	0	0	7	7

ACTUAL	PROJECTED	SLIPPAGE	VARIANCE	Anticipated Completion Date (mm/yy)	COMMENTS
£000	£000	£000	£000		
0	0	0	0	Mar-16	Will be fully spent in 2015/16
0	0	0	0	-	Delete from capital programme - agreed at BPC on 9 September 2014
6	0	0	0	Mar-16	Will be fully spent in 2015/16
2	0	0	0	-	Delete from capital programme - agreed at BPC on 9 September 2014
0	0	0	0	Mar-16	Will be fully spent in 2015/16
0	0	0	0	-	Delete from capital programme - agreed at BPC on 9 September 2014
0	0	0	0	-	Delete from capital programme - agreed at BPC on 9 September 2014
0	0	0	0	-	Delete from capital programme - agreed at BPC on 9 September 2014
0	0	0	0	-	Delete from capital programme - agreed at BPC on 9 September 2014
0	0	0	0	Mar-16	Will be fully spent in 2015/16
0	35	0	0	Mar-16	Will be fully spent in 2015/16
0	0	0	0	Mar-18	Part of L&P harmonisation -profiled 50/50 across 16/17 and 17/18
0	0	77	0	Mar-18	Part of L&P harmonisation -profiled 50/50 across 16/17 and 17/18
11	0	0	0	Mar-16	Project will be completed through the new finance system - delete balance
13	50	0	0	Mar-16	Five year rolling programme - £50,000/year
0	40	0	0	Mar-16	Five year rolling programme - £40,000/year
125	125	0	0	Oct-15	Project complete - funded from reserves
164	298	219	0		

0	38	0	0	Mar-17	Negotiations underway with current supplier to continue provision until replacement system implemented.
0	38	0	0		

3	0	0	(3)	-	Completed
3	0	0	(3)		

167	336	219	(3)		
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0	0	290	0	Mar-16	5 year capital contributions - will be spent in year
8,185	10,852	11,893	0	Mar-16	Programme on course
0	0	0	0	Sep-15	Completed - release capital balance
0	4	0	0	Mar-16	Completed - this is a retention sum to be spent this year
98	316	0	0		
1	123	0	0	Mar-16	Works specified, contract to be let shortly. Expenditure this year with possible slippage dependant on contractor's schedule of works.
0	0	0	0	Sep-15	No remedial work required - release capital balance
0	100	0	0		Expenditure on enforcement action - expenditure is recoverable
0	1	0	1	Sep-15	Completed - release capital balance
1	338	0	0	Mar-16	Work procured through Solihull Partnership. Work is urgent, so there is a need to complete this year
0	0	25	0	Jun-16	Work procured through Solihull Partnership. Likely to have a lengthy lead-in time so defer until Q.1 2016/17
0	4	26	0	Mar-16	Flooring work complete - awaiting a decision on whether to replace the flat roof.
0	70	0	0	Mar-16	Contract let - will start on site this month
0	0	300	0	Jun-16	Work procured through Solihull Partnership. Likely to have a lengthy lead-in time so defer until Q.1 2016/17
0	30	0	0	Mar-16	Contract let - will start on site this month
0	35	0	0		Upgrade of system to coincide with new access control installation at Franklins House
0	0	0	0		Project completed in 2013 - release capital balance
0	0	0	0	TBC	Pedestrianisation scheme slipped for four years
34	124	0	0	Mar-16	Scheme has now started, to be completed this year
115	176	0	0		Scheme has now started, to be completed this year
3		0			
7	7	0	0		Complete

CHERWELL DISTRICT CAPITAL SPEND AND YEAR END PROJECTIONS

DESCRIPTION	ORIGINAL BUDGET	SLIPPAGE	ADJUSTMENTS	APPROVED BUDGET	ACTUAL	PROJECTED	SLIPPAGE	VARIANCE	Anticipated Completion Date (mm/yy)	COMMENTS
	£000	£000	£000	£000						
Disabled Facilities Grants	832	0	0	832	422	832	0	0	Mar-16	The budget will either be spent or committed as a grant offer - committed grants that are not paid in the year are routinely slipped to the following year
Discretionary Grants for Domestic Properties	275	136	0	411	58	411	0	0	Mar-16	The budget will either be spent or committed as a grant offer - committed grants that are not paid in the year are routinely slipped to the following year
Discretionary House Condition Grants	0	0		0	18	17	0	17		
Thorpe Lane Depot - CCTV Replacement	0		40	40	0	0	40	0		New project - defer to 2016/17
Bodicote House - CCTV Upgrade	0		15	15	0	0	15	0		New project - defer to 2016/17
Regeneration & Housing Total	1,875	4,331	19,805	26,011	8,942	13,440	12,589	18		
Development Total	1,875	4,331	19,805	26,011	8,942	13,440	12,589	18		
Bicester Community Building	0	0	9,884	9,884	4,666	9,884	0	0		
Graven Hill	23,333	0	0	23,333	2,250	23,333		0		
Bicester Regeneration Projects Total	23,333	0	9,884	33,217	6,916	33,217	0	0		
Capital Total	27,377	5,626	30,805	63,808	16,692	48,148	15,653	(7)		

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Description	Estimated Balance 31 March 2016 Post Review
GENERAL FUND BALANCES	4,187,912
Graven Hill - Equalisation Reserve	3,396,374
NHB - Economic Development	1,500,000
Significant Business Rates Volatility Reserve	1,215,361
Environmental Warranties	1,000,000
Planning Income Volatility Control	750,000
Corporate Change Reserve	621,220
Local Plan Charges	560,054
Eco Town Revenue	503,623
NHB - Affordable Housing	414,324
Planning delivery Grant	322,010
New Burdens Grant	248,424
Car Park Studies	229,000
Housing Reserve	220,000
Self Insurance	160,402
Elections Reserve	108,452
Building Control	100,277
Welfare Reform Reserve	100,000
Country Park Reserve	100,000
Bicester Fields Main Park - S106	97,258
Wheeled Bin replacement	96,229
Brighter Futures	95,312
Less than £20,000 project reserve fund	90,147
Special initiative ABG in 10640	83,011
Hanwell Fields Open Space - S106	79,123
Capacity Funding	76,676
Licensing	75,000
Corporate IT Contingency	73,297
Green Deal Pioneer Places REV	69,202
Bicester Youth Bus	64,590
SSCF in 10579	64,331
Thames valley Police	60,700
CSGM Dovecote Milcombe - S106	56,362
Sainsbury's Primary Authority	55,328
IER Section 31 Grant	45,394
Homelessness Prevention MRP	44,879
Flood Recovery	40,000
PCT Contributions for Health Bus	39,500
Coutyard Youth Arts	38,580
LABURNHAM CRES AMBROSDEN POS	37,719
Sportivate Grant in 16369	33,480
Joint External Bid-writer	30,000
Credit Union Development Officer	22,500
Active Women Grant in 15904	22,315
Performance Reward Grant	20,497
Broad field Road, Yarnton - S106	3,428
Revenue Reserves - Grand Total	17,252,292

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Cherwell District Council

Budget Planning Committee

24 February 2016

2015-2016 Business Rates Quarterly Monitoring Report

Report of Head of Strategic Planning and the Economy

This report is public

Purpose of report

To provide members of Budget Planning Committee with an update on the business rates position as at the end of Quarter 3 of the 2015-2016 financial year.

1.0 Recommendations

The meeting is recommended:

- 1.1 To note this report.

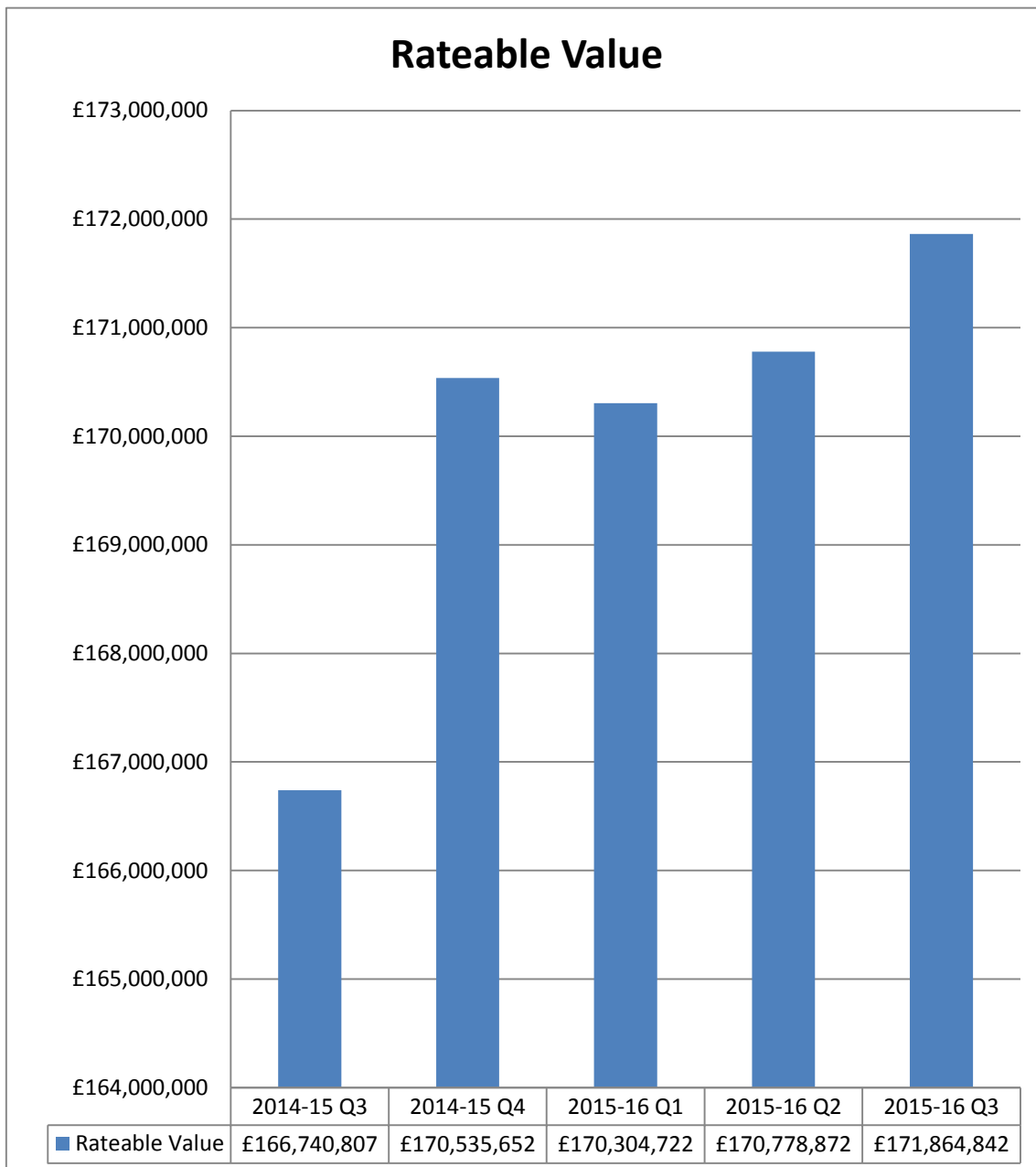
2.0 Introduction

- 2.1 Members will be aware of the key changes affecting local government finance from 1st April 2013, including arrangements for the localisation of business rates, with local government being able to retain a proportion of business rates growth. In-year monitoring to the end of December 2015 shows the projection for the year of Non-Domestic Rating income to be more than the estimate provided in the NNDR1 return. The reasons for this are explained in paragraph 3.3.

3.0 Report Details

- 3.1 Business rates are a property tax based on the rateable value of each non-domestic property. Rateable values are determined by the Valuation Office Agency (VOA) and are mostly based on rental values. The rateable value for Cherwell District Council at the end of Quarter 3 of the 2015-2016 financial year was £171,864,842. The graph below shows the movement in rateable values Since Quarter 3 2014-2015. As you will see there is considerable volatility which makes it difficult to make estimates of business rates income with any degree of certainty.

Table 1: Rateable Values from 2014-15 to 2015-16



3.2 The Rating List is updated every five years although the next revaluation, which was due to be effective from 1 April 2015, has been deferred by the Government until 2017.

3.3 The rateable value for the authority has increased by £1,085,970 from October to December due to some significant new businesses which have been offset by some downward revaluations in rateable value and conversions to domestic property which will become subject to Council Tax. The largest of these are outlined in the table below:

Table 2: Growth and Decline in the District for October to December 2015

Growth	Reason	Change in RV
The Entertainer Unit 1, Banbury	New property	1,230,000
Blackthorn Hill Farm, Blackthorn	New property	20,750
Unit 2 Moat Farm Buildings, Newton Purcell	New property	27,750
Various	Miscellaneous growth and decline	18,470
Major areas of Growth		1,296,970
Decline	Reason	Change in RV
82 and 83 Pingle Drive, Bicester	Revalued by VOA	-211,000
Major areas of Decline		-211,000
Movement in RV for Quarter 3		1,085,970

- 3.5 Billing authorities are required to complete a return called the NNDR1 before the beginning of the financial year to forecast the amount of business rates that they will collect during the course of the year and from this will make a number of allowable deductions for a provision for appeals and losses in collection in order to arrive at a figure for its non-domestic rating income.
- 3.6 Once rateable value has been established a multiplier is applied to turn it into an amount to be charged to businesses. At the end of Quarter3, the amount chargeable to businesses after applying the multiplier to the rateable value detailed above is £74,081,479. The non-domestic rating income collected is then split between Central Government (50%), Cherwell District Council (40%) and Oxfordshire County Council (10%). A tariff is deducted and paid to Central Government. The remaining amount is then compared to the baseline funding figure (for Cherwell this is £3,466,000 for 2015-2016) and a levy of 50% is payable on the excess (any growth) to Central Government. The remainder stays with the Council.
- 3.7 As Cherwell is in a pool, we will retain more business rates as the levy rate is 0% instead of 50% outside of the pool. For budgeting purposes, as the levy and pooling gain are subject to performance and other considerations like providing for appeals, the retained income is budgeted as less than what is estimated on the NNDR1.
- 3.8 The retained business rates income budgeted for in 2015-16, including the baseline funding of £3,466,000, is **£5,652,000** (see table below). At the end of December 2015 the retained business rates income is estimated to be **£6,460,516** which is **£808,516** more than budgeted. This is to the benefit of the General Fund.

Table 3: Budget monitoring 2015-16

	Budget	Forecast Outturn	Variance
Baseline funding	3,466,000	-3,466,000	0
Retained Business Rates scheme	2,186,000	-2,994,516	-808,516
2015-16 impact on outturn	5,652,000	-6,460,516	-808,516

Accounting for the Collection Fund

- 3.9 The Collection Fund is the account where all of the entries relating to business rates eventually go through. Every billing authority has to estimate the level of business rates income they expect to achieve in the NNDR1 form. For 2015-2016 this was reported in January 2015.
- 3.10 When accounting for the Collection Fund, the estimates from the NNDR1 are posted to the accounts in 2015-2016. The NNDR3 form is completed at the end of the financial year and this is the actual position. The difference between the estimate (NNDR1) and the actual (NNDR3) is the Collection Fund surplus or deficit.
- 3.11 The surplus or deficit is not charged to the General Fund until approximately 18 months' time when it will form part of the NNDR1 in 2017-2018.
- 3.12 In January 2015, the estimated Collection Fund deficit of £423,512 (Cherwell's 40% Share) was reported in the NNDR1. This will be charged to the General Fund in 2015-2016.
- 3.13 Over the first two years of the scheme the Council has put away significant business rates funds in a Business Rates Volatility Reserve to smooth the timing differences associated with the way we have to account for business rates. Currently £1.6m is held within these reserves and is sufficient to cover the liability referred to above, however, as there is currently a forecast underspend of £808,516 this can be used to offset the £423,512 liability in 2015-16.

4.0 Conclusion and Reasons for Recommendations

- 4.1 Members are asked to note the detail of this report.

5.0 Consultation

None

6.0 Alternative Options and Reasons for Rejection

- 6.1 The following alternative options have been identified and rejected for the reasons as set out below.

Option 1: None: this report is provided for information.

7.0 Implications

Financial and Resource Implications

7.1 These are contained within the report.

Comments checked by:

Paul Sutton, Head of Finance and Procurement 0300 0030106
paul.sutton@cherwellandsouthnorthants.gov.uk

Legal Implications

7.2 None directly arising as this is a report for information.

Comments checked by:

Kevin Lane, Head of Law and Governance, 0300 0030107
kevin.lane@cherwellandsouthnorthants.gov.uk

Risk Management

7.3 The position to date highlights the need to monitor business rates income against budget to understand the implications of any significant variances. Any increase in risk will be escalated through the Corporate Risk Register and will also be monitored through the operational risk register.

Comments checked by: Louise Tustian,

Senior Performance & Improvement Officer, 01295 221578
louise.tustian2@cherwelandsouthnorthants.gov.uk

8.0 Decision Information

Wards Affected

All

Links to Corporate Plan and Policy Framework

To prudently manage the Council's finances.

Lead Councillor

Councillor Ken Atack, Lead Member for Financial Management

Document Information

Appendix No	Title
None	
Report Author	Mandy Anderson, Financial Analyst

Contact Information	Mandy Anderson, Financial Analyst mandy.anderson@cherwellandsouthnorthants.gov.uk 01327 322233
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Agenda Item 9

BUDGET PLANNING COMMITTEE WORK PROGRAMME 2015/16

Date	Agenda Items
24-Feb	Q3 Budget Monitoring Q3 Procurement Monitoring Q3 Business Rates Monitoring Q3 Write Offs

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BUDGET PLANNING COMMITTEE WORK PROGRAMME 2016/17

Date	Agenda Items
24 May	Medium Term Financial Strategy Review of Reserves for 2015/16 Accounts
26 July	Medium Term Financial Strategy Final Outturn against Budget 2015/16
30 August	Q1 Budget Monitoring Q1 Reserves Monitoring Q1 Procurement Monitoring Q1 Business Rates Monitoring Q1 Write Offs Medium Term Financial Strategy
27 September	Budget Guidelines 2017/18 Fees and Charges 2017/18 Medium Term Financial Strategy
1 November	Q2 Budget Monitoring Q2 Reserves Monitoring Q2 Procurement Monitoring Q2 Business Rates Monitoring Q2 Write Offs Medium Term Financial Strategy
29 November	Capital Bids 2017/18 Discounts and Exemptions Review CTRS 2017/18 Medium Term Financial Strategy
17 January	Revenue and Capital Budget 2017/18 (Incl. MTFS) LG Settlement 2017/18
28 February	Q3 Budget Monitoring Q3 reserves Monitoring Q3 Procurement Monitoring Q3 Business Rates Monitoring Q3 Write Offs

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