

Committee: Budget Planning Committee
Date: Tuesday 25 July 2017
Time: 6.30 pm
Venue: Bodicote House, Bodicote, Banbury, OX15 4AA

Membership

Councillor Nicholas Mawer (Chairman)	Councillor Douglas Webb (Vice-Chairman)
Councillor David Anderson	Councillor Hugo Brown
Councillor Ian Corkin	Councillor Carmen Griffiths
Councillor David Hughes	Councillor Alan MacKenzie-Wintle
Councillor Andrew McHugh	Councillor Barry Richards
Councillor Tom Wallis	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 - 12)

To confirm as a correct record the minutes of the meetings held on 28 February, 6 April and 16 May 2017.

5. Chairman's Announcements

To receive communications from the Chairman.

6. 2016-17 Revenue and Capital Outturn Report (Pages 13 - 30)

Report of the Chief Finance Officer

Purpose of report

This report summarises the Council's Revenue and Capital performance and its reserves position for the financial year 2016-17. The figures are still subject to finalisation and external audit.

Recommendations

The Budget Planning Committee is recommended to:

- 1.1 Agree the carry forward of budget underspends from 2016-17 to 2017-18 as detailed in Appendix 1.
- 1.2 Note the capital out-turn position for 2016-17 detailed in Appendix 2.
- 1.3 Agree the review of reserves as detailed in Appendix 3.
- 1.4 Agree the balances on capital schemes which have slipped in 2016-17 to be carried forward into the 2017-18 capital programme as set out in Annex 2.
- 1.5 Delegate responsibility to the Chief Finance Officer in consultation with the Lead Member for Financial Management to consider and implement further changes relating to all aspects of the closedown of the accounts for 2016-17 including: realigning reserves; the transfer of costs from revenue to capital; amendments of the revenue and capital budgets; and implementation of a minimum revenue provision accordingly.

7. Business Rates Monitoring 2016-2017 (Pages 31 - 36)

Report of the Chief Finance Officer

Purpose of report

To provide members of Budget Planning Committee with the business rates position as at the end the 2016-2017 financial year.

Recommendations

The meeting is recommended to:

- 1.1 Note this report.

8. Review of Procurement Strategy Progress (Pages 37 - 42)

Report of the Chief Finance Officer

Purpose of report

This report summarises the Council's Procurement Strategy progress for Quarter 4 of the financial year 2016-17.

Recommendations

The meeting is recommended to:

- 1.1 Note the progress made during Quarter 4 2016-17 in implementing the Council's Procurement Strategy.

9. Council Tax Reduction Scheme 2018-2019 (Pages 43 - 48)

Report of the Chief Finance Officer

Purpose of report

To provide members with an update on the implications of the current Council Tax Reduction Scheme (CTRS) and the changes to discounts, including the impact on collection rates, and to provide members with options to consider for a Council Tax Reduction Scheme for 2018-2019 so that consultation may be undertaken.

Recommendations

The meeting is recommended to:

- 1.1 Note the contents of the report and any financial implications for the Council.
- 1.2 Recommend to Executive which option(s) should be considered for the CTRS for 2018-2019 so that consultation may be undertaken.

10. Spring Budget 2017 - Business Rates Relief Schemes (Pages 49 - 62)

Report of the Chief Finance Officer

Purpose of report

To provide members of Budget Planning Committee with an update on the Spring Budget 2017 changes to Business Rates and to provide members with details of the proposed local Discretionary Business Rate Relief Scheme and Pubs Relief Scheme.

Recommendations

The meeting is recommended to:

- 1.1 Note the contents of the report and any financial implications for the Council.

- 1.2 Consider any amendments to the proposed local Discretionary Business Rate Relief Scheme.
- 1.3 Recommend to Executive the adoption of the final local Discretionary Relief Business Rate Relief Scheme and the Pubs Relief Scheme.

11. Review of Committee Work Plan (Pages 63 - 64)

To review the Committee Work Plan.

12. Exclusion of Press and Public

The following items contain 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).

Members are reminded that whilst the following item has been marked as exempt, it is for the meeting to decide whether or not to consider it 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 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.”

13. Medium Term Revenue Plan - 2017/18 to 2021/22 (Pages 65 - 70)

Exempt report of the Chief Finance Officer.

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@cherwellandsouthnorthants.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 / Joel Bliss, Democratic and Elections
lesley.farrell@cherwellandsouthnorthants.gov.uk, 01295 221591

Yvonne Rees
Chief Executive

Published on Monday 17 July 2017

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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 28 February 2017 at 6.30 pm

Present: Councillor Nicholas Mawer (Chairman)

Councillor Ken Atack
Councillor Hugo Brown
Councillor Ian Corkin
Councillor Alan MacKenzie-Wintle
Councillor Andrew McHugh
Councillor Sean Woodcock

Substitute Members: Councillor Barry Wood (In place of Councillor Tom Wallis)
Councillor Timothy Hallchurch MBE (In place of Councillor Carmen Griffiths)

Apologies for absence: Councillor Douglas Webb
Councillor David Anderson
Councillor Carmen Griffiths
Councillor Barry Richards
Councillor Tom Wallis

Officers: Paul Sutton, Chief Finance Officer / Section 151 Officer
Sanjay Sharma, Interim Head of Finance / Deputy Section 151 Officer
Geni Hotchkiss, Business Support Unit Manager
Richard Stirling, Corporate Procurement Manager
Mandy Anderson, Financial Analyst
Lesley Farrell, Democratic and Elections Officer
Joel Bliss, Assistant Democratic and Elections Officer

72 **Declarations of Interest**

There were no declarations of interest.

73 **Minutes**

The minutes of the meeting of the Budget Planning Committee held on 17 January 2017 were agreed as a correct record and signed by the Chairman.

74 **Chairman's Announcements**

There were no Chairman's Announcements.

75 **Urgent Business**

The Chairman advised the Committee that he had agreed to add one item of urgent business to the agenda: The Business Rates Monitoring 2017. The item had been omitted from the agenda due to an administrative error and needed to be considered at this meeting as it was the last scheduled meeting of the Committee this municipal year.

76 **Business Rates Monitoring 2016-2017**

The Head of Strategic Planning and the Economy submitted a report which provided members of Budget Planning Committee with an update on the business rates position as at the end of Quarter 3 of the 2016-2017 financial year.

In response to members concerns regarding the new Rating List which had recently been published and would be applied from 1 April 2017, the Financial Analyst explained that the increase in the rateable value for Cherwell of 21.5% would be phased in over a three year period and that the large increases were due to rateable value being broadly connected to rents which are high in the Cherwell District.

The Business Support Manager stressed that there would be different levels of growth depending on the sector in question.

Resolved

- (1) That the report be noted.

77 **Solihull Partnership Steering Group**

The Lead Member for Estates and the Economy gave a verbal update from the Solihull Partnership Steering Group. There had been progress with a number of small projects being completed but two of the major projects had been problematic and would be delayed.

Members thanked the Lead Member for Estates and the Economy for attending the meeting and expressed their extreme disappointment that the relevant Officers were not also at the meeting the Lead Member was unable to answer a number of questions relating to the Solihull Partnership and other major capital projects. Members wanted to know details of the problems and what was being done to solve them; what work had been completed and what was still outstanding.

In response to Members' concerns that a pattern was emerging and the Solihull Partnership was not the only significant capital project failure, the Chief Finance Officer agreed to produce an improvement plan in order to establish better processes by which capital projects would be managed.

The Committee was advised that the revised contract was with the Solihull Partnership who had no fundamental disagreement with the terms that have been set out and the contract now just required signing.

The Chief Finance Officer confirmed that he advise the relevant Officers of the Committee's concerns. The Chief Finance Officer would also liaise with the Chairman regarding the possibility of a special meeting of the Committee to meet with the Solihull Partnership with a view to discussing and finding solutions to the current problems.

Resolved

- (1) That the contents of the verbal update be noted.
- (2) That a full independent investigation with a root cause analysis of what went wrong and a service improvement plan be completed to ensure that the same mistakes are not made again.

78

Review of Procurement Strategy Progress

The Chief Finance Officer submitted a report which summarised the Council's Procurement Strategy progress for quarter 3 of the financial year 2016/17.

In considering the report, Members requested that future reports include more narrative surrounding the less quantifiable elements of the report. Members stressed that Procurement was about regulation management and governance as much as savings so would not force reports to be purely numeric-based.

Members commented that a refinement of procurement practice could in future prevent episodes such as the difficulties being endured with the Solihull Partnership.

Resolved

- (1) That the progress made in implementing the Council's Procurement Strategy during Q3 2016-17 be noted.

79

Business Rates Incentives Scheme

The Head of Strategic Planning and the Economy submitted a report which sought consideration of the proposed Business Rates Incentives Scheme which detailed proposals for awarding business rates incentives to bring back into use empty properties and sustain the vitality and diversity of Banbury and Bicester town centres.

Some members of the committee raised concerns at the lack of flexibility in the scheme and that some smaller businesses might be disadvantaged if they fell under the threshold. Members were assured that the thresholds would be looked at further so that they would not be abused or that they would confer

an unfair advantage to those businesses that fell between the £12,000 - £15,000 brackets.

Members recommended that Kidlington be included in the scheme so that businesses there could also benefit from the pilot. Members also requested that a list of the Rateable Values be produced for the shops that were in the high streets of Banbury, Bicester and Kidlington.

In response to Members' questions, the Chief Finance Officer confirmed that the scheme could be expanded or retracted depending upon its success and the cost implications that its expansion would bring about.

Resolved

- (1) That the contents of the report be noted.
- (2) That the following amendments to the proposed Business Rates Incentives Scheme be recommended to Executive:
 - That the scheme be more flexible to avoid lower rateable value properties being disadvantaged.
 - That the scheme be expanded to include Kidlington and the cap be increased to reflect the inclusion.
 - That conditions be included to avoid misuse of the scheme.
 - That pound shops be included.
 - That there be minor amendments to the inclusion maps.
- (3) That subject to the amendments in resolution (2) above, the Business Rates Incentive Scheme be recommended to Executive for approval.

80

Quarter 3 2016-17 - Revenue and Capital Budget Monitoring Report

The Chief Finance Officer submitted a report on Cherwell's Revenue and Capital Budget Monitoring position for Q3.

The Committee was advised that the costs incurred through the hiring of agency staff had been managed, with more permanent members of staff being brought in and departmental restructures being finalised.

Members requested that a comparison between original budget figures to be compared to the final budget outturn and a percentage over/underspend be displayed as well as a raw figure to show better context.

In response to members concerns regarding overspend within Regeneration and Housing and slippage in capital projects, the Chief Finance Officer agreed to bring more information to the next meeting of the Budget Planning Committee.

Resolved

- (1) That having reviewed the projected revenue and capital position it be noted and no comments forwarded to Executive
- (2) That having reviewed the reserves the current position be noted and no comments forwarded to Executive.

81

Review of Committee Work Plan

Members requested that a Special meeting of the Budget Planning Committee be arranged to resolve the issues surrounding the Solihull Partnership and discuss budgetary issues within Regeneration and Housing.

Resolved

- (1) That the Solihull Partnership be discussed at a special meeting of the Budget Planning Committee.
- (2) That Housing and Regeneration's budgetary issues be brought to a special meeting of the Budget Planning Committee.

The meeting ended at 8.30 pm

Chairman:

Date:

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Cherwell District Council

Budget Planning Committee

Minutes of a meeting of the Budget Planning Committee held at Bodicote House, Bodicote, Banbury, OX15 4AA, on 6 April 2017 at 6.30 pm

Present: Councillor Douglas Webb (Vice-Chairman, in the Chair)

Councillor David Anderson
Councillor Ken Atack
Councillor Ian Corkin
Councillor Carmen Griffiths
Councillor Alan MacKenzie-Wintle
Councillor Andrew McHugh
Councillor Barry Richards
Councillor Sean Woodcock

Also Present: Linda Wilson, Head of Corporate Services, Solihull Metropolitan Borough Council, for item 6
Samantha Gilbert, Assistant Director of Finance, Solihull Metropolitan Borough Council, for item 6

Apologies for absence: Councillor Nicholas Mawer
Councillor Hugo Brown
Councillor Tom Wallis

Officers: Karen Curtin, Commercial Director
Paul Sutton, Chief Finance Officer / Section 151 Officer
Louisa Butters, Property and Facilities Manager
Sanjay Sharma, Interim Head of Finance / Deputy Section 151 Officer
Lesley Farrell, Democratic and Elections Officer
Joel Bliss, Assistant Democratic and Elections Officer

82 Declarations of Interest

There were no declarations of interest.

83 Urgent Business

There was no urgent business.

84 Chairman's Announcements

There were no Chairman's announcements.

85 **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.”

86 **Solihull Partnership Presentation**

The Head of Corporate Property Services and the Assistant Director of Finance, Solihull Metropolitan Borough Council, gave a verbal update on the Solihull Partnership.

The Commercial Director for Cherwell District Council (CDC) and the Solihull Metropolitan Borough Council (SMBC) Head of Corporate Property Services acknowledged that errors had been made at both SMBC and CDC but the project was now running smoothly due to recent effort from both SMBC and CDC. The early stages of the project had been hindered by high staff turnover in key positions and a lack of clarity over roles and responsibilities.

The Commercial Director clarified that the roles and responsibilities of both CDC and SMBC had been defined, that the contract was now in place and that permanent staff had filled the key positions that had previously been vacant or only filled on a temporary basis.

Resolved

(1) That the verbal update be noted.

(The Head of Corporate Property Services and the Assistant Director of Finance, Solihull Metropolitan Borough Council, left the meeting at the conclusion of this item).

87 **Solihull Partnership**

The Commercial Director gave a verbal update on the Solihull Partnership.

In response to Members' questions, the Commercial Director informed the Committee that more resources had been put into the project. It was acknowledged that the scope of the initial project had been too ambitious and was now more realistic.

The Committee was advised that the Properties and Facilities Manager and her team were now all in post and would provide the continuity that had been

lacking in personnel between Cherwell District Council and Solihull Metropolitan Borough Council.

Members requested that they continue to receive regular updates on the progress of capital projects held by the Solihull Partnership.

Resolved

- (1) That the verbal update be noted.

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

Resolved

That the press and public be readmitted.

89 **Quarter 3 2016-17 - Update to Revenue and Capital Budget Monitoring Report**

The Chief Finance Officer submitted a report which provided an update on queries raised by Members regarding overspend within Regeneration and Housing and slippage in capital projects at their 28 February meeting when the Committee had considered a report on the Council's Revenue and Capital position for the first nine months of the financial year 2016-17 and projections for the full year.

In response to Members' questions, the Chief Finance Officer explained that the unanticipated closure of British Home Stores at Castle Quay and the costly nature of agency staffing had been responsible for some of the slippages.

Members were assured that the number of agency staff was reducing as the Property and Investment Services Team was now fully established with permanent staff members.

The Committee was advised that town centre initiatives were being discussed and it was believed that Castle Quay phase II would improve the town centre's prospects.

Resolved

- (1) That the additional information to the projected revenue and capital position at the end of December 2016 relating to significant revenue variances and slippages against the capital programme on the projected revenue and capital position be noted and no comments be referred to Executive.

Budget Planning Committee - 6 April 2017

The meeting ended at 20:00

Chairman:

Date:

Cherwell District Council

Budget Planning Committee

Minutes of a meeting of the Budget Planning Committee held at Bodicote House, Bodicote, Banbury, OX15 4AA, on 16 May 2017 at 6.30 pm

Present: Councillor Nicholas Mawer (Chairman)
Councillor Douglas Webb (Vice-Chairman)

Councillor Hugo Brown
Councillor Ian Corkin
Councillor Carmen Griffiths
Councillor David Hughes
Councillor Alan MacKenzie-Wintle
Councillor Andrew McHugh
Councillor Barry Richards
Councillor Tom Wallis
Councillor Sean Woodcock

Apologies for absence: Councillor David Anderson

1 Appointment of Chairman for the Municipal Year 2017-2018

Resolved

That Councillor Nicholas Mawer be appointed Chairman of the Budget Planning Committee for the Municipal Year 2017-2018.

2 Appointment of Vice-Chairman for the Municipal Year 2017-2018

Resolved

That Councillor Douglas Webb be appointed Vice-Chairman of the Budget Planning Committee for the Municipal Year 2017-2018.

The meeting ended at 7.55 pm

Chairman:

Date:

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Cherwell District Council

Budget Planning Committee

25 July 2017

2016-17 Revenue and Capital Outturn Report

Report of the Chief Finance Officer

This report is public

Purpose of report

This report summarises the Council's Revenue and Capital performance and its reserves position for the financial year 2016-17. The figures are still subject to finalisation and external audit.

1.0 Recommendations

The Budget Planning Committee is recommended to:

- 1.1 Agree the carry forward of budget underspends from 2016-17 to 2017-18 as detailed in Appendix 1.
- 1.2 Note the capital out-turn position for 2016-17 detailed in Appendix 2.
- 1.3 Agree the review of reserves as detailed in Appendix 3.
- 1.4 Agree the balances on capital schemes which have slipped in 2016-17 to be carried forward into the 2017-18 capital programme as set out in Annex 2.
- 1.5 Delegate responsibility to the Chief Finance Officer in consultation with the Lead Member for Financial Management to consider and implement further changes relating to all aspects of the closedown of the accounts for 2016-17 including: realigning reserves; the transfer of costs from revenue to capital; amendments of the revenue and capital budgets; and implementation of a minimum revenue provision accordingly.

2.0 Introduction

- 2.1 The Council's outturn position is a primary source of information for the production of the Statement of Accounts and provides context for members in their consideration of the accounts.

- 2.2 Outturn 2016-17 is reported for the Revenue and Capital and set out in detail in the paragraphs below.
- 2.3 During 2016-17, budget monitoring has taken place which has highlighted variances between actual expenditure and income and budget. As in previous years there has been a detailed focus on the importance of accurate budgeting and appropriate monitoring. This continues to be embedded throughout the Council.

3.0 Report Details

Revenue Out-turn 2016-17

- 3.1 The Council's outturn position for the General Fund is set out in the table on the next page.
- 3.2 During the course of 2016-17, a number of changes have been made to the original 2016-17 revenue and capital budgets. The adjusted full-year budget represents the original budget, as approved by the Council, the addition of supplementary revenue estimates approved during the year, agreed virements to existing budgets and the utilisation of appropriate reserves.

Draft Revenue Outturn 16/17	Revised Budget £000's	Draft Outturn £000's	Variance (Under) / Over £000's
Chief Executive	213	245	32
CHIEF EXECUTIVE TOTAL	213	245	32
Bicester Regeneration projects	561	542	(19)
Regeneration and Housing	2,140	2,973	833
Human Resources	617	610	(7)
Information Services	1,917	1,917	0
Business Transformation	395	423	28
COMMERCIAL DEVELOPMENT TOTAL	5,630	6,465	835
Corporate Finance	1,069	1,111	42
Revenues & Benefits	13	26	13
Procurement	105	100	(5)
CHIEF FINANCE OFFICER TOTAL	1,187	1,237	50
Strategic Planning Economy	1,393	1,508	115
Development Management	718	700	(18)
Communications and Corporate P	295	274	(21)
Business Support Unit	63	103	40
Performance	204	141	(63)
Law and Governance	1,046	1,100	54
STRATEGY AND COMMISSIONING TOTAL	3,719	3,826	107
Community Services	5,228	5,021	(207)
Environmental Services	4,886	5,044	158
OPERATIONS AND DELIVERY TOTAL	10,114	10,065	(49)
TOTAL DIRECTORATES	20,863	21,838	975
Use of Reserves	(700)	(1,331)	(631)
Non Distributed Costs	(2,305)	(2,854)	(549)
TOTAL COST OF SERVICES	17,858	17,653	(205)
FUNDING			
Formula Grant Equivalent			
Business Rates Baseline	(3,495)	(3,495)	0
Revenue Support Grant	(1,851)	(1,851)	(0)
Sub Total	(5,346)	(5,346)	(0)
Grants Awarded			
Transfer to Parish Councils for CTRS	349	349	0
New Homes Bonus	(3,682)	(3,689)	(7)
Sub Total	(3,333)	(3,340)	(7)
Business Rates Growth	(2,780)	(2,737)	43
Council Tax Income			
Baseline	(6,219)	(6,219)	0
Collection Fund	(180)	(180)	0
Sub Total	(6,399)	(6,399)	0
TOTAL INCOME	(17,858)	(17,822)	36
(Surplus)/Deficit	0	(168)	(168)

- 3.3 The above position shows that the draft outturn position at the Directorate level is £975k above budget, this is reduced by use of reserves of £631k and a contribution from non-distributed costs (interest, pensions and capital adjustments) of £549k which brings the draft revenue outturn position at a Total Cost of Services level to a surplus of £205k. Minor movements in funding bring the overall draft revenue outturn to a surplus of £168k.
- 3.4 This draft revenue outturn position will potentially be affected by a year-end review of reserves, a finalisation of provisions and de-minimis capital movements.
- 3.5 Key variances against budget are set out in the table below:

CDC Revenue Outturn - Key Variances	
Regeneration and Housing	£833k over budget £170k relates to Bodicote House, largely agency staff. £95k external property rentals, premises related costs and third party payments. £139k Build! Delivery Team employee costs. £79k Cherwell Community Build, largely supplies and services. £197k General Properties expenditure, premises related costs and third party payments together with lower than expected rental income. £92k Pioneer Square, premises related expenditure and third party payments. £102k Castle Quays rental income lower than expected.
Strategic Planning and the Economy	£115k over budget Largely due to Local Development Framework related expenses.
Performance	£63k under budget Vacancies and lower than expected expenditure on supplies and services.
Community Services	£207k under budget Leisure services budget did not reflect the new operator contract plus gains from legacy benchmarking.
Environmental Services	£158k over budget Largely Waste and Recycling Service costs.
Use of Reserves	£631k greater than planned. Regeneration and Housing accounts for £493k of this.
Non-Distributed Costs	£549k better than planned. Interest on investments.

- 3.6 **Underspends to be transferred to an earmarked reserve (EMR)**
Heads of Service have requested unspent budgets to be carried forward where:
- there are specific commitments
 - there are discrete projects
 - there is a requirement under IFRS to set up an earmarked reserve rather than accrue for a grant.
- 3.7 The total of the proposals for carried forward budgets is shown in Appendix 1. Full Council approval is required where the underspend exceeds 10% of the individual budget heading (where this is £10,000 or more) or £50,000, whichever is less.

3.8 Unspent Grants to be transferred to earmarked reserves

As a result of complying with International Financial Reporting Standards (IFRS), any unspent grant received which has either no conditions attached to it, or where all conditions have been met, should be transferred to an earmarked reserve. These are detailed in Appendix 3.

3.9 Reserves and Balances

A review of reserves has been undertaken and is presented at Appendix 3 for approval. The Budget Planning Committee will be asked to approve a separate piece of work on all reserves in the forthcoming year which is likely to lead to further adjustments to the reserves at the appropriate point.

3.10 The medium term financial strategy states that General fund balances should not drop below £0.75m, the estimated balance at 31 March 2017 is £3.027m.

3.11 Capital Outturn 2016-17

A summary of the capital expenditure in 2016-17 is set out in the table below. The detailed Capital Outturn and slippage requests by Capital Scheme are shown in Appendix 2.

	BUDGET £000	ACTUAL £000	SLIPPAGE £000	VARIANCE £000
Directorate				
Chief Finance Officer	38	3	37	2
Commercial Development	67,250	42,715	24,688	153
Operations & Delivery	6,046	3,102	2,847	(97)
Total	73,334	45,820	27,572	58

3.12 The draft capital outturn position shows a variance against budget of less than 0.5% (after slippage has been accounted for). The significant variances related to unplanned works at Banbury Bus Station and costs relating to the ICT Harmonisation project. Details of individual projects are shown at Appendix 2.

4.0 Conclusion and Reasons for Recommendations

4.1 The revenue and capital outturn positions demonstrate the Council's ability to respond positively and actively to changing economic circumstances and deliver sizeable capital programmes and effective financial management.

5.0 Consultation

5.1 The provisional outturn has been prepared by the Chief Finance Officer in consultation with the Lead Member for Finance, Revenues and Financial Management.

6.0 Alternative Options and Reasons for Rejection

6.1 This report illustrates the Council's provisional performance against the 2016-17 Revenue and Capital Budget and its Reserves position at the end of the year.

6.2 Alternative options are:

To reject the current proposals and to make alternative recommendations or ask officers for further information.

7.0 Implications

Financial and Resource Implications

- 7.1 There are no financial implications arising directly from the production of this report. It should be noted that the information in this report is in the format used for budget monitoring purposes and, although adjustments have been made for the requirements of IFRS, it does not reflect the various accounting adjustments that are required to comply with the Statement of Recommended Practice nor is it in the same format as the statutory Financial Statement. It is therefore not a straightforward task to compare the figures in this report with the Council's Financial Statement for 2016-17 because the respective reports are each designed to serve different purposes.

Comments checked by: Sanjay Sharma, Interim Head of Finance
01295 221564, sanjay.sharma@cherwellandsouthnorthants.gov.uk

Legal Implications

- 7.2. The Council is legally required to prepare Financial Statements by 30 June 2017.

Comments checked by:
Richard Hawtin, Team Leader – Non Contentious Business, Law and Governance
01295 221695, richard.hawtin@cherwellandsouthnorthants.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:
Louise Tustian, Team Leader – Strategic Intelligence and Insight.
louise.tustian@cherwellandsouthnorthants.gov.uk

Equality and Diversity

- 7.4 Impact assessments were carried out in advance of setting the 2016-17 budget.

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

8.0 Decision Information

Key Decision N/A
Financial Threshold Met: No
Community Impact Threshold Met: No

Wards Affected

Not applicable

Links to Corporate Plan and Policy Framework

Enhancing the Council Performance

Lead Councillor

Councillor Tony Ilott – Lead Member for Finance, Revenues and Financial Management.

Document Information

Appendix No	Title
Appendix 1	Requests for Budget Carry Forwards to 2016-17.
Appendix 2	Capital Out-turn 2016-17
Appendix 3	Review of Earmarked Reserves.
Background Papers	
None	
Report Author	Paul Sutton, Chief Finance Officer
Contact Information	03000 030106 paul.sutton@cherwellandsouthnorthants.gov.uk

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CHERWELL DISTRICT COUNCIL

REQUESTS FOR BUDGET CARRY FORWARDS from 2016/17 to 2017/18

BUDGET CARRY FORWARD REQUESTS	Head of Service	Amount £000
Public Food Safety salary savings to fund 2017/18 temporary arrangement for EHO post until March 2019	Ian Davies	11
Public Health & Safety salary savings to fund 2017/18 temporary arrangement for EHO post until March 2019	Ian Davies	25
Community Safety - CCTV monitoring underspend to replace old equipment approaching end of life	Ian Davies	25
Heat Network Grant to meet further costs in 2017/18	Karen Curtin	50
		111

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CHERWELL DISTRICT COUNCIL
CAPITAL OUTTURN 2016/17 AND SLIPPAGE TO BE CARRIED TO 2017/18

DESCRIPTION	BUDGET £000	ACTUAL £000	SLIPPAGE £000	VARIANCE £000	COMMENTS
Financial System Upgrade	0	2	0	2	
HR / Payroll System replacement	38	1	37	0	Current supplier has agreed to continue provision until replacement system implemented. New system to be implemented for 1 March 2018
Chief Finance Officer Total	38	3	37	2	
Bicester Community Building	758	664	94	0	The project as a whole is expected to be overspent by £80k due to construction delay.
Graven Hill	44,428	31,280	13,148	0	The company are currently preparing a revised forecast of spending and cashflow.
NW Bicester Eco Business Centre	4,000	274	3,726	0	Once the procurement exercise is complete in Sept 17 the expected cash flow will become clearer. We should expect the majority of spend to be incurred in 2017/18. Funded from Eco Town Capital.
Bicester Regeneration Projects Total	49,186	32,218	16,968	0	
East West Railways	580	0	580	0	Planned to spend in 2017/18 - there is a 5yr schedule of capital contributions to 2019/20
Build Programme	12,291	7,501	4,790	(0)	Project continues into 2017/18
23&24 Thorpe Place Roof Lights	4	0	0	(4)	Retention money held since at least 2013/14 - release the remaining capital funds
Condition Survey Works	176	75	101	0	Work planned for completion in 2016/17. Originally planned to spend in 2016/17, has now been delayed. - Solihull Partnership
Bradley Arcade Roof Repairs	98	10	88	(0)	Order placed 11th May 16 for completion in 2016/17
Upgrade Uninterrupted Power Supply Back up	337	0	337	0	Work procured through Solihull Partnership. Work is urgent but has now been delayed.
Improvements to Amenities Orchard Way	25	3	22	(0)	Work procured through Solihull Partnership. Likely to have a lengthy lead-in time and has now been delayed.

Woodgreen - Condition Survey Works	30	21	9	0	Project continues into 2017/18
Orchard Way Shopping Arcade Front Serv	300	12	288	0	Work procured through Solihull Partnership. Likely to have a lengthy lead-in time and has now been delayed.
21 23 Thorpe Place Replace Roof Lights	0	27	0	27	Completed - re 2015/16 - release the remaining capital funds
Bodicote House - Access Control System	27	28	0	1	Additional contractor costs have been incurred on this project
Old Bodicote House	73	117	0	44	Miscellaneous works, not all planned.
Bicester Town Centre Redevelopment	99	88	0	(11)	Release the remaining capital funds
Kidlington High Street Pedestrianisation	2	4	0	2	Scheme completed in 2015/16 - small additional costs incurred
Thorpe Lane Depot - CCTV Replacement	40	15	25	(0)	Project to continue in 2017/18
Bodicote House - CCTV Upgrade	15	18	0	3	Revised price greater than budgeted for.
Banbury Bus Station - Refurbishment	90	213	0	123	Revised price greater than budgeted for (currently reviewing commitments).
Banbury Museum - Refurbishment Programme	250	212	38	(0)	Project completion due in 2017/18
Community Buildings - Remedial Works	150	0	150	0	Project to commence in 2017/18
Car Parks Resurfacing	100	152	0	52	Works more significant than expected.
Ferriston Shop Parade Resurface Car park	40	38	0	(2)	Completed in April awaiting invoice from Solihull
Spiceball Riverbank Reinstatement	50	0	50	0	Due for completion in 2016/17, has now been delayed.
Bolton Road	700	532	74	(94)	Demolition and construction of surface car park, retention sums.
Primary School	30	30	0	0	REFCUS funded from Eco Town Capital
Bicester Cattle Market Car Park Phase 2	90	0	90	0	Project to commence in 2017/18
Assets Facilities Management Total	15,597	9,096	6,642	141	
Disabled Facilities Grants	1,222	729	493	(0)	Grants awarded as required. Underspend in 2016/17 is requested to be slipped into 2017/18

Discretionary Grants Domestic Properties	504	164	340	(0)	Grants awarded as required. Underspend in 2016/17 is requested to be slipped into 2017/18
Empty Homes Work-in-Default Recoverable	100	0	100	0	Grants awarded as required. Underspend in 2016/17 is requested to be slipped into 2017/18
Private Sector Housing Total	1,826	893	933	0	
Corporate Bookings System	8	20	0	12	Completed
Lync 2013 prof fees, equip IT hardware	3	3	0	(0)	
Hyper V Environment (IT hardware)	2	2	0	(0)	
Land & Property Harmonisation	14	8	6	0	Slippage to 2017/18 pending new IT strategy
5 Year Rolling HW / SW Replacement Programme	4	4	0	(0)	
Business Systems Harmonisation Programme	172	172	0	(0)	
Website Redevelopment	278	278	0	0	
Visualifies Replacement	21	21	0	(0)	
IT Strategy Review	139	0	139	0	for implementation in 17/18
Information Technology Total	641	508	145	12	
Commercial Development Total	67,250	42,715	24,688	153	
Biomass Heating Bicester Leisure Centre	84	(2)	14	(72)	Project works completed, however additional safety works to undertaken circa £14K. £70K not required. Need to slip £14k to cover safety works once a new maintenance supplier is procured in July 2017
Cooper Sports Hall Roof	100	87	0	(13)	Project works completed. £13K not required.
Customer Self-Service Portal CRM Solution	80	0	80	0	Depends on completion of website redevelopment, will now be 17/18.
The Hill Youth Community Centre	850	1	849	(0)	The Hill won't be complete until December 2017 and The Hall's budget is being used predominantly to fit out the new facility
Whitelands Farm Sports ground	1,790	881	909	0	Project construction on going slip £909k into 2017/18.

Community Centre Refurbishments	84	0	84	0	see comment above for the Hill Youth Community centre
Solar Photovoltaics at Sports Centre	80	0	80	0	Needs to be slipped for inverter replacements in 2017-18
Football Development Plan in Banbury	20	0	20	0	Slip £20k to fund the set-up of football partnerships in all urban areas during 2017/18.
North Oxfordshire Academy Astroturf	150	0	150	0	Initial project discussions commenced with ULT any potential works to commence 2017-18 - therefore need to slip £150k
Stratfield Brake Repair Works	22	0	22	0	To spend during early in 2017/18 to upgrade building maintenance - slip £22k
Car Park Refurbishments	5	0	0	(5)	Due for completion in 2016/17, project to be closed
Implementing Vehicle Parks Proposals	17	0	0	(17)	Due for completion in 2016/17, project to be closed
Sports Centre Modernisation Programme	86	0	86	0	Defect dispute on-going.
WGLC Dry Side Refurbishment	1,200	1,212	0	12	Works completed.
Bicester Leisure Centre Extension	150	1	149	0	Slip £149k into 2017/18 as the feasibility studies have just commenced.
Spiceball Leis Centre Bridge Resurfacing	30	0	30	0	Bridge works on hold as the CQ2 works require bridge closure. Slip £30k into 2017/18 for these works to progress once the bridge re opens.
Community Services Total	4,748	2,179	2,473	(96)	
Energy Efficiency Projects	24	4	20	0	Due to staff resources, remaining £20k to be slipped to 17/18
Glass Bank Recycling Scheme	8	0	8	0	No purchases - remaining £8k to be slipped in to 17/18
Recycling Bank Scheme	5	4	0	(1)	Fully committed, no slippage required
Public Conveniences	25	25	0	0	Budget fully committed, works completed
Off Road Parking Facilities	18	0	18	0	Work not commenced, full £18k to be slipped in to 17/18 (Country Park)
Vehicle Replacement Programme	948	820	128	(0)	Budget fully committed for 16/17, - late delivery, remaining £128k to be slipped in to 17/18
Wheeled Bin Replacement Scheme	240	70	170	0	Budget not fully committed for 16/17, remaining £170k to be slipped in to 17/18

Urban Centre Electricity Installations	30	0	30	0	Due to increased workload - £30k slippage required in to 17/18, anticipating tender out in qtr 1/2 17/18
Environmental Services Total	1,298	923	374	(1)	
Operations & Delivery	6,046	3,102	2,847	(97)	
Capital Total	73,334	45,820	27,572	58	

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CDC Earmarked Reserves

Appendix 3

Reserve	Service Owner	Statutory Accounts Balance 31-Mar-16	Transfer In	Transfer Out	Year End Review of Reserves	Year End Review of Reserves	Estimated Balance 31-Mar-2017 Post Review
		£000	£000	£000	£000	£000	£000
General Fund:							
Building Control	Andy Kidd	(100)					(100)
Capacity Funding	Karen Curtin	(88)	(170)	148		(47)	(157)
Car Park Studies	Ian Davies	(185)		49		136	0
Corporate IT	Tim Spiers	(143)		143			0
Corporate Transformation	Paul Sutton	(866)		456			(410)
Country Park Reserve	Kevin Larner	(100)					(100)
Elections	James Doble	(109)					(109)
Environmental Warranties	Paul Sutton	(1,000)					(1,000)
General Fund Items	Paul Sutton	(266)	(36)	391		12	101
Graven Hill Equalisation Reserve	Paul Sutton	(3,396)					(3,396)
Hanwell Fields Open Space	Andy Preston / Lewis Bankes-Hughes	(79)					(79)
Housing Reserve	Marianne North	(220)	100	29			(91)
Work in Default reserve	Tim Mills		(100)				(100)
Joint External Bid-writer	Karen Curtin	(30)		11			(19)
Licensing	Nicolas Sutcliffe	(146)		17			(129)
Local Plan Charges	Adrian Colwell	(512)		370		67	(75)
NHB - Affordable Housing	Chris Stratford	(415)	(212)	50			(577)
NHB - Economic Development	Adrian Colwell	(1,428)	(1,650)	183		230	(2,665)
NHB - Superfast Broadband	Adrian Colwell	(727)					(727)
Planning Control	Andy Preston	(750)		400			(350)
Corporate Projects	Paul Sutton	(674)		94		89	(491)
Retained Business Rates	Mandy Anderson	(2,205)					(2,205)
Sainsbury's Primary Authority	Jackie Fitzsimons	(55)					(55)
Self Insurance	Paul Sutton	(160)					(160)
VAT Deminimus	Paul Sutton	(500)					(500)
Welfare Reform	Belinda Green	(99)					(99)
Wheeled Bin Replacements	Ed Potter	(111)				74	(37)
Broadfield Road Yarnton Sports	Andy Preston / Lewis Bankes-Hughes	(4)					(4)
Emergency Planning	Jackie Fitzsimons	(40)					(40)
NEW Queens 90th Birthday Grants (From general Fund)	Kevin Larner	0	(19)	19			0
NEW Devolution Viability Work (From General Fund)	James Doble	0	(50)	38			(12)
NEW Healthy New Towns (From General Fund)	Ian Davies	0	(20)				(20)
NEW Horton General Towns (From General Fund)	Ian Davies	0	(50)				(50)
NEW Museum development (From General Fund)	Ian Davies	0	(30)				(30)
General Fund Earmarked Reserves		(14,408)	(2,237)	2,398	0	561	(13,686)

Reserve	Service Owner	Statutory Accounts Balance 31-Mar-16	Transfer In	Transfer Out	Year End Review of Reserves	Year End Review of Reserves	Estimated Balance 31-Mar-2017 Post Review
		£000	£000	£000	£000	£000	£000
Earmarked Reserves from Grants & Contributions							
Area Based Grant	Ed Bailey (Performance)	(83)					(83)
Bicester Fields Main Park	Andy Preston / Lewis Bankes-Hughes	(97)					(97)
Brighter Futures - Skills Reward Grant	Nicola Riley	(95)		29			(66)
Bicester Garden Town	Karen Curtin	(1,521)		638		(314)	(1,197)
Bicester Youth Bus	Mike Grant	(65)					(65)
Broadfield Road Yarnton Sports		(4)					(4)
Courtyard Youth Arts	Nicola Riley	(39)					(39)
Dovecote Milcombe	Andy Preston / Lewis Bankes-Hughes	(56)					(56)
Eco Town Revenue	Karen Curtin	(592)		324		(204)	(472)
Green Deal Pioneer Places	Karen Curtin	(69)		2			(67)
Home Improvement Agency	Tim Mills	(234)					(234)
Homelessness Prevention	Marianne North	(70)					(70)
New Burdens Grant	Paul Sutton	(248)					(248)
PCT Contributions to Health Bus	Nicola Riley	(40)					(40)
Performance Reward Grant ABG	Mike Grant	(21)					(21)
Police & Crime Commissioner - Community Safety Grant	Mike Grant	(64)					(64)
Thames Vally Police	Mike Grant	(61)	(25)				(86)
Sportivate Grant	Sharon Bolton	(33)					(33)
New Heat Network	Jenny Barker	0	(50)				(50)
Active Women Grant	Sharon Bolton	(22)					(22)
Corporate Training	Paula Goodwin	(48)		48			0
Credit Union Development Officer	Belinda Green/Marianne North	(23)					(23)
Housing and Planning Initiatives	Andy Preston / Adrian Colwell / Chris Stratford	(322)					(322)
Laburnham Cres Ambrosden	Andy Preston / Lewis Bankes-Hughes	(38)					(38)
Reserves from Grants & Contributions		(3,845)	(75)	1,041	0	(518)	(3,397)
Total Earmarked Reserves		(18,253)	(2,312)	3,439	0	43	(17,083)
General Fund		(3,390)		363		0	(3,027)
Total Reserves		(21,643)	(2,312)	3,802	0	43	(20,110)

Cherwell District Council

Budget Planning Committee

25 July 2017

Business Rates Monitoring 2016-2017

Report of the Chief Finance Officer

This report is public

Purpose of report

To provide members of Budget Planning Committee with the business rates position as at the end the 2016-2017 financial year.

1.0 Recommendations

The meeting is recommended:

- 1.1 To note this report.

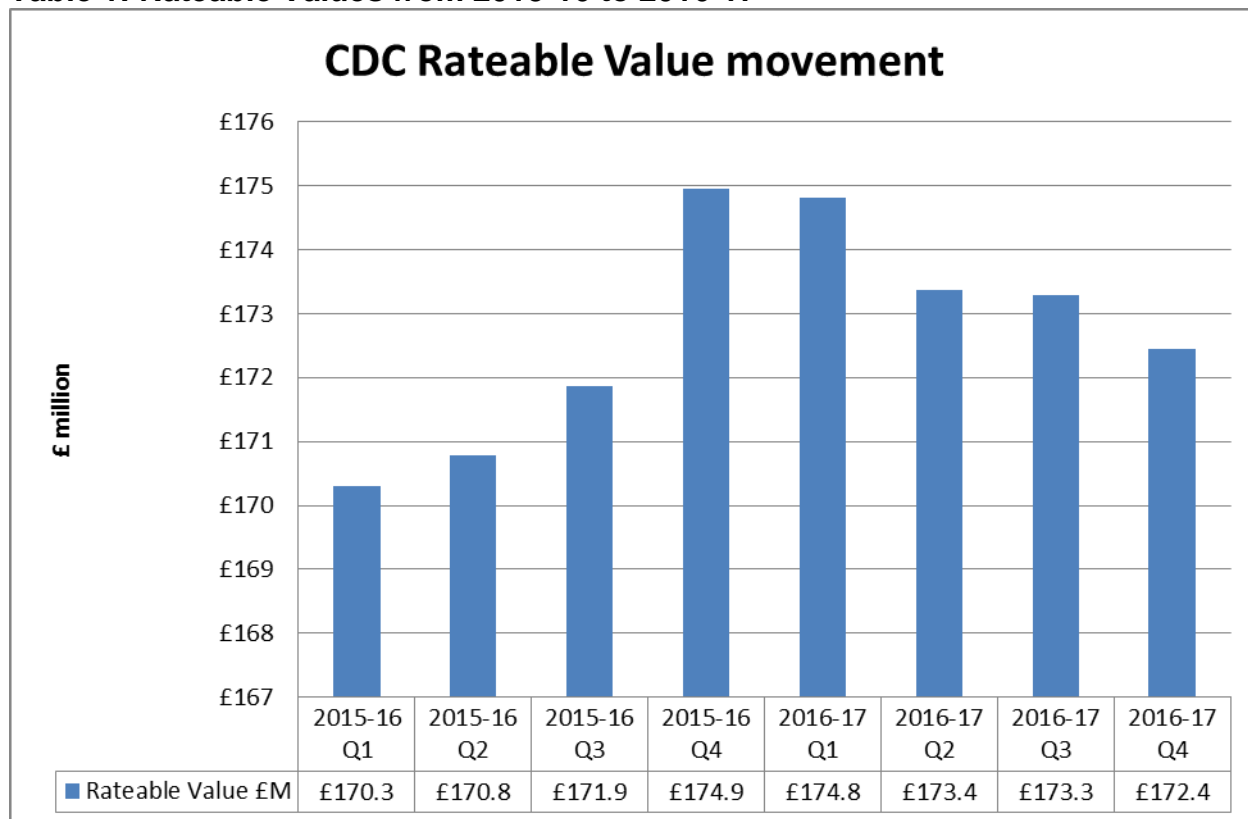
2.0 Introduction

- 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. Since the start of the last quarter there has been some movement in business rates growth and decline in the district with the Rateable Value decreasing from £173.3m in December 2016 to £172.4m in March 2017. The reasons for this are explained in paragraph 3.2.
- 2.2 The monitoring at the end of March 2017 shows the Non-Domestic Rating income, after allowing for accounting adjustments, to be 4% lower than the estimate provided in the NNDR1 return. This is a timing issue based on when properties are brought into the Rating List and does not impact on the General Fund in 2016-17. There are four major properties which, although reported to the Valuation Office Agency before December 2016, were not brought into the Rating List by March 2017. The properties will be brought into rating during 2017-18 and will be charged retrospectively back to the effective date. One of the four major properties was added to the Rating List in May 2017 and by the end of May 2017 the rateable value had increased to £175.0m for the 2010 Rating List. Table 3 in paragraph 3.7 shows the budget monitoring position and the impact on the General Fund for 2016-17 financial year.

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 4 of the 2016-2017 financial year was £172,439,446. The graph below shows the movement in rateable values since Quarter 1 2015-2016. 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 2015-16 to 2016-17



3.2 The rateable value for the authority has decreased by £841,437 from January to March 2017. There are a number of increases and decreases making up this amount. The largest of these are outlined in the table below:

Table 2: Growth and Decline in the District for January to March 2017

Growth	Reason	Change in RV
Bicester Village Park and Ride	New properties	99,000
Travelodge, Bicester	New properties	89,000
Various	Miscellaneous small movements in growth and decline	-15,762
Major areas of Growth		172,238
Decline	Reason	Change in RV
Various properties	Properties deleted from the rating list	-388,075
Warehouses - Holroyd Meek Ltd	The VOA have reduced the RV following an assessment or appeal	-322,000

Factory - Hella ltd	The VOA have reduced the RV following an assessment or appeal	-160,000
Various schools	The VOA have reduced the RV following an assessment or appeal	-143,600
Major areas of Decline		-1,013,675
Movement in Rateable Value for Quarter 4		-841,437

Accounting for Business Rates

- 3.3 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.
- 3.4 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 Quarter 4, the non-domestic rating income, after applying the multiplier to the rateable value detailed above, and after allowing for the accounting adjustments, is £74,855,878. 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 £3,494,939 for 2016-2017) and a levy of 50% is payable on the excess (any growth) to Central Government. The remainder stays with the Council.
- 3.5 As Cherwell is in a pool, we retain more business rates as the levy rate is 0% instead of 50% outside of the pool. In 2016-17, the North Oxfordshire Business Rates Pool consisted of Cherwell District Council, West Oxfordshire District Council and Oxfordshire County Council. This combination of authorities results in a levy of 0%. Should other authorities join the Pool then the levy would be more than 0% and Cherwell would have to pay the levy to Central Government.
- 3.6 For the financial year 2016-17 Cherwell entered into a distribution arrangement with the other Oxfordshire authorities under which Oxford City Council and South Oxfordshire District Council agreed to be omitted from the Pool of authorities whose business rates base would be used to maximise the potential funds available for distribution. Under this arrangement the levy remains at 0%, but Oxford City Council and South Oxfordshire District Council share in the risks and rewards of being in the Pool. Cherwell's proportion of the pooling gain is therefore smaller than anticipated and has resulted in a small deficit forecast at the end of 2016-17 financial year.
- 3.7 The retained business rates income budgeted for in 2016-17, including the baseline funding of £3,494,939, is £6,275,000. At the end of March 2017 the retained business rates income, after allowing for accounting adjustment for provisions, is £6,231,883 which is £43,117 or 0.7% less than budgeted. This is detailed in the table 3 below:

Table 3: Budget monitoring 2016-17

	Budget	Forecast Outturn	Variance
	£'000	£'000	£'000
Baseline funding	-3,495	-3,495	0
Retained Business Rates	-2,780	-2,737	43
2016-2017 impact on General Fund	-6,275	-6,232	43

New Rating List 2017

- 3.8 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 1 April 2017. The Rating List has just been published and for Cherwell there has been an increase in the Rateable Value of 21.5%. This is more than the national average increase of 11%.

The Government tries to make the impact of a new Rating List fiscally neutral to local authorities by adjusting the multiplier downwards so that the estimated business rates income for a local authority is not too dissimilar from the current Rating List.

The Government make other adjustments to the tariff to further try to neutralise the impact of the new Rating List. For Cherwell, there will be a tariff adjustment to increase the amount of tariff paid over to Central Government because the increase to the Rateable Value is more than the national average. These figures have been built into the budget for 2017-18.

Future quarterly monitoring reports will be based on 2017 Rating List rateable values.

4.0 Conclusions 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:

Sanjay Sharma, Interim Head of Finance, 01295 221564
sanjay.sharma@cherwellandsouthnorthants.gov.uk

Legal Implications

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

Comments checked by:

Nigel Bell, Team Leader - Planning & Litigation, 01295 221687
nigel.bell@cherwellandsouthnorthants.gov.uk

Risk Management

7.3 The report highlights the need to monitor business rates income against budget to understand the implications of any significant variances. Risk 'S02 – Financial Resilience' is monitored on a regular basis as part of the Council's Corporate Risk Register and will be monitored through the operational risk register. Any increase in risk is reviewed and acted on.

Comments checked by: Louise Tustian

Louise Tustian, Team Leader - Strategic Intelligence and Insight Team 01295 221786

louise.tustian@cherwellandsouthnorthants.gov.uk

Equality and Diversity

7.4 There are no equality and diversity implications arising out of this report.

Comments checked by: Louise Tustian

Louise Tustian, Team Leader - Strategic Intelligence and Insight Team 01295 221786

louise.tustian@cherwellandsouthnorthants.gov.uk

8.0 Decision Information

Wards Affected

All

Links to Corporate Plan and Policy Framework

This links to the Council's priority of Sound Budgets and a Customer Focused Council.

Lead Councillor

Councillor Tony Illot, 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

Cherwell District Council

Budget Planning Committee

25 July 2017

Review of Procurement Strategy Progress

Report of Chief Finance Officer

This report is public

Purpose of report

This report summarises the Council's Procurement Strategy progress for Quarter 4 of the financial year 2016-17.

1.0 Recommendations

The meeting is recommended:

- 1.1 That the Committee note the progress made during Quarter 4 2016-17 in implementing the Council's Procurement Strategy.

2.0 Introduction

- 2.1 The shared procurement team is used to ensure we drive down costs wherever we can, improve the procurement process so it is as streamlined as possible (these are known as process savings) and ensure the regulatory minefield of procurement legislation is adhered to in order to protect the interests of the Council.

3.0 Report Details

- 3.1 The procurement team continue to sell procurement support to the Graven Hill Development Company, advising on procurement projects with a total spend of circa £40m.
- 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 Quarter 4 16/17 are shown in the table below.
- 3.4 The budget for running the Procurement Team for Cherwell District Council is £104,000 per annum.

Project	Procurement added value				Cumulative Total
	Q1	Q2	Q3	Q4	
Cost savings					
Satisfaction survey	£21,000				
Banking services (£18,000 over 4 years)		£1,125	£1,125	£1,125	
Early payment discount for Diesel (£500 over 1 year)		£125	£125	£125	
Woodgreen leisure centre management (£938,000 over 18 years)		£13,000	£13,000	£13,000	
Legal support (£10,000 over two years)			£1,250	£1,250	
On line legal database access (£9,000 over three years)			£750	£750	
Waste Management software (£7,621 over 4 years)				£476	
Agency Staff (£230,000 over 2 years)				£28,750	
Sub total	£21,000	£14,250	£16,250	£45,476	£96,976
Process saving					
Contract payment schedule correction	£1,000				
Internal audit contract extension		£6,000			
Choice based letting software leasing			£6,000		
ICT support			£3,000		
Staff benefit service			£3,000		
PAT testing			£3,000		
Waste Management software				£3,000	
Agency Staff				£3,000	
Sub total	£1,000	£6,000	£15,000	£6,000	£28,000
Under budget					
Sub total		£0			
Bid differential					
Bicester sports	£7,500				

facilities review					
Bicester master plan consultancy	£10,000				
Retender of Kingsmere sports pavilion works	£600,000				
Commercial health check consultancy			£8,700		
Commercial training			£7,740		
Sub total	£617,500	£0	£16,440	£0	£633,940
Total	£639,500	£20,250	£47,690	£51,476	£758,916

3.5 The list below is a sample of current procurement activity:

Project	Comment
Advertising services	Finalising reports to recommend appointment of supplier to consult with officers responsible for drafting and placing advertising with view to reduce requirement and cost per cm.
External printing	Currently analysing requirement and evaluating options.
Insurance	Currently reviewing cover and excess details prior to competitive market engagement.
Wide Area Network design and provide	Currently evaluating returns from competitive process.
Dry waste recycling	Early market engagement to shape project.
Payment kiosk maintenance	Considering longer term opportunity with additional kiosk for SNC.

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 Quarter 4 2016/17.

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 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, Chief Financial Officer 0300 003 0106
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

Background Papers	
None	
Report Author	Richard Stirling
Contact Information	01327 322113 richard.stirling@cherwellandsouthnorthants.gov.uk

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Cherwell District Council

Budget Planning Committee

25 July 2017

Council Tax Reduction Scheme 2018-2019

Report of the Chief Finance Officer

This report is public

Purpose of report

To provide members with an update on the implications of the current Council Tax Reduction Scheme (CTRS) and the changes to discounts, including the impact on collection rates, and to provide members with options to consider for a Council Tax Reduction Scheme for 2018-2019 so that consultation may be undertaken.

1.0 Recommendations

The meeting is recommended:

- 1.1 To note the contents of the report and any financial implications for the Council.
- 1.2 To recommend to Executive which option(s) should be considered for the CTRS for 2018-2019 so that consultation may be undertaken.

2.0 Introduction

- 2.1 In December 2016 members approved a Council Tax Reduction Scheme (CTRS) for Cherwell District Council for the financial year 2017-2018. The scheme remained the same as in 2016-2017 and mirrored the previous Council Tax Benefit scheme.
- 2.2 The scheme for pensioners is set nationally and pensioners have not seen any change to the support they receive. However Cherwell District Council can design its own scheme for working age customers.
- 2.3 The Council Tax Reduction scheme is based on a fixed cash grant based on approximately 90% of the previous Council Tax Benefit subsidy giving a funding shortfall for Cherwell of £742,430
- 2.4 The funding shortfall is mostly offset by the changes to locally set Council Tax Discounts.

3.0 Report Details

Position so far

Council Tax Reduction Scheme

- 3.1 As the funding for CTRS is a fixed cash grant the cost of any increase in the level of demand will be borne by the Council. The Council Tax Reduction caseload has been monitored and there has been a small decrease in the number of live cases from 7193 in July 2016 to 7087 in July 2017.

Impact on Parish Councils

- 3.2 Members may recall that the regulations for calculating the Council Tax Base were amended to reflect the Council Tax Reduction Scheme and had the affect of reducing the tax base for the billing authority, major preceptors and the Police and Crime Commissioner for Thames Valley and local preceptors. This is because Council Tax Reduction is a discount rather than a benefit and therefore we do not collect the full amount of Council Tax from tax payers who qualify for Council Tax Reduction. The impact of the reduced tax base was mitigated in part by changes made to discounts and exemptions. The Council passports a grant to parish councils to mitigate the impact on them.

Impact of the changes to discounts and exemptions

- 3.3 Members will also recall that the Local Government Finance Act 2012 abolished certain exemptions with effect from 1 April 2013 and replaced them with discounts which can be determined locally.
- 3.4 Council determined that furnished chargeable dwellings that are not the sole or main residence of an individual (i.e. second homes) should no longer receive a discount. They had previously received a discount of 10%. If we continue to set the discount at zero it is estimated that this will result in additional income of £82,321 for the 2018-2019 financial year.
- 3.5 Council also determined that the discount in respect of unoccupied and substantially unfurnished properties should be reduced to 25% for a period of six months and thereafter to zero. This will result in additional income of £289,375.
- 3.6 Council further exercised its discretion to determine that chargeable dwellings which are vacant and undergoing major repair work to render them habitable should be given a discount of 25% for a period of 12 months. This is expected to result in additional income of £21,403.
- 3.7 Prior to 1st April 2013 billing authorities could charge up to a maximum of 100% council tax on dwellings that have been empty for more than 2 years. From April 2013 powers were given to local authorities to charge a premium of up to 50% of the council tax payable. The projected additional income from charging an Empty Homes Premium is £109,347. If this causes more long term empty properties to be brought back into use it will have a beneficial impact on New Homes Bonus.

Impact of Council Tax Reduction Scheme on collection rates

- 3.8 A council tax collection rate of 98.35% was achieved for 2016-2017 against the target of 98.25%. Collection rates for the first two months of the 2017-2018 are on target. In considering the Council Tax Reduction Scheme for 2018-2019 members should be mindful that any changes to the scheme that reduce entitlement to CTRS could have an adverse impact on collection rates and cost of collection.

Universal Credit

- 3.9 Universal Credit Full Digital Service will go live in Oxford in October 2017 and Banbury in November 2017 therefore impacting on residents in the Cherwell area. Minor amendments may be considered to the Council Tax Reduction Scheme Regulations to reflect the calculation of Council Tax Reduction for residents in receipt of Universal Credit.

Council Tax Reduction Scheme 2017-2018

- 3.10 Members will be aware that the national 10% reduction in government funding for Council Tax Reduction Schemes over the last five years has been offset by the additional income generated by changes to discounts.

The Government has not yet released indicative figures for 2018-2019. For the purposes of calculating the new Council Tax Reduction scheme for 2018-2019 an assumption has been made that funding will reduce again by 10%

- 3.11 Financial modelling on the options for a new scheme for 2018-2019 has been undertaken as shown below:

Options

Option 1 – No change to current local Council Tax Reduction scheme or Council Tax discounts and amending the Regulations for changes announced in the Budget

The 'change nothing' approach would mean retaining the current Council Tax Reduction Scheme. The only changes required would be to the detail of the scheme and updating the Regulations. The shortfall in funding would be offset, in part, by the changes made to discounts in Council Tax.

Option 2 – Revised Council Tax Reduction scheme with current council tax Discounts

This option could include reducing support for working age people and would mean that all working age claimants would have to pay a percentage of their council tax liability regardless of their circumstances. Percentage reductions of 8.5%, 10%, 15% and 20% have been modelled.

	100%	91.5%	90%	85%	80%
	£	£	£	£	£
Overall funding loss	742,430	742,430	742,430	742,430	742,430
Second homes income	-82,321	-82,321	-82,321	-82,321	-82,321
Empty homes discount of 25% for up to 6 months; no change in policy since 2013 so no additional income	-289,375	-289,375	-289,375	-289,375	-289,375
Uninhabitable homes discount of 25% for 12 months	-21,403	-21,403	-21,403	-21,403	-21,403
Long term empty premium	-109,347	-109,347	-109,347	-109,347	-109,347
Reduction in expenditure based on % liability	0	-352,896	-415,171	-622,757	-830,343
Total funding gap (+)/additional income (-)	239,984	-112,912	-175,188	-382,773	-590,359
Funding gap (+)/additional income (-) for CDC	16,799	-7,904	-12,263	-26,794	-41,325

4.0 Conclusion and Reasons for Recommendations

- 4.1 From April 2013 Council Tax Benefit was abolished and replaced with a local Council Tax Reduction Scheme.
- 4.2 Members are now required to recommend to Executive for consultation purposes a Council Tax Reduction Scheme for the 2018-2019 financial year.

5.0 Consultation

There is a requirement to consult with the public, major preceptors and other parties who may have an interest in the Council Tax Reduction Scheme. In October 2014 a Supreme Court judgement ruled that consultation must be not only on the preferred option but also on all other potential options such as reducing council services and raising council tax.

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: To not recommend any of the options for a scheme for 2018-2019 This would have financial implications for the Council and those residents affected by Welfare Reform.

7.0 Implications

Financial and Resource Implications

7.1 See table contained in this report.

Comments checked by:
Paul Sutton Chief Finance Officer,
Paul.sutton@cherwellandsouthnorthants.gov.uk

Legal Implications

7.2 The Council is required to approve a Council Tax Reduction Scheme on an annual basis. Failure to do so will affect the reputation of the Council and will have a financial implication for residents.

Comments checked by:
Matt Marsh, Solicitor
matt.marshy@cherwellandsouthnorthants.gov.uk

8.0 Decision Information

Key Decision

Financial Threshold Met: Not applicable

Community Impact Threshold Met: Not applicable

Wards Affected

All

Links to Corporate Plan and Policy Framework

This links to the Council's priorities of a district of opportunity and sound budgets and a customer focused council

Lead Councillor

Councillor Tony Ilott Lead Member for Financial Management

Document Information

Appendix No	Title
None	
Background Papers	
None	
Report Author	Belinda Green (Joint and Benefits Manager)
Contact Information	Belinda Green: 01327 322182 Belinda.green@southnorthants.gov.uk

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Cherwell District Council
Budget Planning Committee

25 July 2017

**Spring Budget 2017 – Business Rates Relief
Schemes**

Report of Chief Finance Officer

This report is public

Purpose of report

To provide members of Budget Planning Committee with an update on the Spring Budget 2017 changes to Business Rates and to provide members with details of the proposed local Discretionary Business Rate Relief Scheme and Pubs Relief Scheme.

1.0 Recommendations

The meeting is recommended:

- 1.1 To note the contents of the report and any financial implications for the Council.
- 1.2 To consider any amendments to the proposed local Discretionary Business Rate Relief Scheme.
- 1.3 To recommend to Executive the adoption of the final local Discretionary Relief Business Rate Relief Scheme and the Pubs Relief Scheme.

2.0 Introduction

- 2.1 The Council collects National Non-Domestic Rates (NNDR) on behalf of Government under the Local Government Finance Act 1988. The rateable value of all properties are normally reassessed every 5 years, but the 2017 revaluation which came into force on 1 April 2017 was deferred for 2 years.
- 2.2 The 2017 Revaluation has seen considerable increases in bills for some ratepayers and the Government has, as is usual, introduced a transitional scheme for phasing in both increases and reductions. However, even though the transitional scheme has provided some assistance, a large number of ratepayers still face considerable increases in their bills. The Government has, therefore, decided to introduce 3 measures to provide support to businesses as follows:

- Supporting small businesses
- New Local Discretionary Relief Scheme
- New Business Rate Relief Scheme for Pubs

2.3 In each case the Government expects billing authorities to use their discretionary powers under section 47 of the Local Government Finance Act 1988 to deliver these new reliefs.

3.0 Report Details

Supporting Small Businesses Relief

3.1 Supporting small businesses relief was introduced for those ratepayers facing large increases as result of the loss of small business rate relief or rural rate relief. For Cherwell District Council it is estimated that this relief will apply to less than 10 businesses. Its effect is to limit increases in business rates to the greater of:

- A percentage increase per annum of 5%, 7.5%, 10%, 15% and 15% plus inflation from 2017/18 to 2021/22, or
- A cash value of £600 per year (£50 per month). This cash minimum increase ensures that those ratepayers paying nothing or very small amounts in 2016/17 after small business rate relief are brought into paying something.

3.2 Hereditaments eligible for charity or Community Amateur Sports Club relief or hereditaments which are unoccupied are not eligible for Supporting Small Businesses Relief.

3.3 Central government will reimburse billing authorities and major precepting authorities for the actual cost to them under the rates retention scheme of the Supporting Small Businesses Relief.

New Discretionary Relief Scheme

3.4 In the Spring Budget the Government announced £300m for local councils to finance business rates relief for revaluation support. The Government's extra funding can only support relief schemes targeted at businesses facing an increase in their business rates bill following the 2017 Revaluation. The allocations have been based on the 2017-18 gross bill increase where the business rates bill is increasing by more than 12.5% following revaluation and the property's rateable value is less than £200,000.

The Government's funding allocation for Cherwell District Council is set out below:

2017-18	2018-19	2019-20	2020-21
£736,000	£358,000	£147,000	£21,000

- 3.5 Each billing authority is required to devise its own local Discretionary Relief Scheme for the 2017-2018 financial year and before we can introduce our own scheme there is a requirement to consult with major precepting authorities.
- 3.6 Given that the purpose of the four year government scheme is to provide relief to ratepayers who face an increase in their bill due to the revaluation, that the increases in those bills are being phased in at different rates each year and that many ratepayers' bills will cease to be in transition each year as they reach their full bill, it will be necessary to design a new local Discretionary Relief Scheme each year so the relief can be targeted at those ratepayers still facing increases in their bills.
- 3.7 Billing authorities are expected to deliver the scheme through the use of their discretionary relief powers under section 47 of the Local Government Finance Act 1988, as amended. Billing authorities will be compensated through a Section 31 grant for the cost to the authority of granting the relief, up to a maximum amount based on the authority's allocation of the £300m fund.
- 3.8 Initial analysis has shown that 127 businesses may qualify for the Local Discretionary Relief at a total estimated cost of £387,370.68 if the whole of their increased business rates liability is met above a 12.5% increase. This is significantly less than Cherwell District Council's funding allocation as the occupiers of many of these properties are multi-nationals who it is proposed are excluded from the Scheme.
- 3.9 The proposed draft scheme is attached at Appendix A.

New Business Rate Relief Scheme for Pubs

- 3.10 Business rate relief for pubs is a discount worth up to £1,000 a year where the rateable value is less than £100,000. Subject to state aid rules, it is estimated that 96 businesses in the Cherwell District will be eligible for this category of relief. This measure is for the 2017/18 financial year only.
- 3.11 Guidance has been issued on the design and delivery of the scheme and the proposed policy is attached at Appendix B.
- 3.12 Government will reimburse billing authorities and major precepting authorities for the actual cost to them under the rates retention scheme of the relief that falls within the adopted criteria for pubs relief.

4.0 Conclusions and Reasons for Recommendations

- 4.1 Members are asked to note the contents of the report and consider any comments they may wish to make for the future consideration of Executive.

5.0 Consultation

- 5.1 It is a requirement of the Local Discretionary Relief Scheme that we consult with major preceptors on the proposed scheme. Oxfordshire County Council have been consulted with and confirmed their agreement to the proposed scheme, but if any significant changes are proposed we will undertake further consultation.

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: Members could choose not to recommend the proposed schemes to Executive, but in view of the fact that expenditure will be reimbursed the Government expects billing authorities to grant relief to all qualifying ratepayers.

7.0 Implications

Financial and Resource Implications

- 7.1 The report sets out a proposed Local Discretionary Relief scheme to provide relief to business ratepayers in properties facing substantial business rates rises as a result of the Revaluation. The local scheme aims to distribute no more than the Government grant provided for this purpose in the Spring Budget, namely £736,000, in 2017/18. It is considered prudent to retain 15% (£110,400) of the Government funding to cover eligible rate increases which may arise during the financial year to allow for changes in rateable value due to appeals and other adjustments.
- 7.2 For small businesses and pubs the Government has announced that it will reimburse councils for the actual cost of relief granted, in accordance with its guidance, through Section 31 grant.

Comments checked by:

Sanjay Sharma, Interim Head of Finance 01295 221564
sanjay.sharma@cherwellandsouthnorthants.gov.uk

Legal Implications

- 7.3 Section 47 of the Local Government Finance Act 1988 and subsequent amending legislation provides the criteria for awarding discretionary rate relief to certain categories of non-domestic ratepayer.
- 7.4 Section 69 of the Localism Act 2011 provides a new discretionary power to reduce business rates for any local ratepayer. It is this new power that the Government is directing billing authorities to use to award the new categories of relief.
- 7.5 Relief from taxes, including non-domestic rates, can constitute state aid under European Union legislation. There are block exemptions from the state aid rules where the aid is below a de minimis level. The de minimis level applies to all de minimis aid received, including other Government subsidies or grants, in addition to any rate relief given as a de minimis aid. It will be for the Council to ensure that any relief granted does not transgress state aid rules. The de minimis threshold is €200,000 from all sources to the recipient as a whole over a rolling period of three years.

Comments checked by:

Richard Hawtin, Team Leader – Non Contentious Business, Law and Governance
01295 221695

richard.hawtin@cherwellandsouthnorthants.gov.uk

Risk Management

- 7.6 Government believes that local authorities are best placed to judge the particular circumstances of local ratepayers and have therefore directed funded where it is most needed to support local economies. Government want local authorities to implement a local Discretionary Relief Scheme as quickly as possible following consultation, and subject to required software changes, to provide financial support to businesses requiring it. In not doing so, we may be subject to reputational risk from the business community. This will be managed as part of the services operational risk register and escalated as and when necessary.

Comments checked by:

Louise Tustian, Team Leader, Strategic Intelligence and Insight 01295 221786

LouiseTustian2@cherwellandsouthnorthants.gov.uk

Equality and Diversity

- 7.7 Equalities considerations will be included in the monitoring of the policies, once agreed, to ensure that we are able to demonstrate that relief is awarded fairly and in accordance with the stated criteria.

Comments checked by:

Caroline French, Business Transformation Project Officer 01295 221586

caroline.french@cherwellandsouthnorthants.gov.uk

8.0 Decision Information

Wards Affected

All

Links to Corporate Plan and Policy Framework

Sound budgets and a customer focused council

Lead Councillor

Councillor Tony Ilott

Lead Member for Financial Management

Document Information

Appendix No	Title
A	Draft local Discretionary Relief Scheme
B	Draft Pubs Relief Scheme
Report Author	Geni Hotchkiss, Business Support Unit Manager
Contact Information	01327 322170 geni.hotchkiss@cherwellandsouthnorthants.gov.uk



Draft Local Discretionary Business Rate Relief Scheme for 2017/18

1. Introduction

The Local Discretionary Business Rate Relief Scheme applies for the period 1 April 2017 to 31 March 2018 only. Under the scheme relief will only be provided where a qualifying ratepayer's bill has increased due to the 2017 Revaluation.

The assistance Cherwell District Council is able to offer under the scheme is limited by the funding provided. The funding allocation is £736,000 for 2017/18, but £110,400 will be kept in reserve to allow for rateable value adjustments for appeals and other changes.

2. Qualifying Criteria

- 2.1 The ratepayer must be in occupation of the property on 31 March 2017. No relief will be awarded to a ratepayer taking up occupation on or after 1 April 2017.
- 2.2 All other mandatory reliefs must have been applied for prior to an application for Local Discretionary Business Rate Relief being considered.
- 2.3 The 2017 Rateable Value must be £200,000 or less.
- 2.4 Where a property is formed following a split, merger or reorganisation a new calculation will be carried out.
- 2.5 Where a qualifying ratepayer's 2016/2017 or 2017/2018 business rates bill is reduced for any of the following reasons the amount of relief will be reduced or removed accordingly:
 - A reduction in rateable value in the 2010 Rating List or 2017 Rating List
 - The provision of a certificated rateable value for the 2010 Rating List or a historical change
 - The application of any additional relief or exemption
 - Vacation and reoccupation of the property

- Any other relevant reason

3. Exclusions

3.1 Relief will not be awarded to the following types of ratepayers and properties:

- Precepting bodies (County, District and Parish Councils)
- Banks, building societies and other major financial institutions
- Multi-national businesses or large chains
- Businesses which occupy 3 or more properties
- National Health Service
- Charities
- Central Government bodies

3.2 Ratepayers occupying properties on or after 1 April 2017.

3.3 Properties which were not on the Rating List on 1 April 2017.

3.4 Unoccupied properties

3.5 Where the award of relief would not comply with EU law on State Aid.

4. State Aid

Ratepayers will be required to confirm that they have received any other State Aid that exceeds €200,000 in total including any other rates relief being granted for premises other than the one to which the declaration relates, under the De Minimis Regulations EC 1417/2013.

Further information on State Aid law can be found at <https://www.gov.uk/state-aid>

5. How will the Local Discretionary Business Rate Relief be calculated?

Local Discretionary Business Rate Relief will be calculated after any or all of the following have been applied:

- Exemptions and other reliefs
- Transitional arrangements

6. Application Process

An application form must be completed. All applications will be considered on their individual merits.

A calculation will be carried out to ensure no-one is disadvantaged if they may be eligible for other Spring Budget reliefs.

7. Appeals

All appeals must clearly state the ground(s) and be made in writing to: Revenues and Recovery Team, Cherwell District Council, Bodicote House, Bodicote, Banbury OX15 4AA.

Any appeal will be judged in line with this policy and the decision is to be taken at the sole discretion of the Chief Finance Officer in consultation with the Joint Revenues and Benefits Manager. All appeals will be reviewed within 4 weeks of submission of all necessary information. All decisions taken on appeals are final and the outcome will be recorded and advised to the ratepayer in writing. If an appeal is successful, rate relief will be backdated for the full eligible period within the 2017/18 financial year.

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Pubs Relief Scheme

1. Introduction

The Government recognises the important role that pubs play in urban and rural communities across the country. At Spring Budget 2017, the Chancellor announced a £1,000 business rates discount for public houses with a rateable value of up to £100,000 for one year from 1 April 2017.

2. Legislative framework

The Government expects billing authorities to use their discretionary relief powers under section 47 of the Local Government Finance Act 1988 to grant relief to all qualifying ratepayers.

3. Duration of the relief

The relief is only applicable for the 2017/18 financial year.

4. Eligibility criteria

The scheme is available to eligible occupied properties with a rateable value of less than £100,000. Where pubs are part of a chain, relief will be available for each eligible property in the chain, subject to meeting State Aid requirements.

There is no definitive description of a traditional pub or public house in law, however the Government's policy intention is that eligible pubs should:

- be open to the general public
- allow free entry other than when occasional entertainment is provided
- allow drinking without requiring food to be consumed
- permit drinks to be purchased at a bar

For these purposes it excludes:

- restaurants
- cafes
- nightclubs
- hotels
- snack bars
- guesthouses
- boarding houses
- sporting venues
- music venues
- festival sites
- theatres
- museums
- exhibition halls
- cinemas
- concert halls
- casinos

5. Amount of relief available

The amount of relief available is up to £1,000 for each eligible property. There is no relief available under this scheme for properties with a rateable value of £100,000 or more. Eligibility for the relief and the relief itself will be assessed and calculated on a daily basis.

In addition to the pub relief scheme, the Chancellor announced in Spring Budget 2017 that £110 million will be available to assist ratepayers losing small business rates relief or rural rate relief as a result of revaluation. On top of this, the Government has also made available a separate £300m discretionary relief fund over the next four years to enable local authorities to help individual businesses that are facing increased rates bills. Both of these schemes may also be available to pubs.

6. Applying for relief

The Council will automatically grant business rates relief for pubs as and when we are aware of businesses which may qualify for the relief. This policy will be published on the Council's website www.cherwell.gov.uk.

If a ratepayer wishes to apply for the relief they should contact the Council at business.rates@cherwell-dc.gov.uk.

7. State aid

State Aid law is the means by which the European Union regulates state funded support to businesses. Providing discretionary relief to ratepayers is likely to amount to State Aid. However the relief will be State Aid compliant where it is awarded in accordance with the De Minimis Regulations.

The De Minimis Regulations allow an undertaking to receive up to €200,000 'de minimis' aid over a rolling three year period. If the ratepayer is receiving, or has received any 'de minimis' aid granted during the current or two previous financial years (from any source), they should inform us when making the application or following receipt of the relief where no application is made.

8. Appeals

An appeal can be made on the following grounds:

- (a) the property is of a type specifically stated as being eligible for relief and the Council has, by error, omitted to grant the relief.
- (b) The property is not of a type specifically stated as being eligible for relief, but by analogy the use is comparable to that of the Government's policy intention.

All appeals must clearly state the ground(s) and be made in writing to: Revenues and Recovery Team, Cherwell District Council, Bodicote House, Banbury OX15 4AA.

Any appeal will be judged in line with this policy and the decision is to be taken at the sole discretion of the Chief Finance Officer in consultation with the Joint Revenues and Benefits Manager. All appeals will be reviewed within 4 weeks of submission of all necessary information. All decisions taken on appeals are final and the outcome will be recorded and advised to the ratepayer in writing. If an appeal is successful, rate relief will be backdated for the full eligible period within the 2017/18 financial year.

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Date	Agenda Items
25 July	Medium Term Revenue Plan Outturn against Budget 2016/17 Business Rates Monitoring 2016/17 Procurement Monitoring 2016/17 CTRS report Spring Budget 2017 - Business Rates Relief
30 August	Q1 Budget Monitoring: Revenue, Funding, Capital & Reserves Q1 Procurement Monitoring Q1 Business Rates Monitoring Q1 Write Offs Medium Term Revenue Plan
26 September	Budget Guidelines 2018/19 Medium Term Revenue Plan
31 October	Q2 Budget Monitoring: Revenue, Funding, Capital & Reserves Q2 Procurement Monitoring Q2 Business Rates Monitoring Q2 Write Offs Medium Term Revenue Plan CTRS report
28 November	Capital Bids 2018/19 Discounts and Exemptions Review Fees and Charges 2018/19 Medium Term Revenue Plan
30 January	Revenue and Capital Budget 2018/19 (Incl. MTFs) Provisional LG Settlement 2017/18 Discretionary Rate Relief Policy
27 February	Q3 Budget Monitoring: Revenue, Funding, Capital & Reserves Q3 Procurement Monitoring Q3 Business Rates Monitoring Q3 Write Offs

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